

PRIMIS

Third 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.

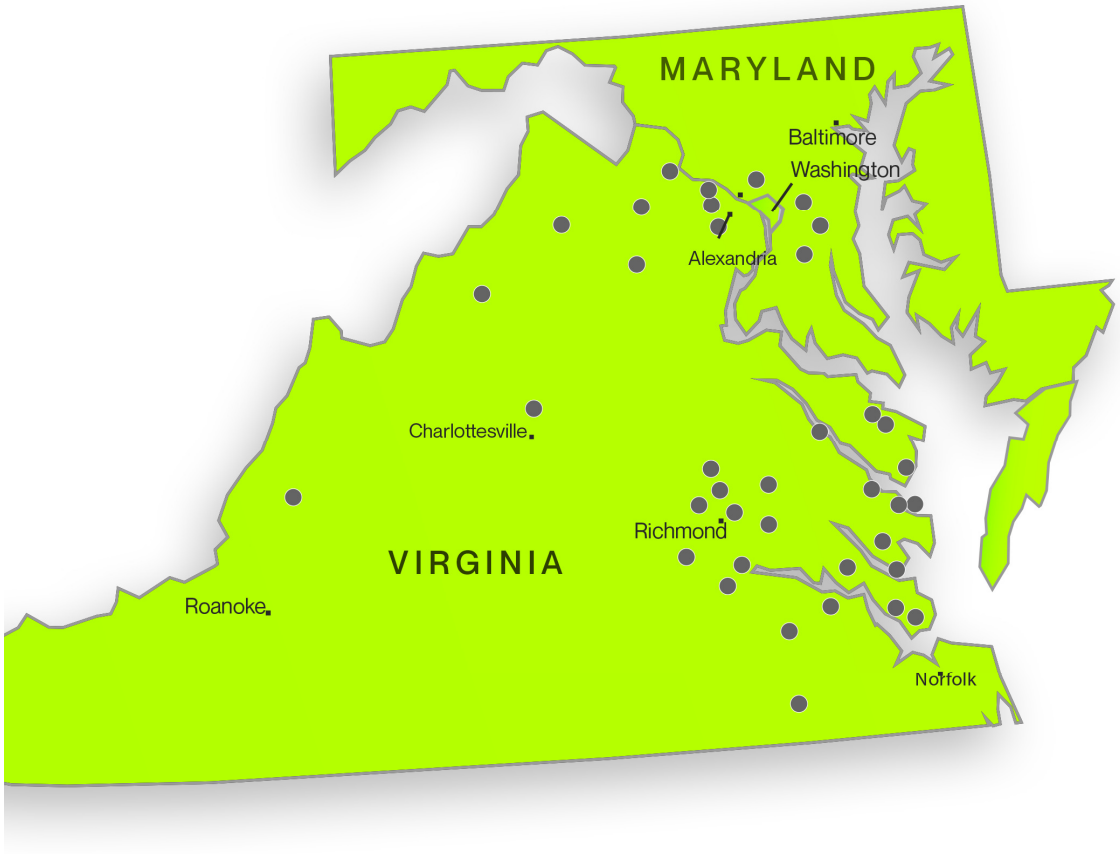
Non-GAAP Measures

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 from continuing operations; pre-tax pre-provision operating return on average assets from continuing operations; 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:	40
Ticker (NASDAQ):	FRST

Balance Sheet

Assets:	$3.5 billion
Loans:	$2.3 billion
Deposits:	$2.8 billion
TCE/TA[(1)]:	9.02%
TBV/Share[(1)]:	$12.28

Profitability

ROAA:	0.72%
ROAE:	6.01%
ROATCE[(1)]:	8.13%
Net Interest Margin:	2.87%
Efficiency Ratio[(2)]:	65.25%

Valuation

Market Capitalization:	$354.6 million
Price / Book Value per Share	0.87x
Price / Tangible Book Value:	1.18x
Price / 2021 Estimated EPS[(3)]:	11.37x
Price / 2022 Estimated EPS[(3)]:	13.55x
Dividend Yield[(4)]:	2.77%

Pricing as of October 27, 2021. Financial data as of or for the three months ended September 30, 2021.
(1) See reconciliation of Non-GAAP financial measures on slide 21.
(2) Results from continuing operations
(3) Mean analyst estimates per S&P Global.
(4) Assumes $0.40 annualized dividend.

Third Quarter Highlights

- **Net income from continuing operations of $6.2 million or $0.25 per basic and diluted share**
- **Gross loans, excluding PPP balances, grew approx. 24% annualized**
- **Total deposits increased to $2.81 billion with non-interest bearing demand deposits at 19.1% of deposits and time deposits declining to 13.4% of total deposits**
- **Pre-tax, pre-provision return on average assets[1] of 0.98% compared to 0.86% in the second quarter**
- **Net interest margin, excluding the effects of PPP, of 2.66% versus 2.77% in the second quarter**
  - **Impacted by average cash and equivalent balance increase of $112 million in the quarter to $676 million**
- **Announced the launch of the Primis Life Premium Finance Division**

(1) Results for continuing operations. See reconciliation of Non-GAAP financial measures on slide 21.

Investment Thesis

- **Talented management team and board committed to building long-term shareholder value**
- **Footprint in attractive banking markets augmented by niche lines of business that will produce out-sized growth in higher quality assets over time**
- **Aggressive and early use of technology positioning the bank for superior performance as the industry evolves**
- **Significant operating leverage as loan demand recovers and liquidity is put to work**

Management Team

	Name	Title	Years in Industry	Years at Primis
	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
	Ann-Stanton Gore	Chief Marketing Officer	14 Years	2 Months
	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	10 Months
	Stephen Weber	Chief Strategy Officer	22 Years	1 Year
	Cheryl Wood	Chief Administrative Officer	21 Years	21 Years

Meaningful Opportunities in Attractive Markets

Virginia

Rank	Institution (ST)	Deposits	Market Share
1	Truist Financial Corp. (NC)	$54,711	19.7%
2	Bank of America Corporation (NC)	$45,872	16.5%
3	Wells Fargo & Co. (CA)	$44,404	16.0%
4	Capital One Financial Corp. (VA)	$28,303	10.2%
5	Atlantic Union Bkshs Corp. (VA)	$16,278	5.8%
6	TowneBank (VA)	$9,752	3.5%
7	United Bankshares Inc. (WV)	$8,131	2.9%
8	The PNC Finl Svcs Grp (PA)	$5,672	2.0%
9	Carter Bankshares (VA)	$3,285	1.2%
10	The Toronto-Dominion Bank	$2,998	1.1%
12	**Primis Financial Corp. (VA)**	**$2,512**	**0.9%**

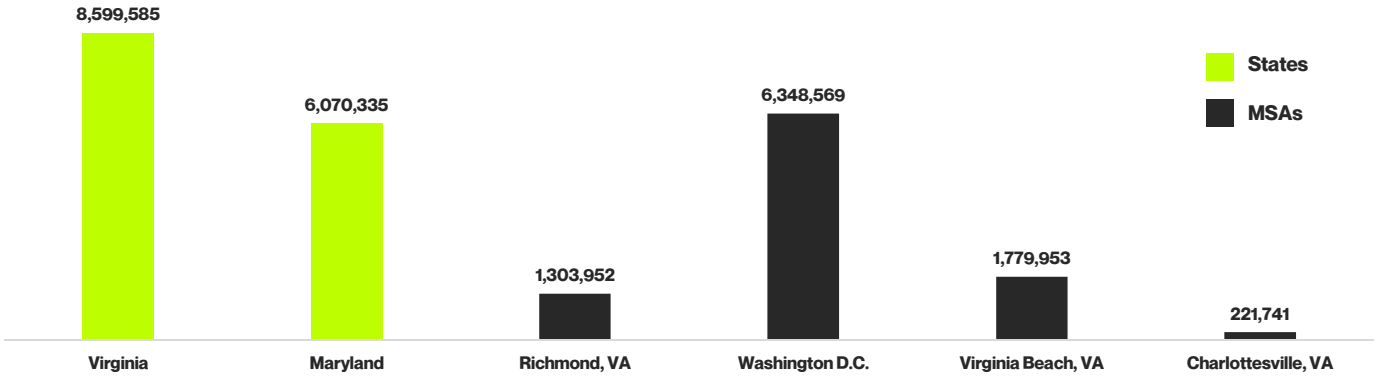
Washington D.C.

Rank	Institution (ST)	Deposits	Market Share
1	Bank of America Corporation (NC)	$44,326	15.91%
2	Capital One Financial Corp. (VA)	$43,620	15.65%
3	Truist Financial Corp. (NC)	$41,243	14.80%
4	Wells Fargo & Co. (CA)	$36,294	13.02%
5	The PNC Finl Svcs Grp (PA)	$19,388	6.96%
6	Citigroup Inc. (NY)	$12,740	4.57%
7	United Bankshares Inc. (WV)	$10,304	3.70%
8	Eagle Bancorp Inc (MD)	$9,115	3.27%
9	Sandy Spring Bancorp Inc. (MD)	$8,693	3.12%
10	The Toronto-Dominion Bank	$6,682	2.40%
28	**Primis Financial Corp. (VA)**	**$591**	**0.21%**

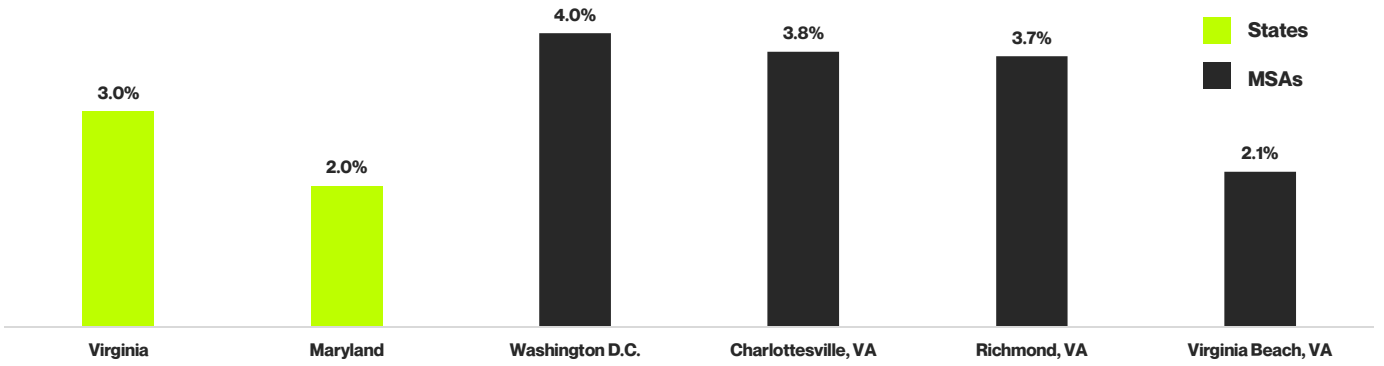
Richmond

Rank	Institution (ST)	Deposits	Market Share
1	Bank of America Corporation (NC)	$23,931	41.59%
2	Truist Financial Corp. (NC)	$12,728	22.12%
3	Wells Fargo & Co. (CA)	$8,744	15.20%
4	Atlantic Union Bkshs Corp. (VA)	$4,183	7.27%
5	TowneBank (VA)	$1,341	2.33%
6	C&F Financial Corp. (VA)	$1,202	2.09%
7	**Primis Financial Corp. (VA)**	**$832**	**1.45%**
8	Community Bankers Trust Corp (VA)	$821	1.43%
9	Village Bank & Trust Finl Corp (VA)	$627	1.09%
10	Blue Ridge Bankshares Inc. (VA)	$536	0.93%

Total Population 2021



Projected Population Growth 2021-2026



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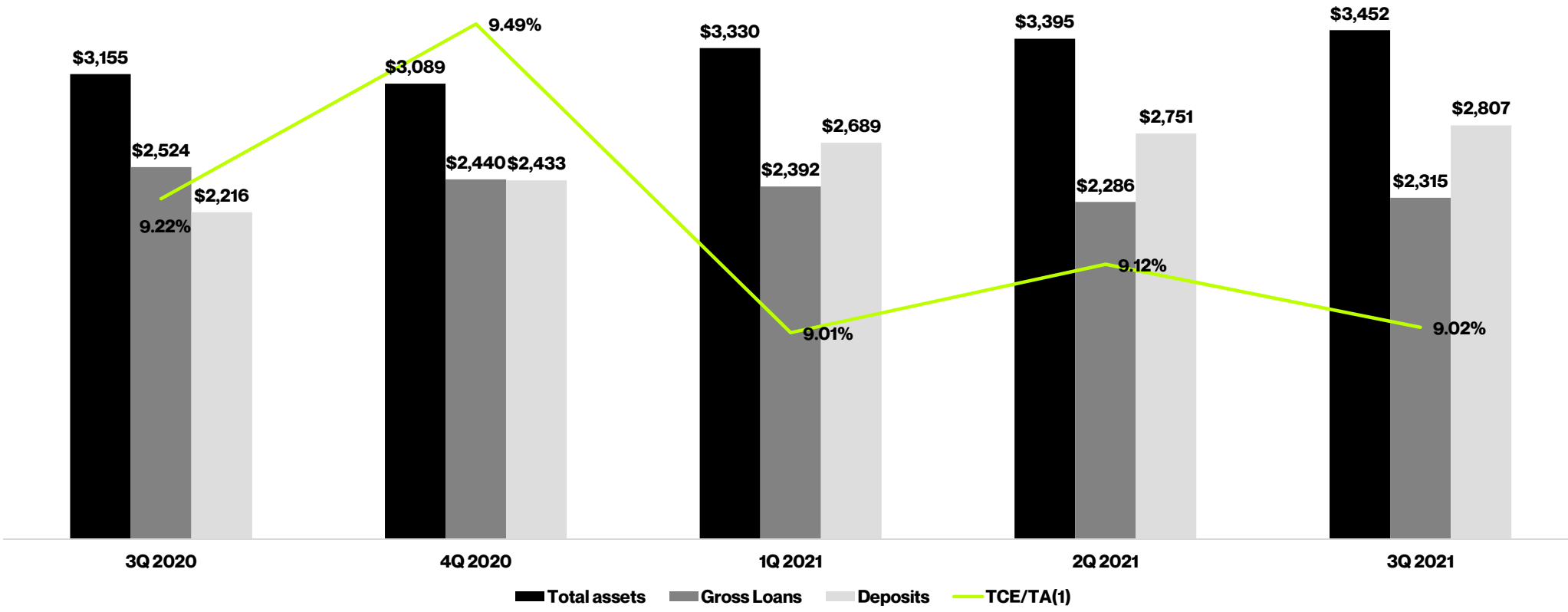
Deposit data as of June 30, 2021.
Dollars in millions.
Source: S&P Global.

Strategic Update

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

Strategic Priorities	Progress Made
Maximize core funding	• Core deposits now over 85% of total deposits with almost 20% non-interest bearing
Embrace technology for competitive advantage	• On-track for Q4 launch of digital offering built on modern technology
Partner with FinTech entrepreneurs to drive above-average growth	• Announced launch of new tech-enabled Life Premium Finance Division • Panacea Financial Division momentum accelerating • Other opportunities in the pipeline

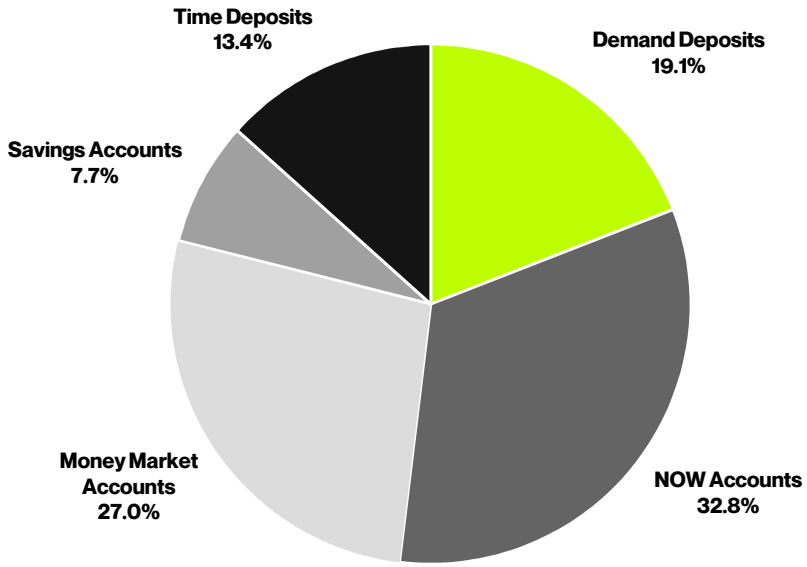
Balance Sheet Trends



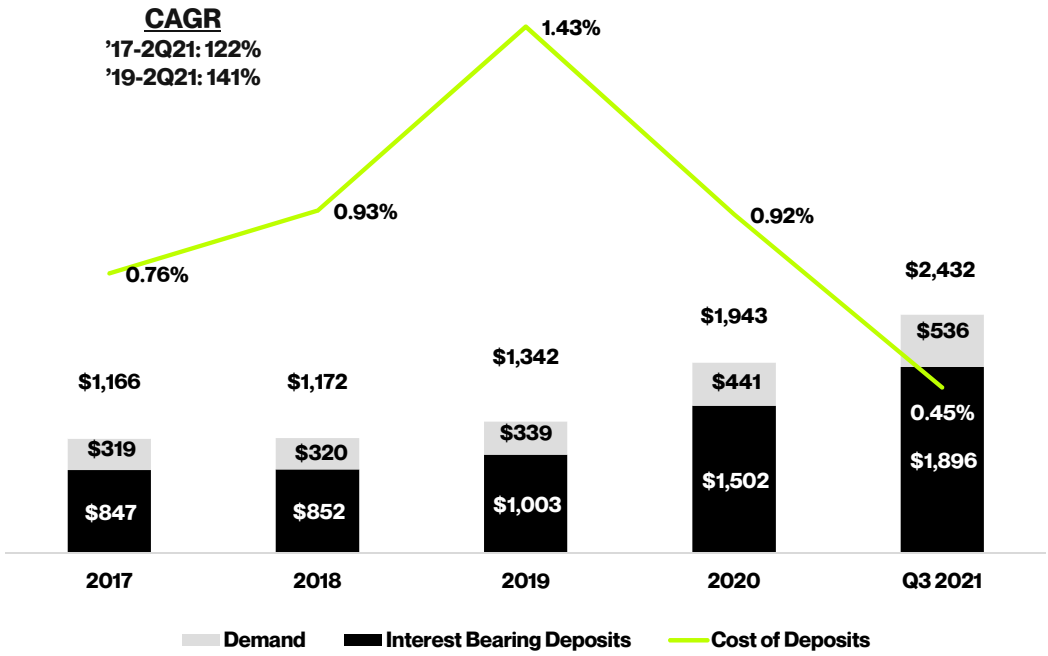
Dollars in millions.
(1) See reconciliation of Non-GAAP financial measures on slide 21.

Deposit Trends

Deposit Composition



Core Deposit Growth[(1)]

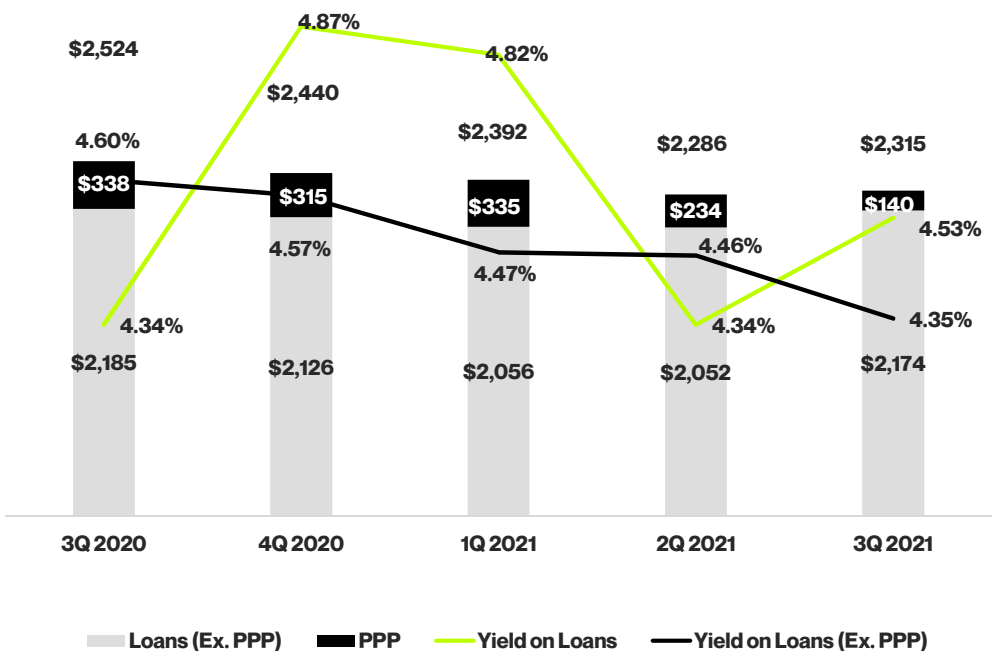


- Deposit composition continues to improve while deposit costs decline
- Focus is still on building customer relationships and continuing to grow core deposits

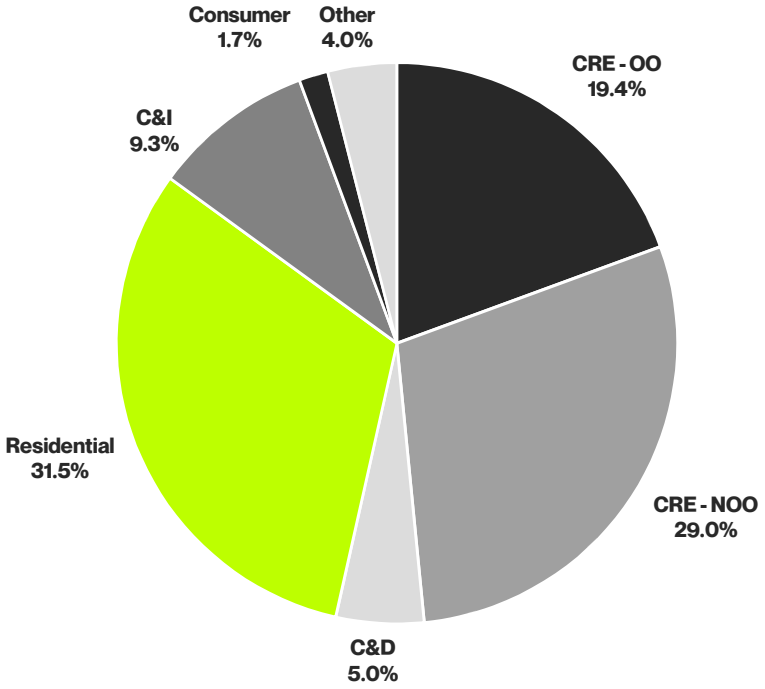
Dollars in millions.
(1) Core deposits exclude time deposits.

Loan Composition and Trends

Loan Trends and Yields



Loan Composition (Ex. PPP)

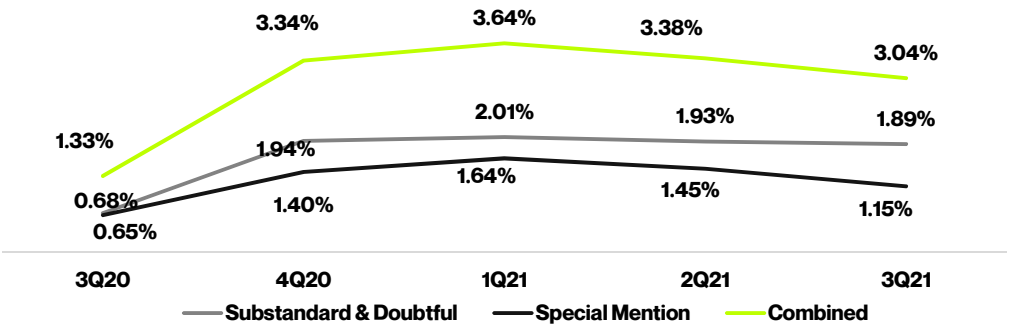


- Robust loan growth of 5.9%, or 24% annualized, linked-quarter excluding PPP balances
- Investments in loan officers and Panacea division are beginning to mature and should continue to drive strong growth rates through 2022

Dollars in millions.

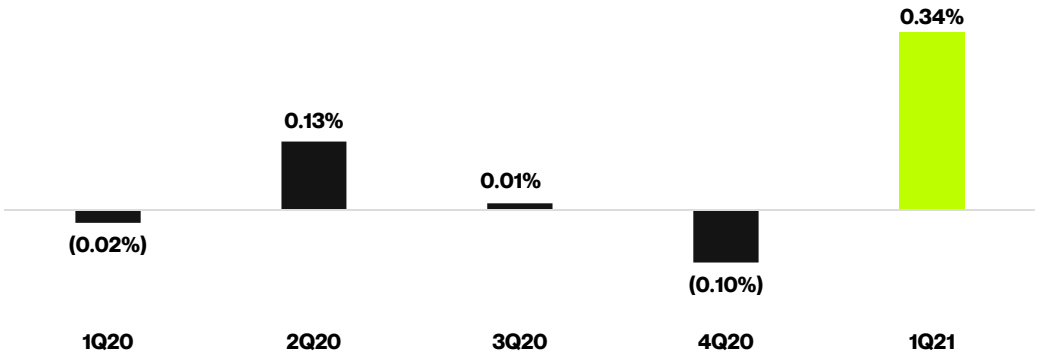
Asset Quality

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

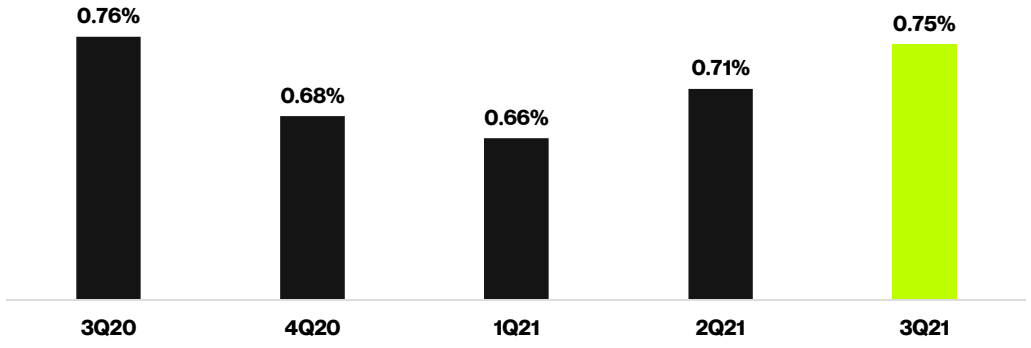


- Deferred loans declined in Q3 to $7 million tied to one relationship that is on interest-only payments
  - Scheduled to resume full principal and interest in Q4
- Criticized assets continue to remain at moderate levels
- Net charge-offs in Q3 largely driven by write-off of loans listed as Doubtful in Q2 and previously reserved for

NCOs / Average Loans



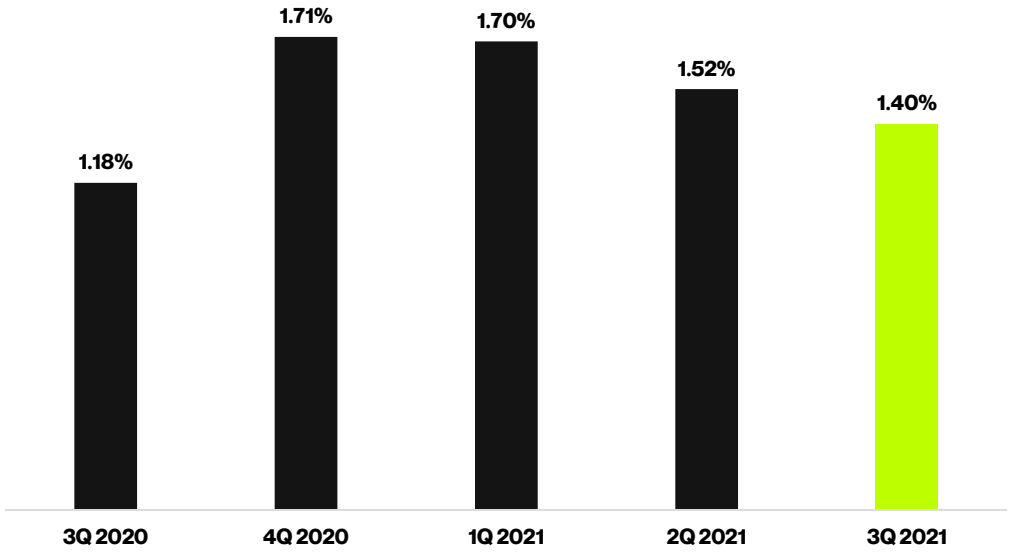
NPAs / Loans (Ex. PPP) + OREO



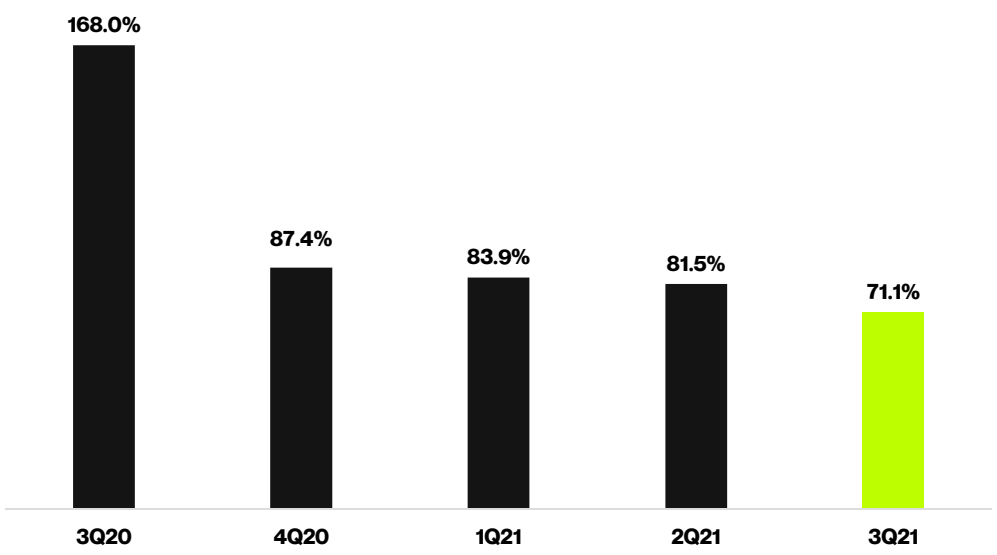
Classified loans and NPAs exclude guaranteed portion of SBA loans.

Allowance for Credit Losses

ACL / Gross Loans (Ex. PPP)



ACL / Classified Loans

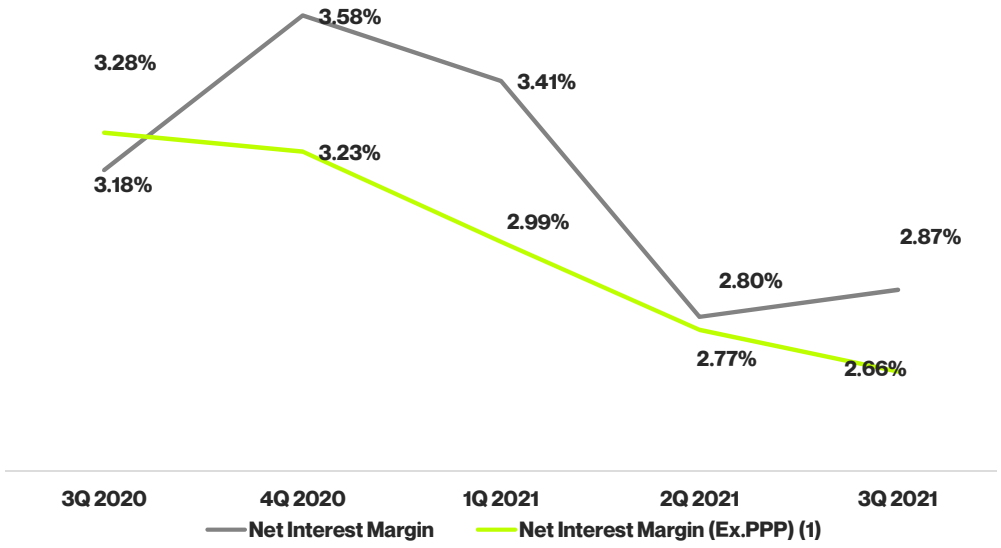


- Provision of $1.1 million in Q3 due to higher non-PPP loan growth
- ACL coverage of gross loans declined to 1.40% due to improving economic fundamentals

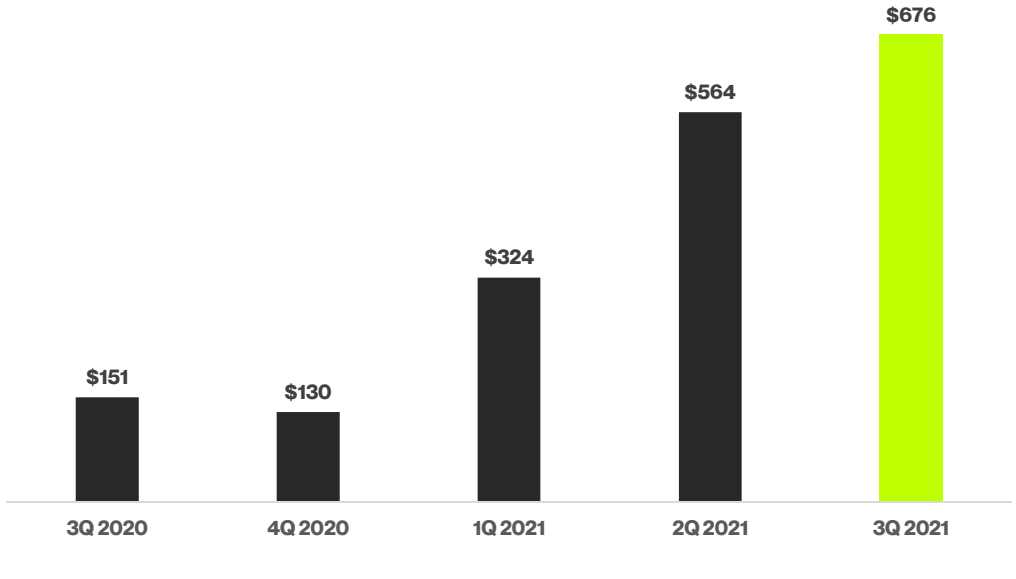
Classified loans exclude guaranteed portion of SBA loans.

Net Interest Margin

Net Interest Margin Trends



Average Cash Balances

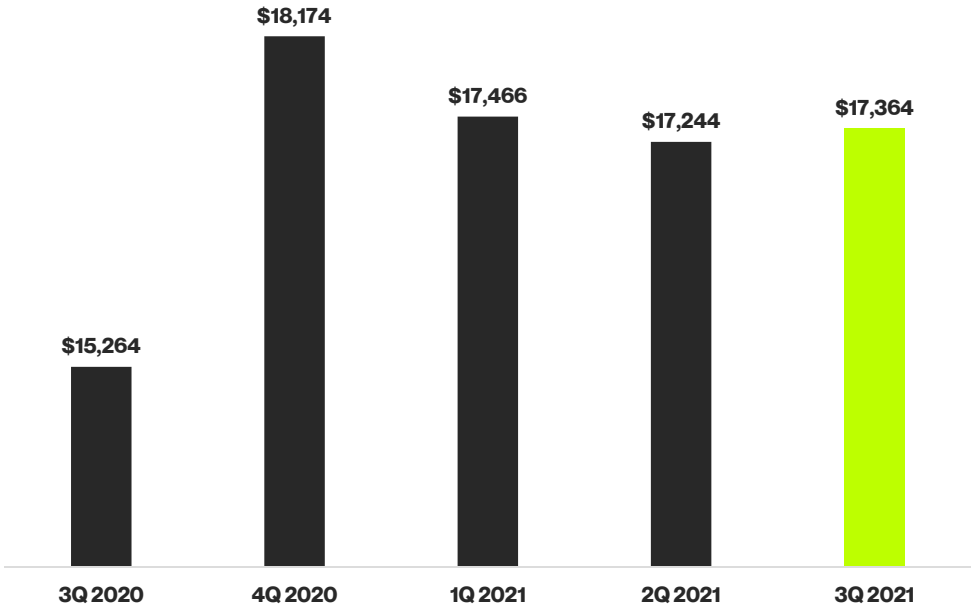


- Margin continues to be impacted by excess liquidity as average cash and equivalent balances increased $112 million in Q3 to $676 million
- Additional cash balances in Q3 contributed 9bps of downward pressure on the margin.

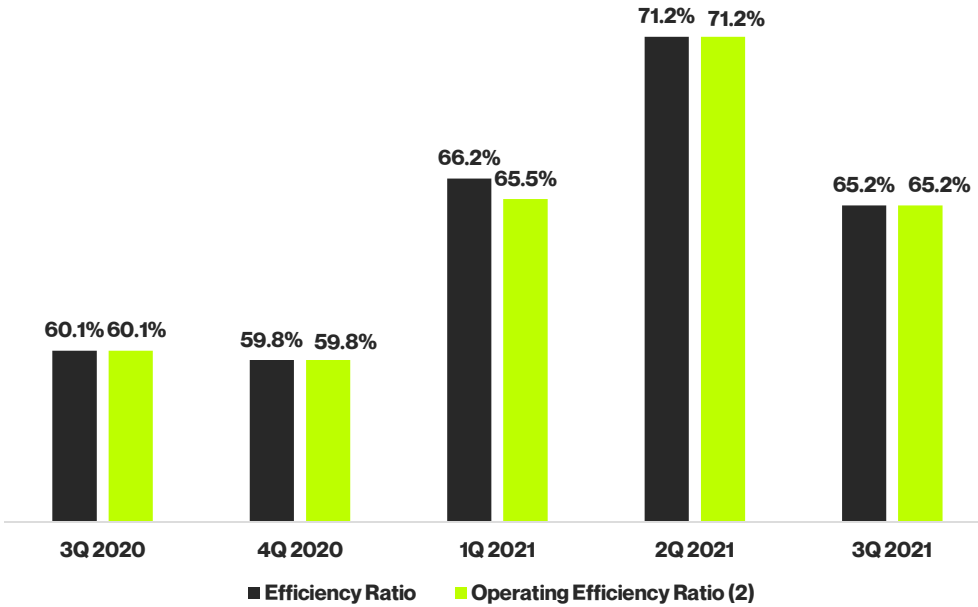
Dollars in millions.
(1) See reconciliation of Non-GAAP financial measures on slide 21

Non-Interest Expense and Efficiency Ratio

Non-Interest Expense (Ex. Reserve for Unfunded Commitments Expense)



Efficiency Ratio[1]



- Noninterest expense expected to grow at a mid-single digit rate in 2022 as we continue to invest in growth initiatives (e.g. Digital Bank, Panacea, Premium Finance) offset by efficiency improvement efforts

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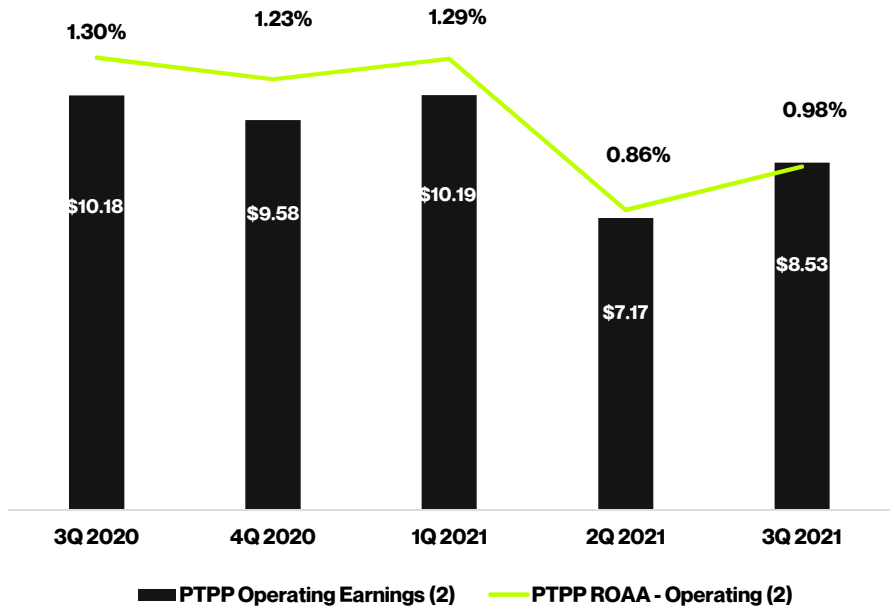
Dollars in thousands.
(1) Results from continuing operations.
(2) See reconciliation of Non-GAAP financial measures on slide 21.

Profitability [1]

Return on Average Assets



Pre-Tax Pre-Provision Earnings

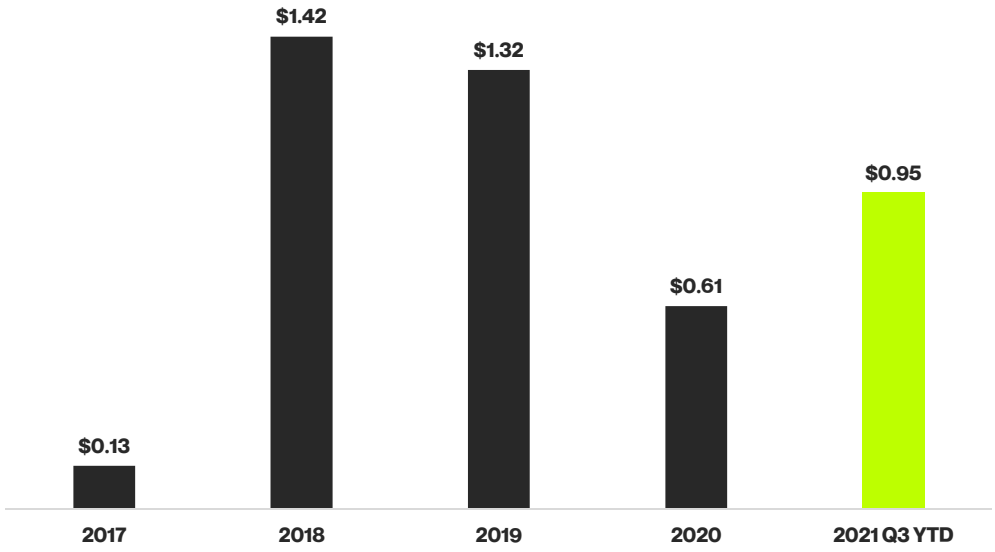


- Operating leverage expected to drive improving profitability in 2022 as liquidity is deployed in earning assets

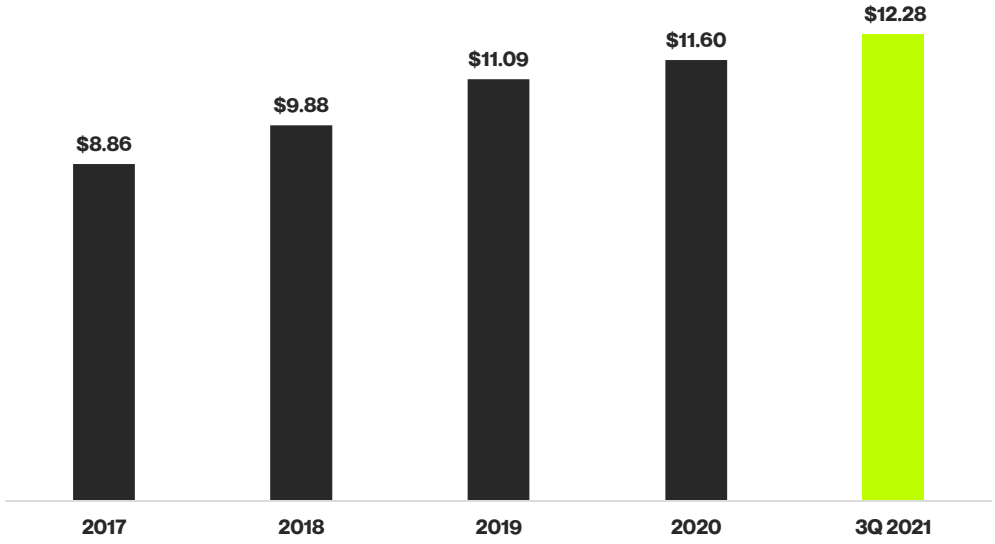
Dollars in millions.
(1) Results from continuing operations.
(2) See reconciliation of Non-GAAP financial measures on slide 21.

Per Share Results

Diluted Earnings Per Share from Continuing Operations



Tangible Book Value Per Share[1]



(1) See reconciliation of Non-GAAP financial measures on slide 21.

Summary

- **Talented management team and board committed to building long-term shareholder value**
- **Footprint in attractive banking markets augmented by niche lines of business that will produce out-sized growth in higher quality assets over time**
- **Aggressive and early use of technology positioning the bank for superior performance as the industry evolves**
- **Significant operating leverage as loan demand recovers and liquidity is put to work**

Appendix

Non-GAAP Reconciliation

Primis Financial Corp.
(Dollars in thousands, except per share data)

	For Three Months Ended:				
Reconciliation of Non-GAAP items:	3Q 2021	2Q 2021	1Q 2021	4Q 2020	3Q 2020
Net income from continuing operations	$ 6,216	$ 8,804	$ 8,352	$ 7,037	$ 6,532
Non-GAAP adjustments to Net Income from continuing operations:					
Management Restructure / Recruiting	-	-	200	843	-
Branch Closures	-	-	-	-	-
(Gain or recovery) / loss on securities	-	-	-	(2,964)	-
Brand Initative / Renaming	-	-	-	1,000	-
Extraordinary PPP income and expense	-	-	-	(2,177)	-
Other loss and related legal expenses	-	-	-	-	-
Income tax effect	-	-	(43)	729	-
Net Income from continuing operations adjusted for nonrecurring income and expenses	$ 6,216	$ 8,804	$ 8,509	$ 4,468	$ 6,532
Net income from continuing operations	$ 6,216	$ 8,804	$ 8,352	$ 7,037	$ 6,532
Income tax expense	1,697	2,434	2,301	2,358	1,647
Provision for credit losses (incl. unfunded commitment expense)	615	(4,066)	(661)	3,481	2,000
Pre-tax pre-provision earnings from continuing operations	$ 8,528	$ 7,172	$ 9,992	$ 12,876	$ 10,179
Effect of adjustment for nonrecurring income and expenses	-	-	200	(3,298)	-
Pre-tax pre-provision operating earnings from continuing operations	$ 8,528	$ 7,172	$ 10,192	$ 9,578	$ 10,179
Return on average assets from continuing operations	0.72%	1.05%	1.06%	0.91%	0.83%
Effect of adjustment for nonrecurring income and expenses	0.00%	0.00%	0.02%	(0.33%)	0.00%
Operating return on average assets from continuing operations	0.72%	1.05%	1.08%	0.58%	0.83%
Return on average assets from continuing operations	0.72%	1.05%	1.06%	0.91%	0.83%
Effect of tax expense	0.20%	0.29%	0.29%	0.30%	0.21%
Effect of provision for credit losses	0.07%	(0.49%)	(0.08%)	0.45%	0.25%
Pre-tax pre-provision return on average assets from continuing operations	0.98%	0.86%	1.27%	1.66%	1.30%
Effect of adjustment for nonrecurring income and expenses	0.00%	0.00%	0.03%	(0.42%)	0.00%
Pre-tax pre-provision operating return on average assets from continuing operations	0.98%	0.86%	1.29%	1.23%	1.30%
Return on average equity from continuing operations	6.01%	8.81%	8.57%	7.19%	6.74%
Effect of adjustment for nonrecurring income and expenses	0.00%	0.00%	0.16%	(2.63%)	0.00%
Operating return on average equity from continuing operations	6.01%	8.81%	8.73%	4.57%	6.74%
Effect of goodwill and other intangible assets	2.12%	3.22%	3.26%	1.75%	2.63%
Operating return on average tangible equity from continuing operations	8.13%	12.03%	12.00%	6.32%	9.37%
Efficiency ratio from continuing operations	65.25%	71.24%	66.20%	59.75%	60.08%
Effect of adjustment for nonrecurring income and expenses	0.00%	0.00%	(0.73%)	0.00%	0.00%
Operating efficiency ratio from continuing operations	65.25%	71.24%	65.47%	59.75%	60.08%
Book value per share	$ 16.63	$ 16.59	$ 16.22	$ 16.03	$ 15.96
Effect of goodwill and other intangible assets	(4.35)	(4.37)	(4.38)	(4.43)	(4.43)
Tangible book value per share	$ 12.28	$ 12.22	$ 11.84	$ 11.60	$ 11.53
Stockholders' equity	$ 408,629	$ 406,940	$ 397,986	$ 390,554	$ 388,983
Less goodwill and other intangible assets	(106,757)	(107,098)	(107,439)	(107,780)	(108,122)
Tangible common equity	$ 301,872	$ 299,842	$ 290,547	$ 282,774	$ 280,861
Equity to assets	11.83%	11.99%	11.95%	12.64%	12.33%
Effect of goodwill and other intangible assets	(2.81%)	(2.87%)	(2.94%)	(3.16%)	(3.11%)
Tangible common equity to tangible assets	9.02%	9.12%	9.01%	9.49%	9.22%
Net interest margin	2.87%	2.80%	3.41%	3.58%	3.18%
Effect of adjustment for PPP associated balances*	(0.21%)	(0.03%)	(0.42%)	(0.35%)	0.10%
Net interest margin excluding PPP	2.66%	2.77%	2.99%	3.23%	3.28%

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