



Second Quarter 2021

NASDAQ: FRST



Forward-Looking Statements

This presentation and certain of our other filings with the Securities and Exchange Commission contain statements that constitute “forward-looking statements” within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are forward-looking statements. Such statements can generally be identified by such words as "may," "plan," "contemplate," "anticipate," "believe," "intend," "continue," "expect," "project," "predict," "estimate," "could," "should," "would," "will," and other similar words or expressions of the future or otherwise regarding the outlook for the Company's future business and financial performance and/or the performance of the banking industry and economy in general. These forward-looking statements include, but are not limited to, our expectations regarding our future operating and financial performance, including our outlook and long-term goals for future growth; our expectations regarding net interest margin; expectations on our growth strategy, expense management, capital management and future profitability; expectations on credit quality and performance; statements regarding the potential effects of the COVID-19 pandemic on our business and financial results and conditions; and the assumptions underlying our expectations.

Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties which may cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are based on the information known to, and current beliefs and expectations of, the Company's management and are subject to significant risks and uncertainties. Actual results may differ materially from those contemplated by such forward-looking statements. Factors that might cause such differences include, but are not limited to: the Company's ability to implement its various strategic and growth initiatives, including its announced new digital bank; competitive pressures among financial institutions increasing significantly; changes in economic or political conditions, either nationally or locally, particularly in areas in which the Company conducts operations; interest rate risk; changes in applicable laws, rules, or regulations, including changes to statutes, regulations or regulatory policies or practices as a result of, or in response to the COVID-19 pandemic; changes in management's plans for the future; credit risk associated with our lending activities; changes in interest rates, inflation, loan demand, real estate values, or competition; changes in accounting principles, policies, or guidelines; adverse results from current or future litigation, regulatory examinations or other legal and/or regulatory actions, including as a result of the Company's participation in and execution of government programs related to the COVID-19 pandemic; the impact of the COVID-19 pandemic on the Company's assets, business, cash flows, financial condition, liquidity, prospects and results of operations; potential increases in the provision for loan losses resulting from the COVID-19 pandemic; and other general competitive, economic, political, and market factors, including those affecting our business, operations, pricing, products, or services.

Forward-looking statements speak only as of the date on which such statements are made. These forward-looking statements are based upon information presently known to the Company's management and are inherently subjective, uncertain and subject to change due to any number of risks and uncertainties, including, without limitation, the risks and other factors set forth in the Company's filings with the Securities and Exchange Commission, the Company's Annual Report on Form 10-K for the year ended December 31, 2020, under the captions “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors,” and in the Company's Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events. Readers are cautioned not to place undue reliance on these forward-looking statements.



Non-GAAP Measures

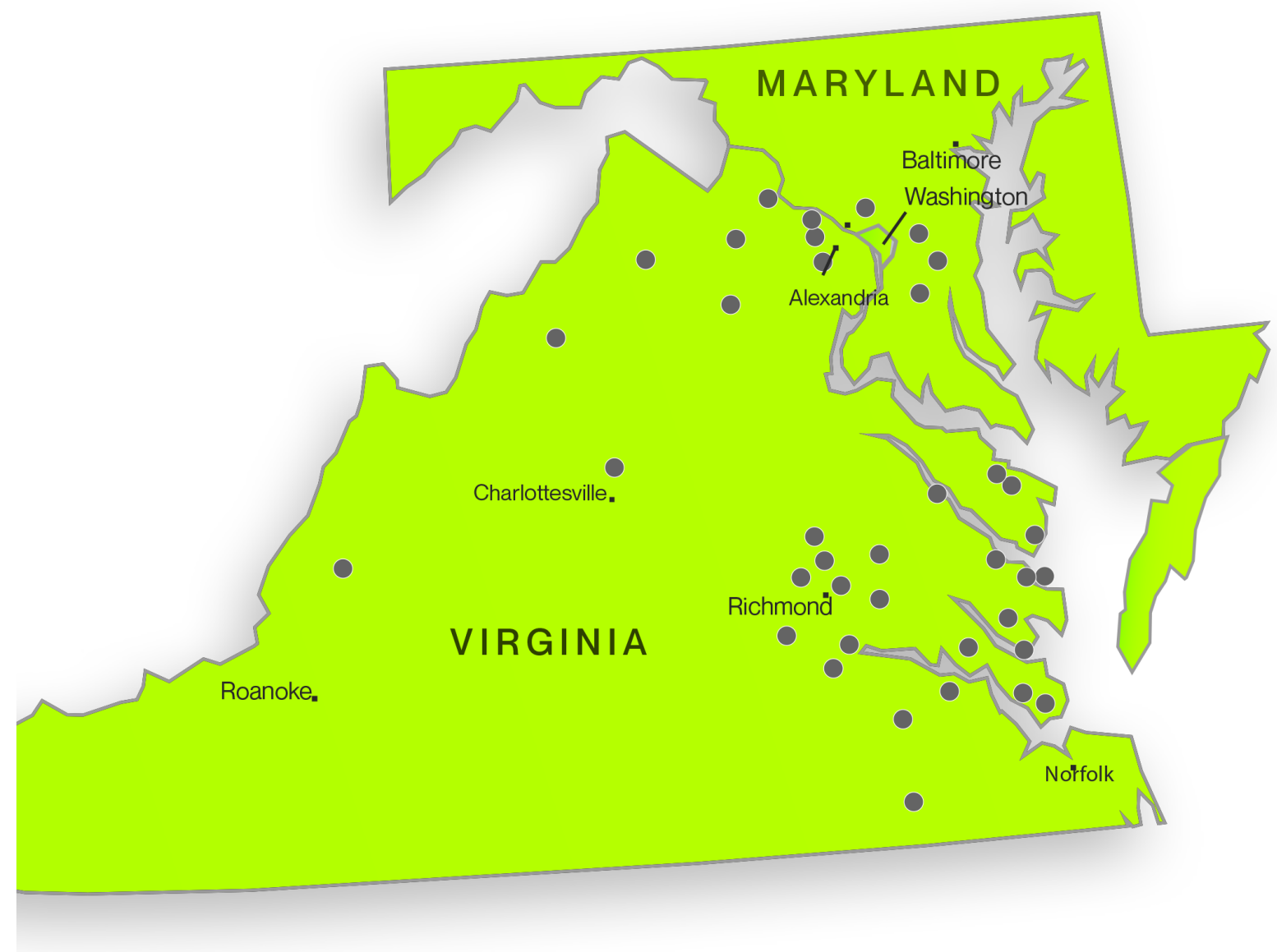
Statements included in this presentation include non-GAAP financial measures and should be read along with the accompanying tables. Primis uses non-GAAP financial measures to analyze its performance. The measures entitled pre-tax pre-provision operating earnings; pre-tax pre-provision operating return on average assets; tangible common equity; tangible common equity to tangible assets; tangible book value per share; and net interest margin excluding PPP loans are not measures recognized under GAAP and therefore are considered non-GAAP financial measures. A reconciliation of these non-GAAP financial measures to the most comparable GAAP measures is provided in the Reconciliation of Non-GAAP items table.

Management believes that these non-GAAP financial measures provide additional useful information about Primis that allows management and investors to evaluate the ongoing operating results, financial strength and performance of Primis and provide meaningful comparison to its peers. Non-GAAP financial measures should not be considered as an alternative to any measure of performance or financial condition as promulgated under GAAP, and investors should consider Primis's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of Primis. Non-GAAP financial measures are not standardized and, therefore, it may not be possible to compare these measures with other companies that present measures having the same or similar names.

Non-GAAP financial measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the results or financial condition as reported under GAAP.



Company Snapshot



Corp. Headquarters: McLean, VA
Bank Headquarters: Glen Allen, VA
Branches: 41
Ticker (NASDAQ): FRST

Balance Sheet

Assets: \$3.4 billion
Loans: \$2.3 billion
Deposits: \$2.8 billion
TCE/TA⁽¹⁾: 9.12%
TBV/Share⁽¹⁾: \$12.22

Profitability

ROAA: 1.23%
ROAE: 10.28%
ROATCE⁽¹⁾: 14.03%
Net Interest Margin: 2.80%
Efficiency Ratio: 66.15%

Valuation

Market Capitalization: \$378.7 million
Price / Book Value per Share 0.93x
Price / Tangible Book Value: 1.26x
Price / 2021 Estimated EPS⁽²⁾: 12.76x
Price / 2022 Estimated EPS⁽²⁾: 13.79x
Dividend Yield⁽³⁾: 2.59%



Investment Highlights

- **Talented management team and board committed to building long-term shareholder value**
- **Footprint in attractive banking markets**
- **Aggressive and early use of technology positioning the bank for superior performance as the industry evolves**
- **Significant operating leverage as loan demand recovers**



Management Team

	<u>Name</u>	<u>Title</u>	<u>Years in Industry</u>	<u>Years at Primis</u>
	Dennis Zember	President & CEO	25 Years	1.5 Years
	Barry Almond	Head of Retail Banking	34 Years	4 Years
	Bruce Brockwell	Head of Commercial Banking	30 Years	10 Years
	John Colantoni	Chief Risk Officer	32 Years	8 Years
	Marie Leibson	Chief Credit Officer	35 Years	16 Years
	Cody Sheflett	Chief Information Officer	23 Years	11 Years
	Tyler Stafford	CEO of Panacea Financial	14 Years	1 Year
	Matthew Switzer	Chief Financial Officer	16 Years	6 Months
	Stephen Weber	Chief Strategy Officer	22 Years	1 Year
	Cheryl Wood	Chief Administrative Officer	21 Years	21 Years

- Insiders have purchased over 1% of the Company's shares in the last 12 months



Meaningful Opportunities in Attractive Markets

Virginia

Rank	Institution (ST)	Deposits	Market Share
1	Truist Financial Corp. (NC)	\$43,087	18.6%
2	Bank of America Corporation (NC)	\$32,507	16.5%
3	Wells Fargo & Co. (CA)	\$35,068	15.5%
4	Capital One Financial Corp. (VA)	\$24,820	13.3%
5	Atlantic Union Bkshs Corp. (VA)	\$12,169	5.9%
6	TowneBank (VA)	\$7,174	3.3%
7	United Bankshares Inc. (WV)	\$6,979	2.9%
8	The PNC Finl Svcs Grp (PA)	\$4,020	2.0%
9	Carter Bankshares (VA)	\$3,159	1.2%
10	The Toronto-Dominion Bank	\$1,967	1.1%
14	Primis Financial Corp. (VA)	\$1,863	0.7%

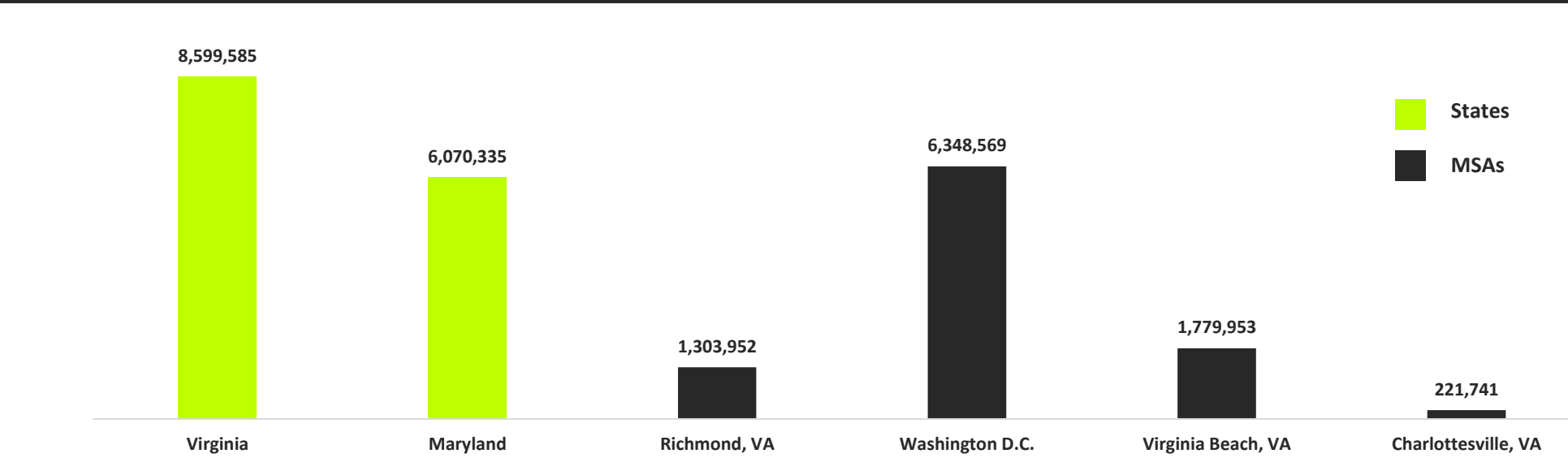
Washington D.C.

Rank	Institution (ST)	Deposits	Market Share
1	Capital One Financial Corp. (VA)	\$36,386	18.4%
2	Bank of America Corporation (NC)	\$38,189	15.8%
3	Truist Financial Corp. (NC)	\$33,144	14.5%
4	Wells Fargo & Co. (CA)	\$27,966	13.8%
5	The PNC Finl Svcs Grp (PA)	\$14,122	6.8%
6	United Bankshares Inc. (WV)	\$8,604	3.6%
7	Citigroup Inc. (NY)	\$8,748	3.5%
8	Sandy Spring Bancorp Inc. (MD)	\$6,982	3.0%
9	Eagle Bancorp Inc (MD)	\$7,012	3.0%
10	M&T Bank Corp. (NY)	\$4,165	2.2%
27	Primis Financial Corp. (VA)	\$657	0.2%

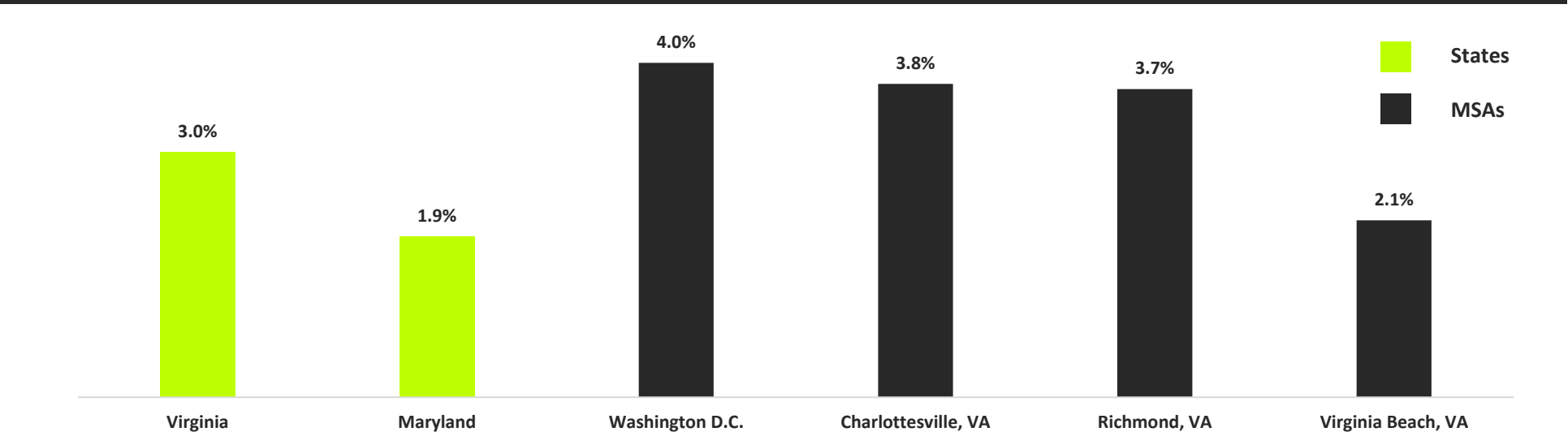
Richmond

Rank	Institution (ST)	Deposits	Market Share
1	Bank of America Corporation (NC)	\$16,277	45.3%
2	Truist Financial Corp. (NC)	\$7,774	17.7%
3	Wells Fargo & Co. (CA)	\$6,735	15.1%
4	Atlantic Union Bkshs Corp. (VA)	\$3,230	8.4%
5	TowneBank (VA)	\$1,102	2.3%
6	C&F Financial Corp. (VA)	\$870	2.0%
7	Community Bankers Trust Corp (VA)	\$681	1.5%
8	Primis Financial Corp. (VA)	\$572	1.3%
9	Blue Ridge Bankshares Inc. (VA)	\$499	1.1%
10	Village Bank & Trust Finl Corp (VA)	\$437	1.1%

Total Population 2021



Projected Population Growth 2021-2026





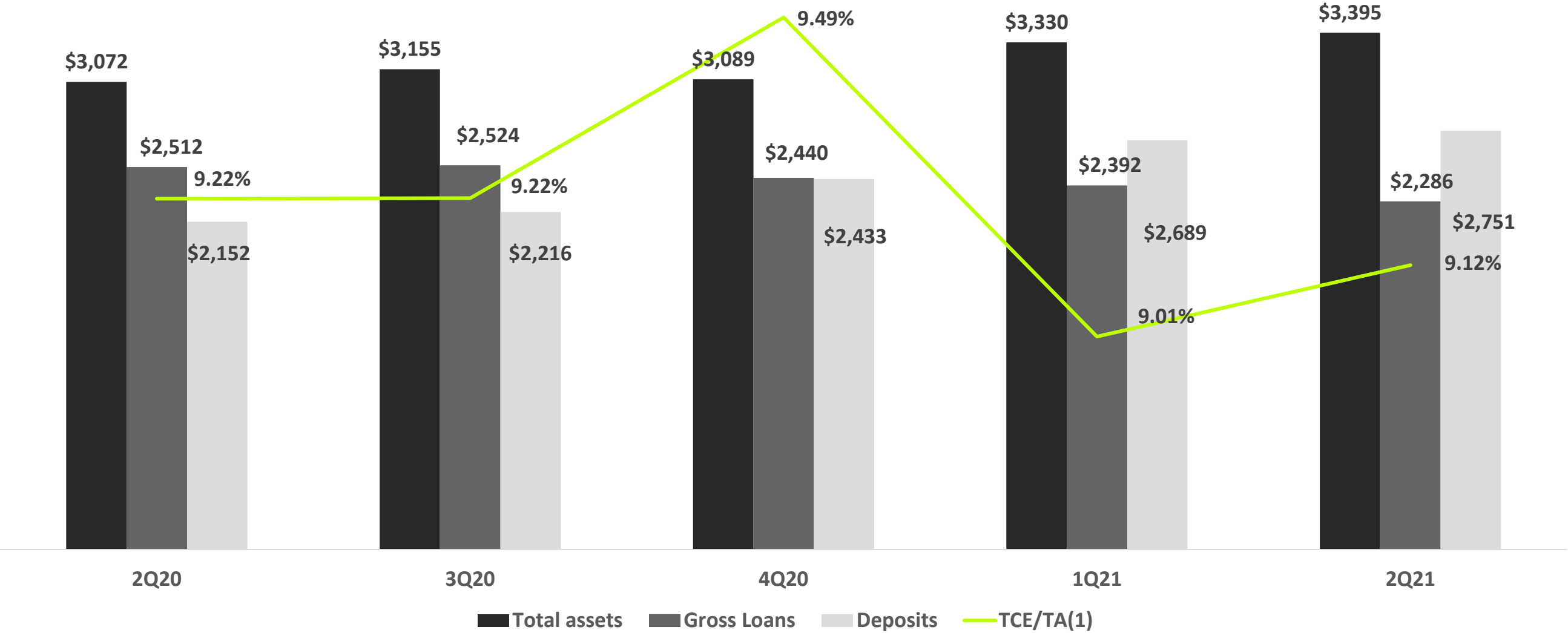
Strategic Update

Our focus is on building long-term shareholder value by pursuing the following:

Strategic Priorities	Progress Made
Maximize core funding	<ul style="list-style-type: none">• Core deposits now over 85% of total deposits with almost 20% non-interest bearing
Embrace technology for competitive advantage	<ul style="list-style-type: none">• On-track for Q4 launch of digital offering built on modern technology
Partner with FinTech entrepreneurs to drive above-average growth	<ul style="list-style-type: none">• Panacea Financial division building momentum and demonstrates our ability to execute on unique partnerships• Other opportunities in the pipeline



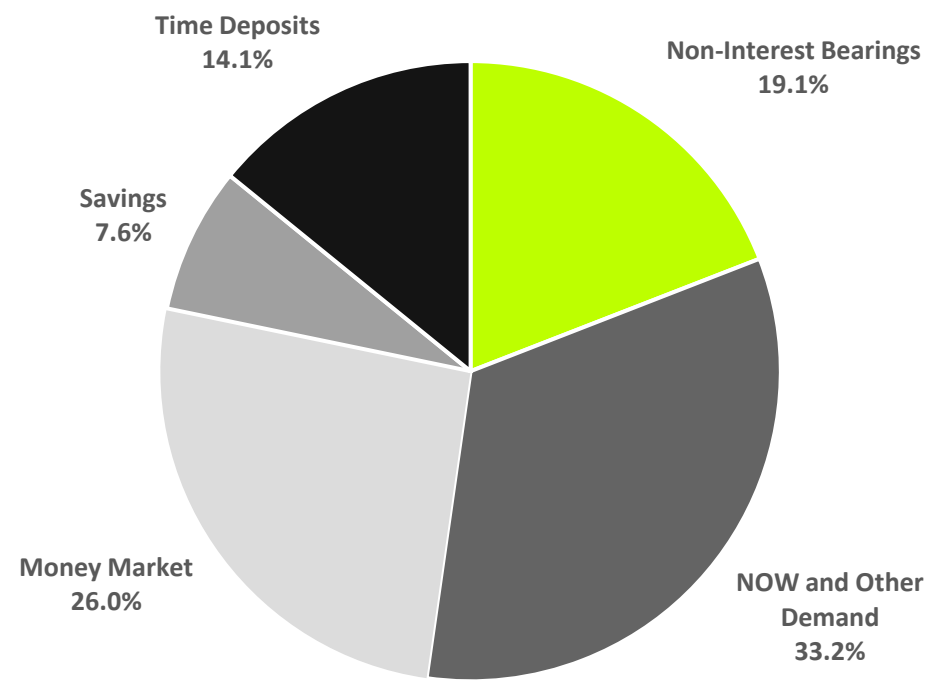
Balance Sheet Trends



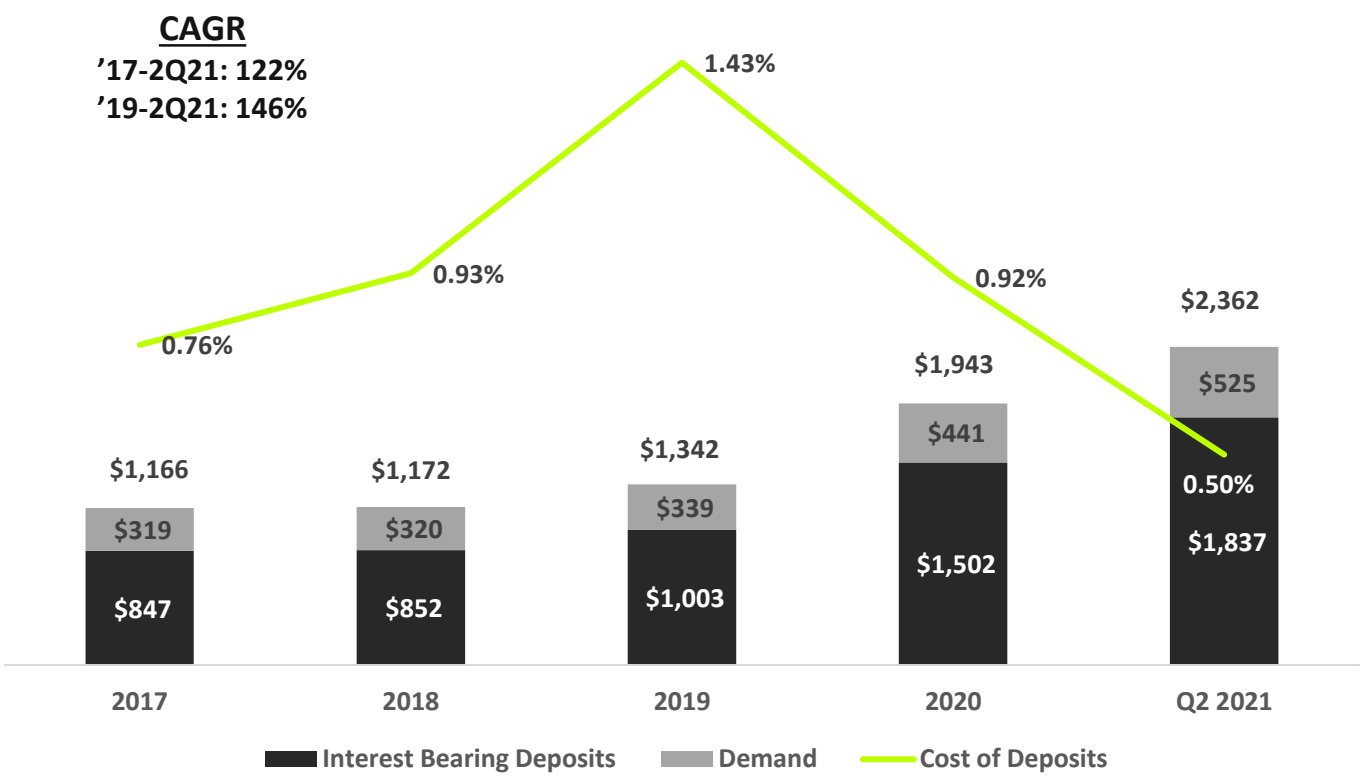


Deposit Trends

Deposit Composition



Core Deposit Growth ⁽¹⁾

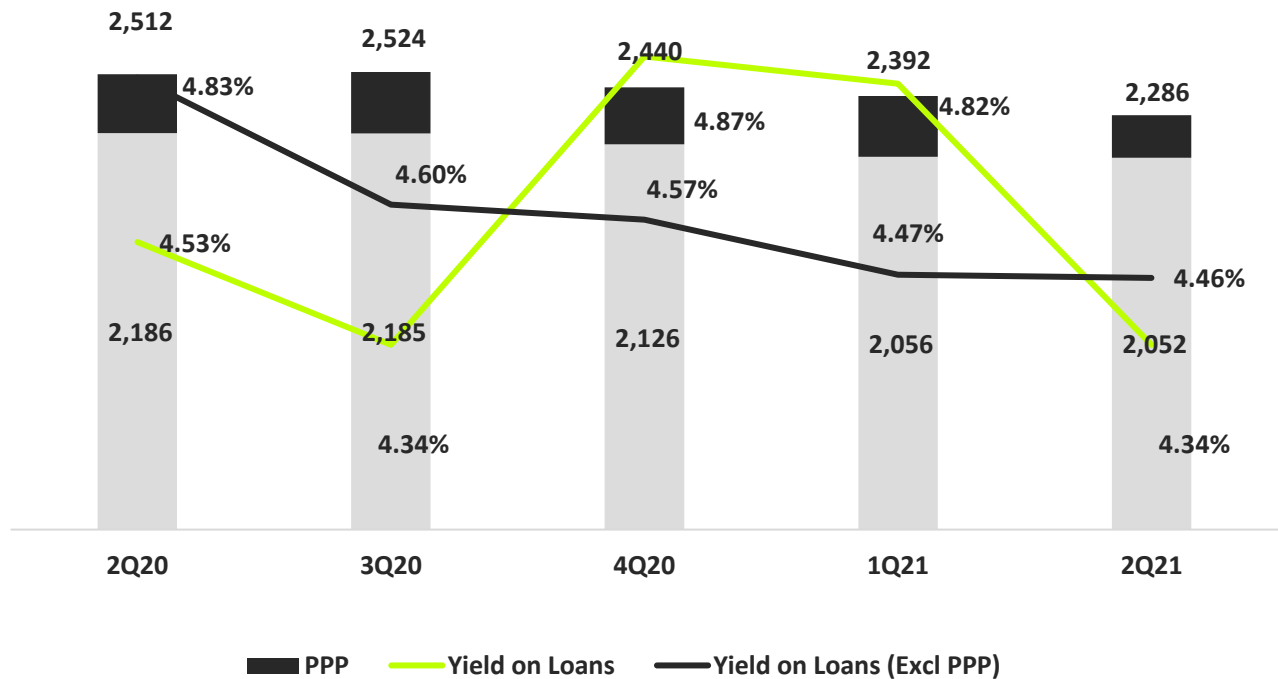


- Aggressively growing core deposits to reposition our funding base for the future
- No brokered deposits and only \$24.8 million of listing service CDs remaining

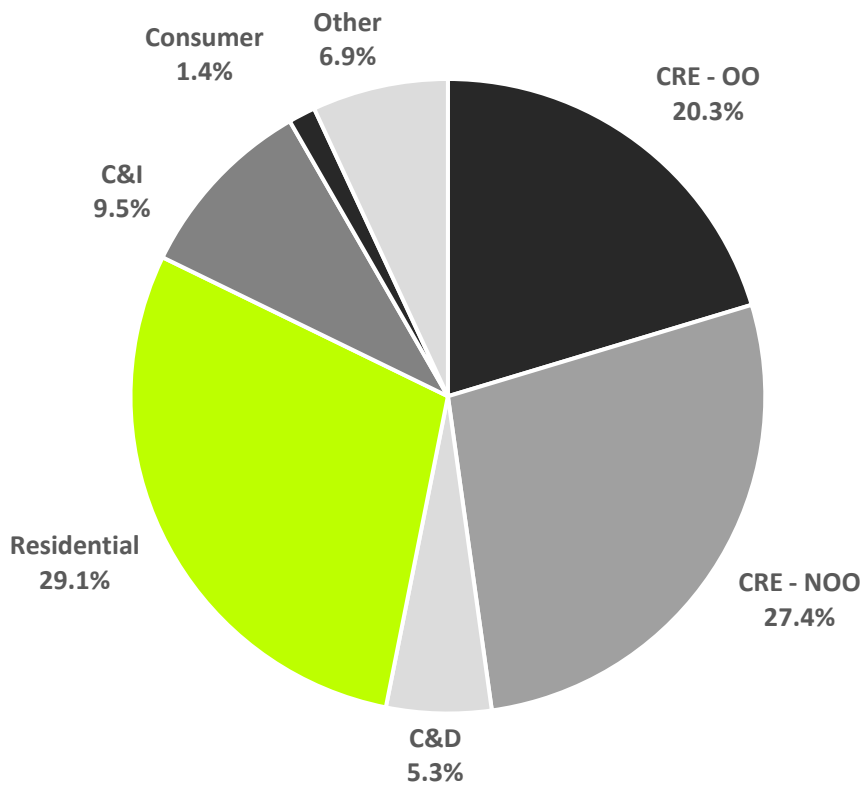


Loan Composition and Trends

Loan Trends and Yields



Loan Composition

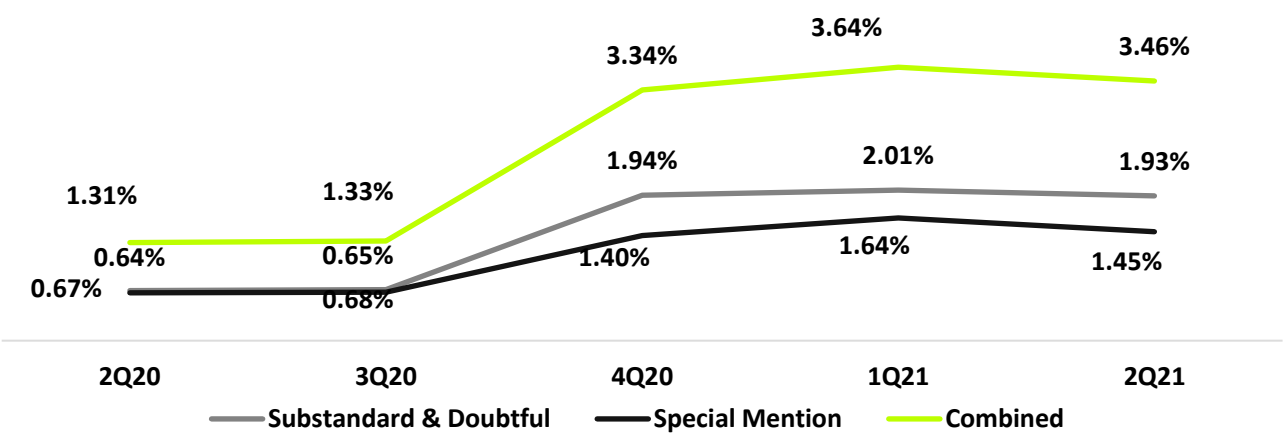


- Loans (excluding PPP) declined 0.21% linked-quarter
- Pipelines, both core bank and Panacea, are beginning to build



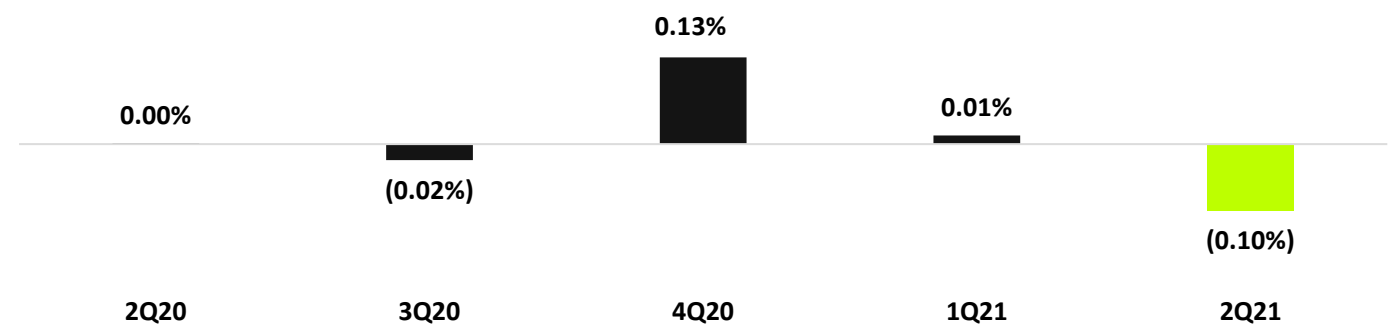
Asset Quality

Criticized & Classified Loans / Total Loans (ex. PPP)

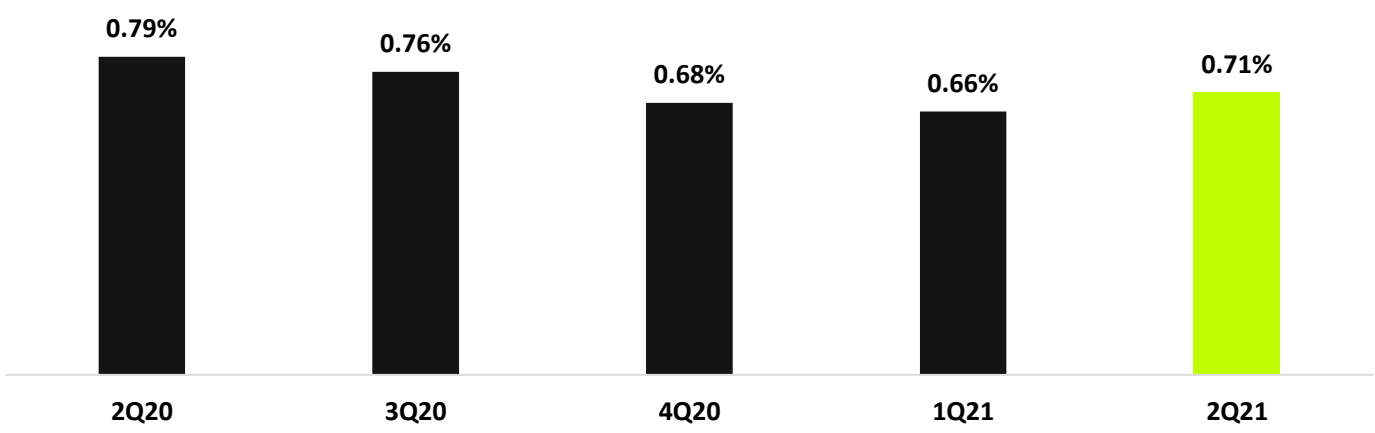


- Asset quality remains solid with no significant migration in Q2
- Deferred loans declined to \$26MM in Q2, down from \$113MM in Q1
 - 2 hotels represent 55% of deferrals
 - Substantially all remaining deferrals are expected to resume payments in Q3
- All remaining OREO currently under contract with potential closing 2H'21

NCOs / Average Loans



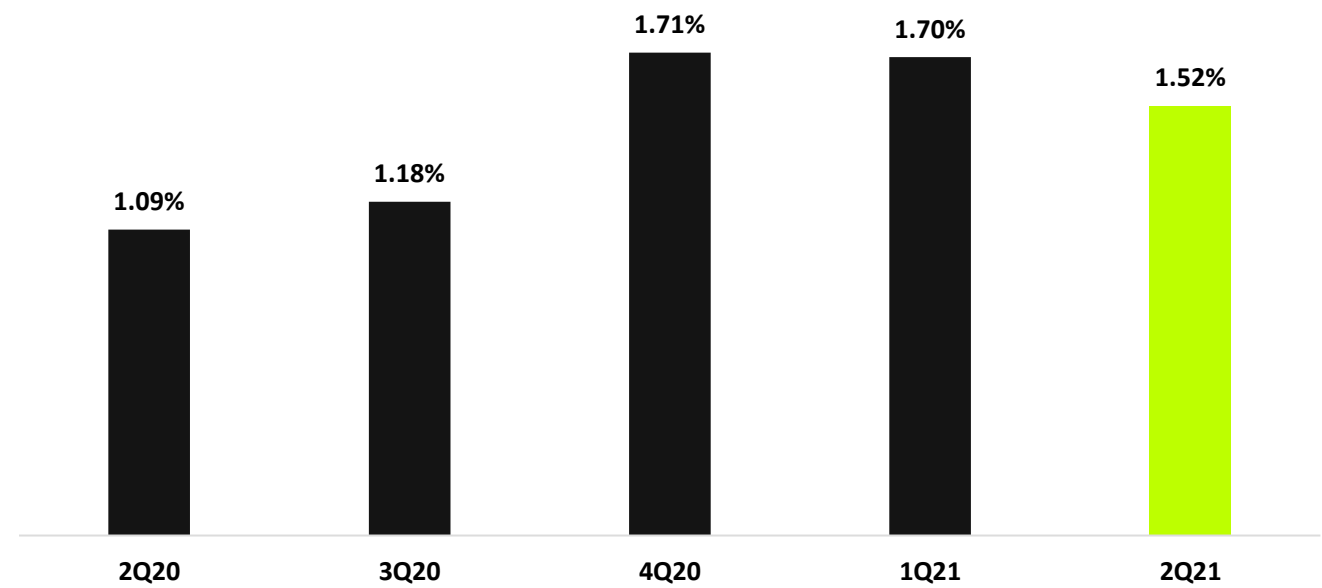
NPAs / Loans (ex. PPP) + OREO



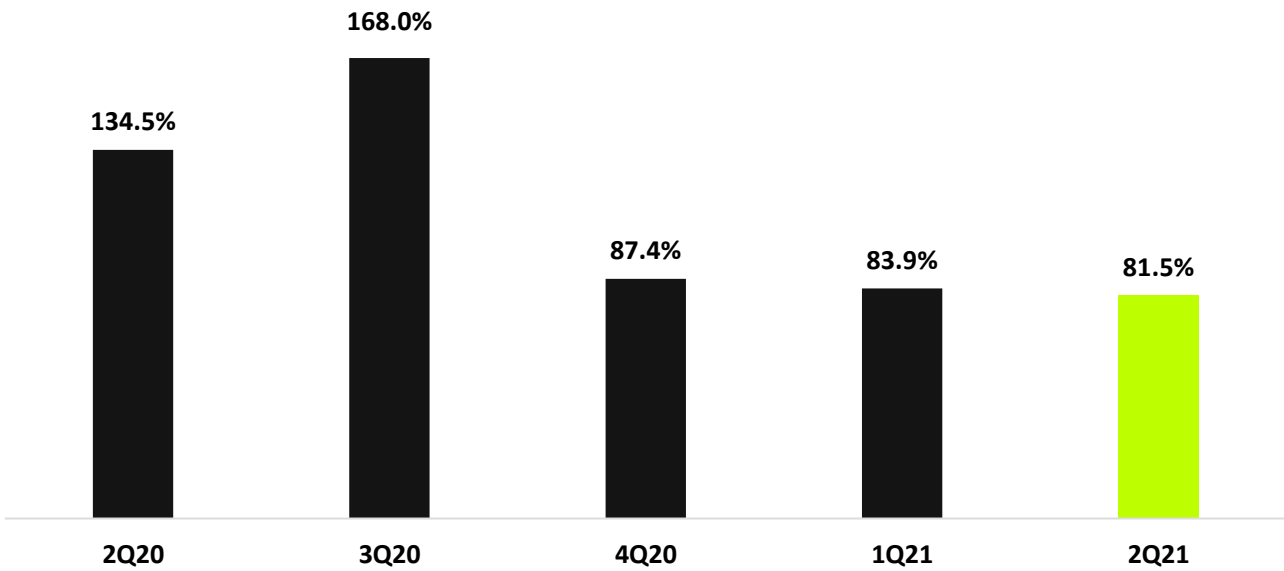


Allowance for Credit Losses

ACL / Gross Loans (ex. PPP)



ACL / Classified Loans

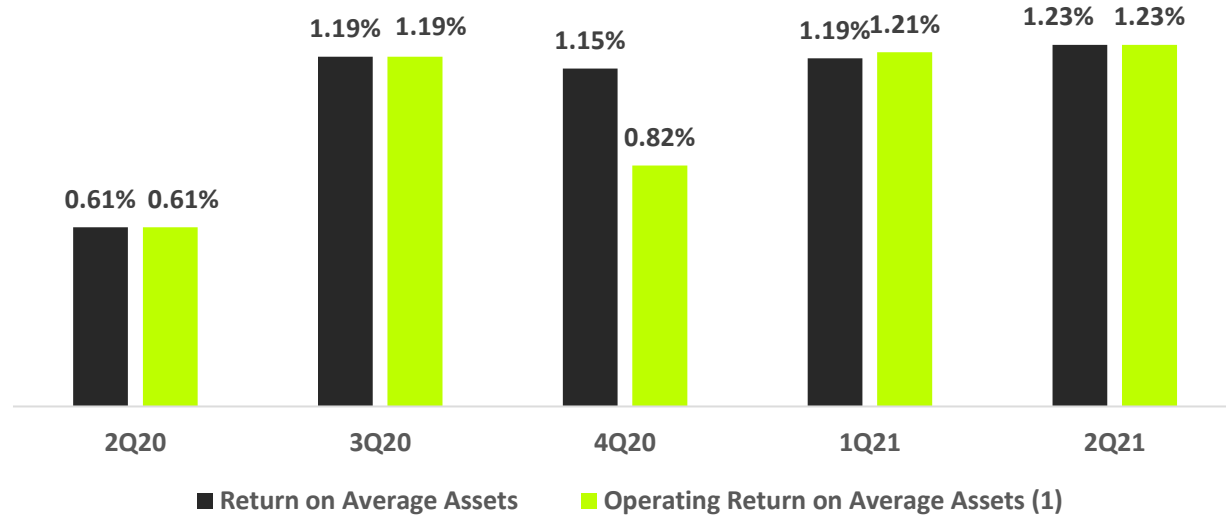


- Reserve release of \$4.2 million in Q2 as deferrals declined and economic impacts of COVID-19 receded
- ACL coverage of both gross loans and classified loans remains adequate

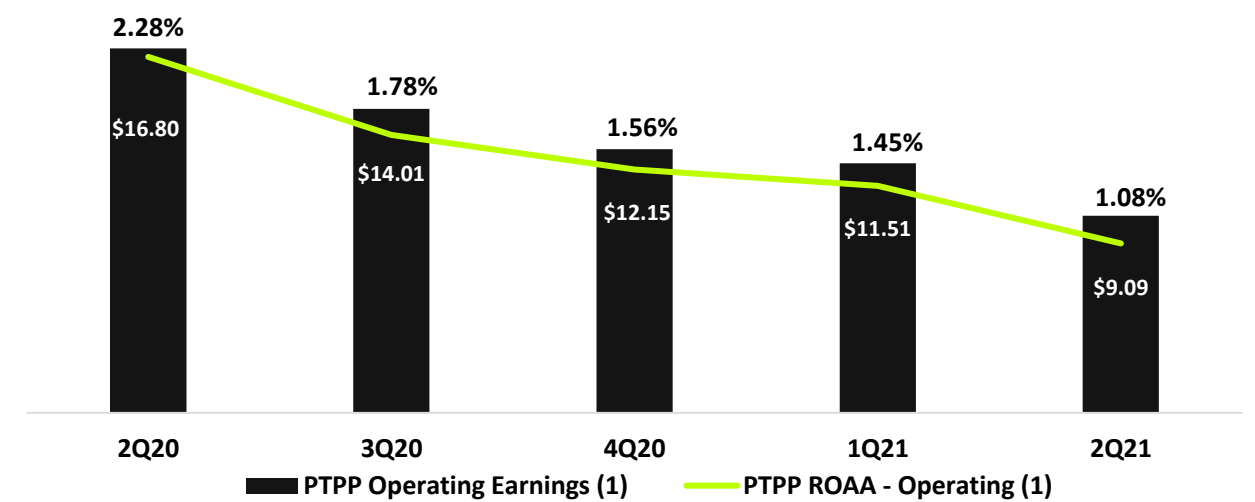


Profitability

Return on Average Assets



Pre-Tax Pre-Provision Earnings

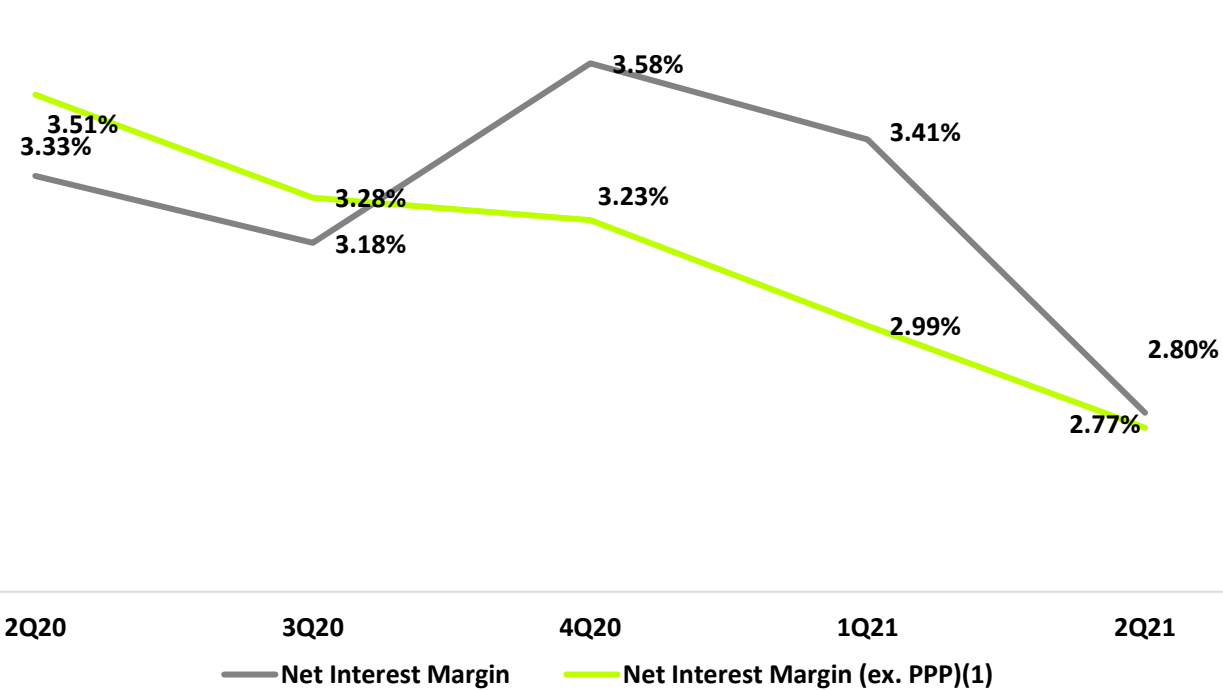


- Profitability in Q2 benefited from mortgage activity and negative provisioning
- Pre-tax pre-provision earnings continue to be impacted by margin compression and excess cash balances

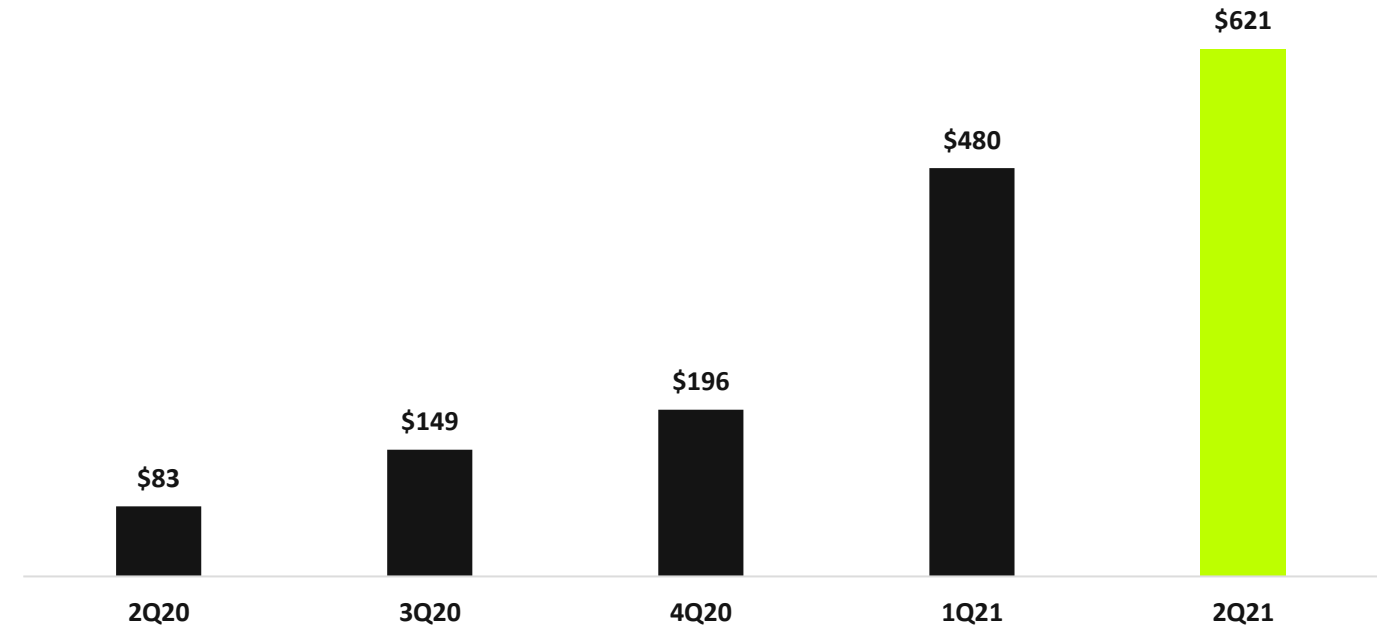


Net Interest Margin

Net Interest Margin



Cash and Equivalents

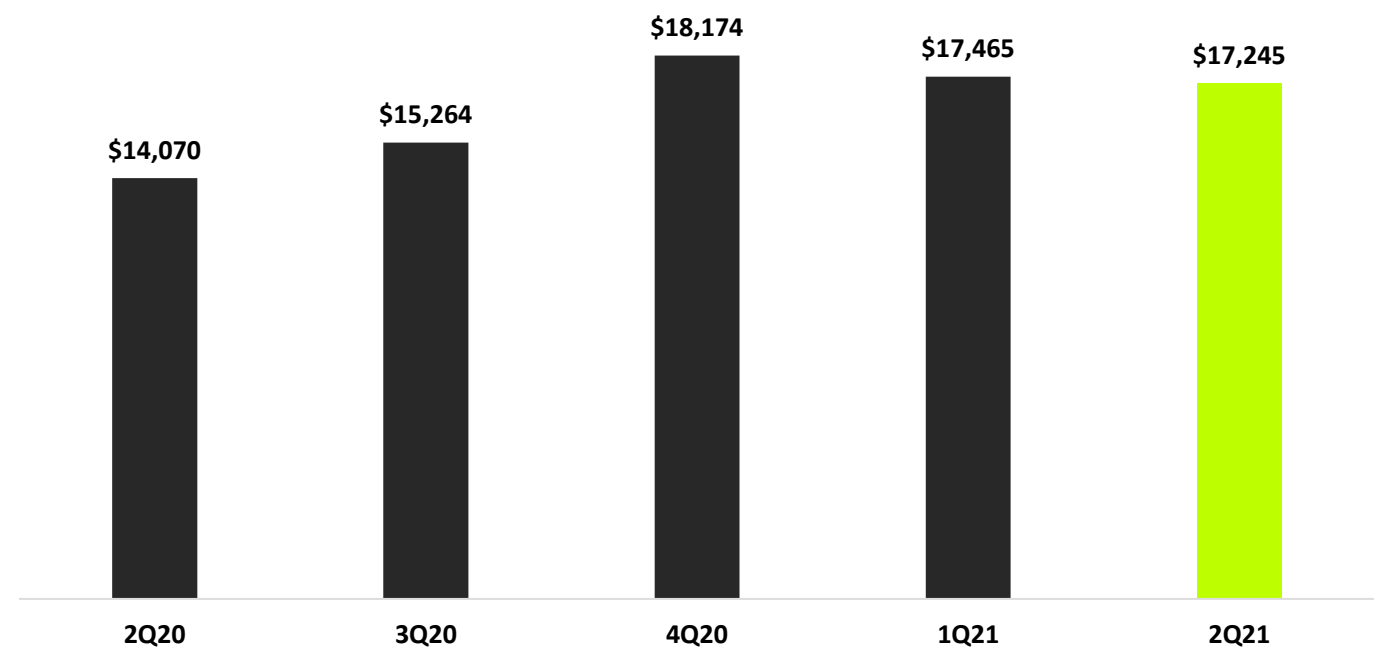


- Reported net interest margin negatively impacted by reduced PPP fee income recognized in Q2 (\$1.8 million Q2 versus \$4.9 million Q1)
- Cash and equivalents continued to increase in the quarter, with average cash balances increasing \$240 million in Q2 versus Q1

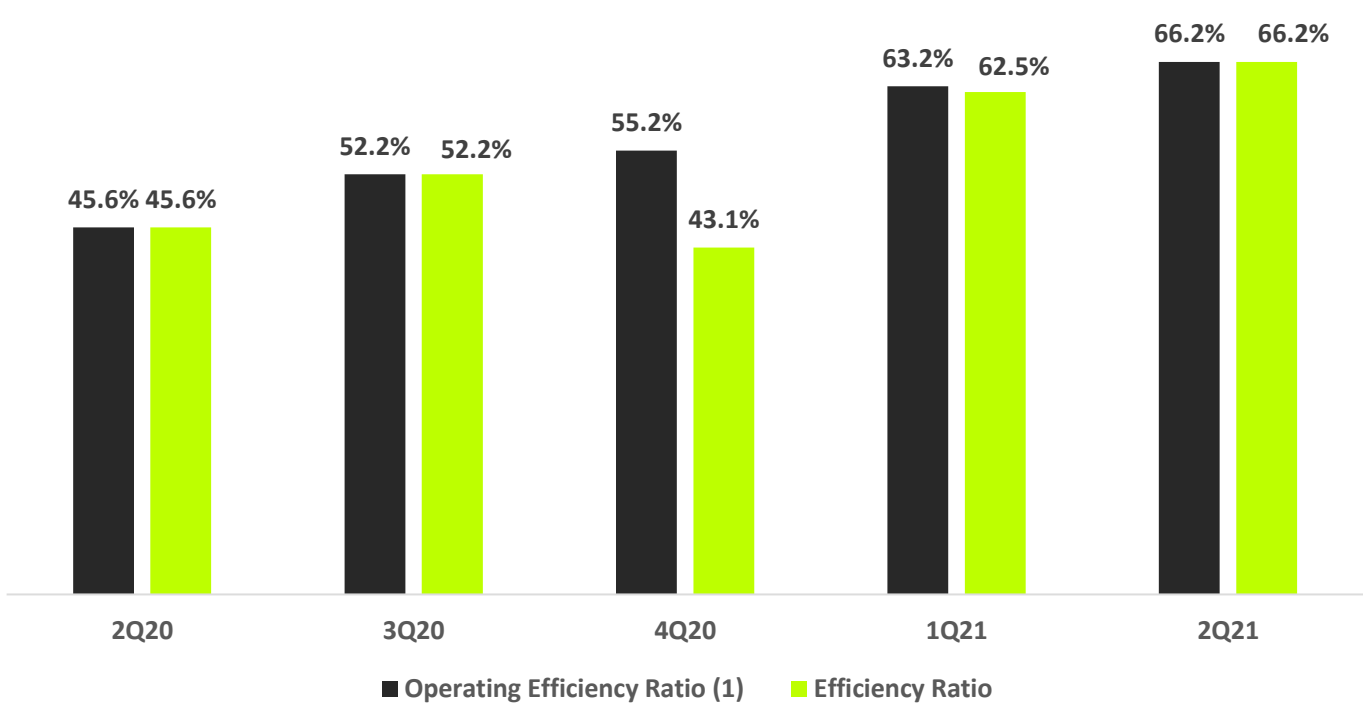


Non-Interest Expense and Efficiency Ratio

Non-Interest Expense (Excluding Reserve for Unfunded Commitments Expense)



Efficiency Ratio

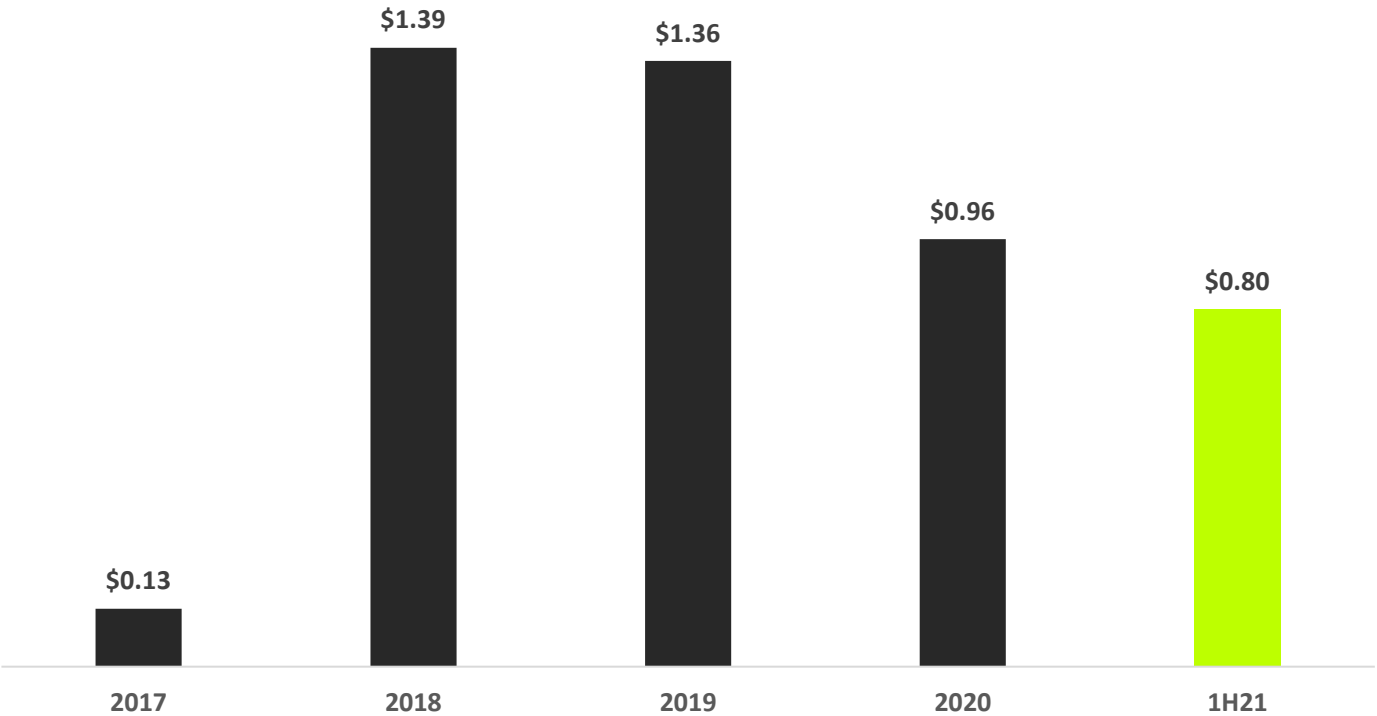


- Continued focus on managing expenses in a difficult operating environment while positioning the organization for growth
- 2020 efficiency ratio benefited from out-sized mortgage activity
- Efficiency ratio in 2021 negatively impacted by margin compression due to significant liquidity build

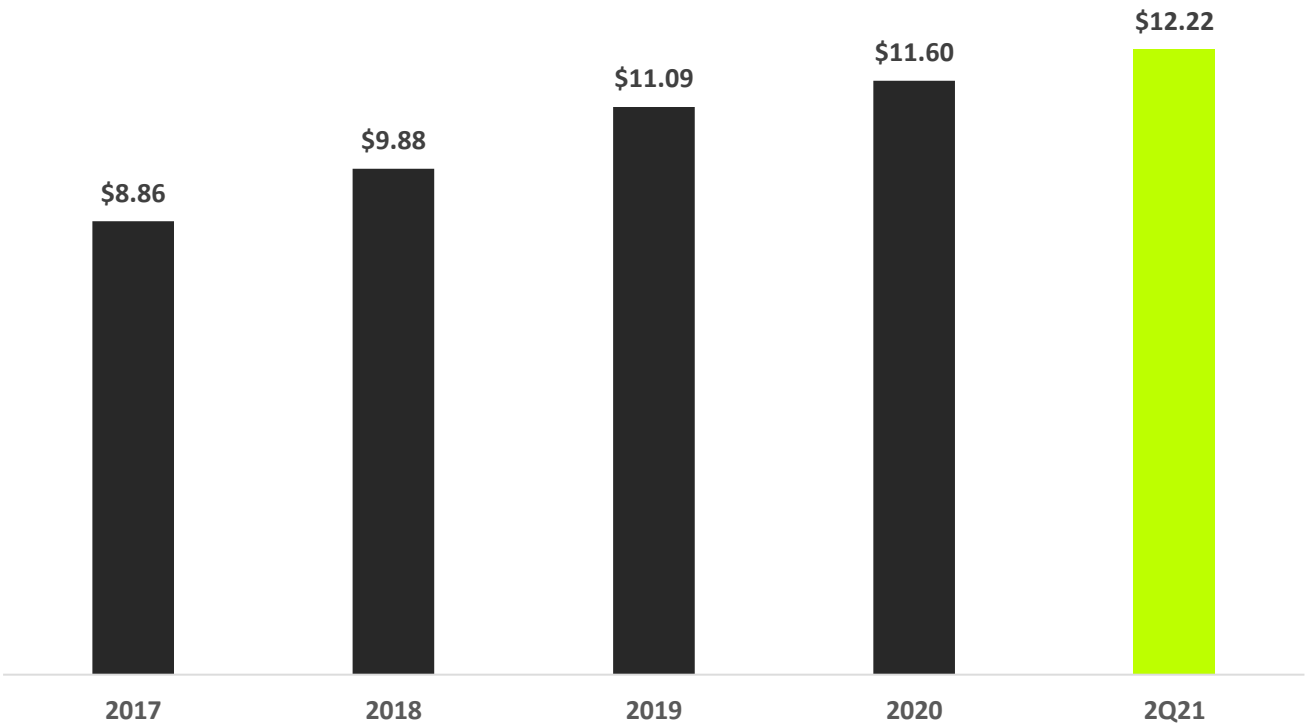


Per Share Results

Diluted Earnings Per Share



Tangible Book Value Per Share ⁽¹⁾



(1) See reconciliation of Non-GAAP financial measures on slide 20.



Summary

- **Talented management team and board committed to building long-term shareholder value**
- **Footprint in attractive banking markets**
- **Aggressive and early use of technology positioning the bank for superior performance as the industry evolves**
- **Significant operating leverage as loan demand recovers**



Appendix



Non-GAAP Reconciliation

Primis Financial Corp.

(Dollars in thousands, except per share data)

Reconciliation of Non-GAAP items:

	For Three Months Ended:				
	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2Q 2020
Net income	\$ 10,275	\$ 9,383	\$ 8,963	\$ 9,588	\$ 4,709
Non-GAAP adjustments to Net Income:					
Management Restructure / Recruiting	-	200	843	-	-
Branch Closures	-	-	-	-	-
(Gain or recovery) / loss on securities	-	-	(2,964)	-	-
Brand Initiative / Renaming	-	-	1,000	-	-
Extraordinary PPP income and expense	-	-	(2,177)	-	-
Other loss and related legal expenses	-	-	-	-	-
Income tax effect	-	(43)	729	-	-
Net Income adjusted for nonrecurring income and expenses	\$ 10,275	\$ 9,540	\$ 6,394	\$ 9,588	\$ 4,709
Net income	\$ 10,275	\$ 9,383	\$ 8,963	\$ 9,588	\$ 4,709
Income tax expense	2,841	2,585	3,003	2,417	1,188
Provision for credit losses (incl. unfunded commitment expense)	(4,066)	(661)	3,481	2,000	10,899
Pre-tax pre-provision earnings	\$ 9,050	\$ 11,307	\$ 15,447	\$ 14,005	\$ 16,796
Effect of adjustment for nonrecurring income and expenses	-	200	(3,298)	-	-
Pre-tax pre-provision operating earnings	\$ 9,050	\$ 11,507	\$ 12,149	\$ 14,005	\$ 16,796
Return on average assets	1.23%	1.19%	1.15%	1.19%	0.61%
Effect of adjustment for nonrecurring income and expenses	0.00%	0.02%	(0.33%)	0.00%	0.00%
Operating return on average assets	1.23%	1.21%	0.82%	1.19%	0.61%
Return on average assets	1.23%	1.19%	1.15%	1.19%	0.61%
Effect of tax expense	0.34%	0.33%	0.39%	0.33%	0.18%
Effect of provision for credit losses	(0.49%)	(0.08%)	0.45%	0.26%	1.49%
Pre-tax pre-provision return on average assets	1.08%	1.43%	1.98%	1.78%	2.28%
Effect of adjustment for nonrecurring income and expenses	0.00%	0.03%	(0.42%)	0.00%	0.00%
Pre-tax pre-provision operating return on average assets	1.08%	1.45%	1.56%	1.78%	2.28%
Return on average equity	10.28%	9.63%	9.16%	9.87%	4.92%
Effect of adjustment for nonrecurring income and expenses	0.00%	0.16%	(2.63%)	0.00%	0.00%
Operating return on average equity	10.28%	9.79%	6.53%	9.87%	4.92%
Effect of goodwill and other intangible assets	3.75%	3.66%	2.51%	3.85%	1.94%
Operating return on average tangible equity	14.03%	13.45%	9.04%	13.72%	6.86%
Efficiency ratio	66.15%	63.17%	55.19%	52.22%	45.61%
Effect of adjustment for nonrecurring income and expenses	0.00%	(0.70%)	(12.07%)	0.00%	0.00%
Operating efficiency ratio	66.15%	62.48%	43.11%	52.22%	45.61%
Book value per share	\$ 16.59	\$ 16.22	\$ 16.03	\$ 15.96	\$ 15.67
Effect of goodwill and other intangible assets	(4.37)	(4.38)	(4.43)	(4.43)	(4.46)
Tangible book value per share	\$ 12.22	\$ 11.84	\$ 11.60	\$ 11.53	\$ 11.21
Stockholders' equity	\$ 406,940	\$ 397,986	\$ 390,554	\$ 388,983	\$ 381,669
Less goodwill and other intangible assets	(107,098)	(107,439)	(107,780)	(108,122)	(108,463)
Tangible common equity	\$ 299,842	\$ 290,547	\$ 282,774	\$ 280,861	\$ 273,206
Equity to assets	11.99%	11.95%	12.64%	12.33%	12.42%
Effect of goodwill and other intangible assets	(2.87%)	(2.94%)	(3.16%)	(3.11%)	(3.21%)
Tangible common equity to tangible assets	9.12%	9.01%	9.49%	9.22%	9.22%
Net interest margin	2.80%	3.41%	3.58%	3.18%	3.33%
Effect of adjustment for PPP associated balances*	(0.03%)	(0.42%)	(0.35%)	0.10%	0.18%
Net interest margin excluding PPP	2.77%	2.99%	3.23%	3.28%	3.51%

	As Of:				
	2Q 2021	2Q 2020	2Q 2019	2Q 2018	2Q 2017
Book value per share	\$ 16.59	\$ 16.03	\$ 15.60	\$ 14.48	\$ 13.48
Effect of goodwill and other intangible assets	(4.37)	(4.42)	(4.51)	(4.60)	(4.62)
Tangible book value per share	\$ 12.22	\$ 11.60	\$ 11.09	\$ 9.88	\$ 8.86

*Net interest margin excluding the effect of PPP loans assumes a funding cost of 35 bps on average PPP balances in all applicable periods.