

Alerus



INVESTOR PRESENTATION
OCTOBER 2021

ALERUS

DISCLAIMERS

Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, statements concerning plans, estimates, calculations, forecasts and projections with respect to the anticipated future performance of Alerus Financial Corporation. These statements are often, but not always, identified by words such as “may”, “might”, “should”, “could”, “predict”, “potential”, “believe”, “expect”, “continue”, “will”, “anticipate”, “seek”, “estimate”, “intend”, “plan”, “projection”, “would”, “annualized”, “target” and “outlook”, or the negative version of those words or other comparable words of a future or forward-looking nature. Examples of forward-looking statements include, among others, statements we make regarding our projected growth, anticipated future financial performance, financial condition, credit quality, management’s long-term performance goals and the future plans and prospects of Alerus Financial Corporation.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: the effects of the COVID-19 pandemic, including its effects on the economic environment, our clients and our operations including due to supply chain disruptions, as well as any changes to federal, state or local government laws, regulations or orders in connection with the pandemic; our ability to successfully manage credit risk and maintain an adequate level of allowance for loan losses; new or revised accounting standards, including as a result of the future implementation of the new Current Expected Credit Loss Standard; business and economic conditions generally and in the financial services industry, nationally and within our market areas; the overall health of the local and national real estate market; concentrations within our loan portfolio; the level of nonperforming assets on our balance sheet; our ability to implement our organic and acquisition growth strategies; the impact of economic or market conditions on our fee-based services; our ability to continue to grow our retirement and benefit services business; our ability to continue to originate a sufficient volume of residential mortgages; the occurrence of fraudulent activity, breaches or failures of our information security controls or cybersecurity related incidents; interruptions involving our information technology and telecommunications systems or third-party servicers; potential losses incurred in connection with mortgage loan repurchases; the composition of our executive management team and our ability to attract and retain key personnel; rapid technological change in the financial services industry; increased competition in the financial services industry; our ability to successfully manage liquidity risk; the effectiveness of our risk management framework; the commencement and outcome of litigation and other legal proceedings and regulatory actions against us or to which we may become subject; potential impairment to the goodwill we recorded in connection with our past acquisitions; the extensive regulatory framework that applies to us; the impact of recent and future legislative and regulatory changes; interest rate risks associated with our business; fluctuations in the values of the securities held in our securities portfolio; governmental monetary, trade and fiscal policies; severe weather, natural disasters, widespread disease or pandemics, such as the COVID-19 global pandemic, acts of war or terrorism or other adverse external events; any material weaknesses in our internal control over financial reporting; developments and uncertainty related to the future use and availability of some reference rates, such as the London Interbank Offered Rate, as well as other alternative rates; changes to U.S. or state tax laws, regulations and guidance, including recent proposals to increase the federal corporate tax rate; our success at managing the risks involved in the foregoing items; and any other risks described in the “Risk Factors” sections of the reports filed by Alerus Financial Corporation with the Securities and Exchange Commission.

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Non-GAAP Financial Measures

This presentation includes certain ratios and amounts that do not conform to U.S. Generally Accepted Accounting Principles, or GAAP. Management uses certain non-GAAP financial measures to evaluate financial performance and business trends from period to period and believes that disclosure of these non-GAAP financial measures will help investors, rating agencies and analysts evaluate the financial performance and condition of Alerus Financial Corporation. This presentation includes a reconciliation of each non-GAAP financial measure to the most comparable GAAP equivalent.

Miscellaneous

Except as otherwise indicated, this presentation speaks as of the date hereof. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of Alerus Financial Corporation after the date hereof. Certain of the information contained herein may be derived from information provided by industry sources. We believe that such information is accurate and that the sources from which it has been obtained are reliable. We cannot guarantee the accuracy of such information, however, and we have not independently verified such information.

COMPANY PROFILE

OUR MISSION

- To positively impact our clients' financial potential-through holistic guidance, unparalleled service, and engaging technology.

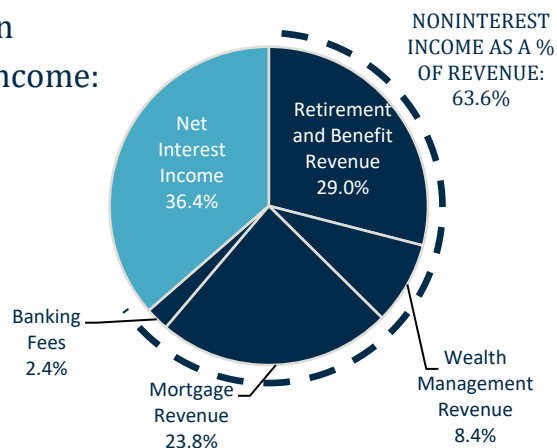
ALERUS BUSINESS LINES

- Banking
- Retirement and Benefits
- Wealth Management
- Mortgage

DIVERSIFIED REVENUE STREAM

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2021

- Noninterest income: \$152.4 million
- Net interest income: \$87.5 million



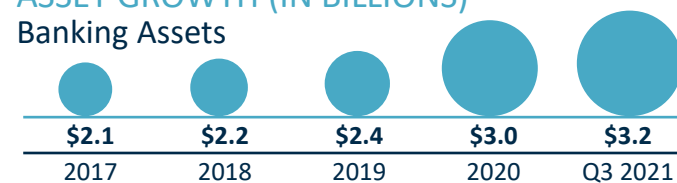
Data as of 09/30/2021.

DIVERSIFIED FINANCIAL SERVICES COMPANY

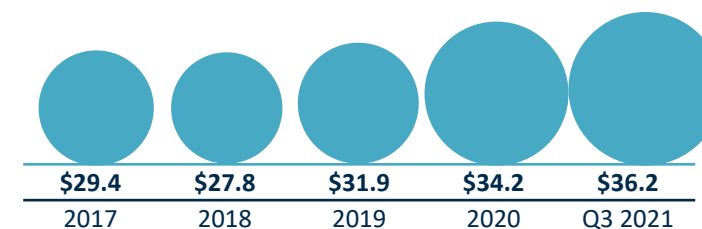
- \$3.2 billion Banking assets
- \$36.2 billion Retirement and Benefits AUA/AUM
- \$3.9 billion Wealth Management AUA/AUM
- \$1.5 billion in Mortgage Originations YTD

ASSET GROWTH (IN BILLIONS)

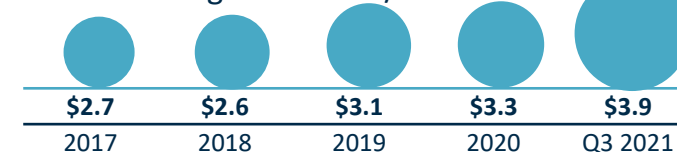
Banking Assets



Retirement and Benefit Services AUA/AUM



Wealth Management AUA/AUM



FRANCHISE FOOTPRINT

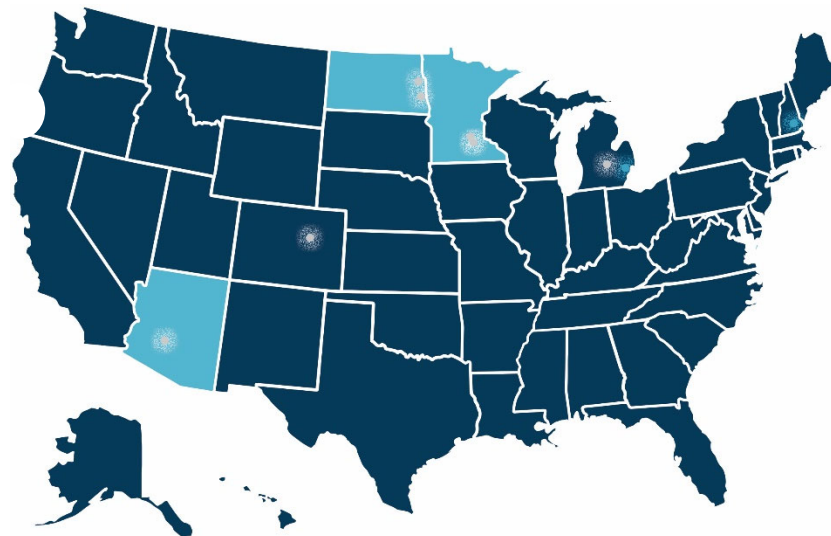
FULL-SERVICE BANKING OFFICES

Alerus offers banking, retirement and benefits, mortgage and wealth management services at all full-service banking offices

- **Grand Forks, ND:** 4 full-service banking offices
- **Fargo, ND:** 3 full-service banking offices
- **Twin Cities, MN:** 6 full-service banking offices
- **Phoenix, AZ:** 2 full-service banking offices

RETIREMENT AND BENEFITS SERVICES OFFICES

- 1 office in Minnesota
- 1 office in Michigan
- 1 office in Colorado
- Serve clients in all 50 states through retirement plan services



DIVERSIFIED CLIENT BASE

- 45,200 consumers
- 10,200 businesses
- 7,500 employer-sponsored retirement plans
- 375,800 employer-sponsored retirement plan participants
- 62,900 health savings account participants
- 54,100 flexible spending account/health reimbursement arrangement participants

Data as of 09/30/2021.

ONE ALERUS

ONE ALERUS STRATEGY

One Alerus enables us to bring our product and service offerings to clients in a cohesive and seamless manner. We believe the One Alerus initiative will enable us to achieve future organic growth by leveraging our existing client base and help us continue to provide strong returns to our stockholders

TECHNOLOGY INVESTMENT

We have proactively invested in technology to further our goal to effectively integrate all departments and business lines

These investments allow for digital and proactive engagement with clients

DIVERSIFIED SERVICES

We can offer comprehensive product and service packages to our clients including banking, mortgage, wealth management, retirement benefits and payroll administration

SYNERGISTIC GROWTH

Deposits sourced from our retirement and benefits divisions totaled \$576.0 million as of September 30, 2021

Cumulative rollovers have added \$930.0 million of assets under management

1-4 Family 1st Liens totaled \$477.5 million in the third quarter

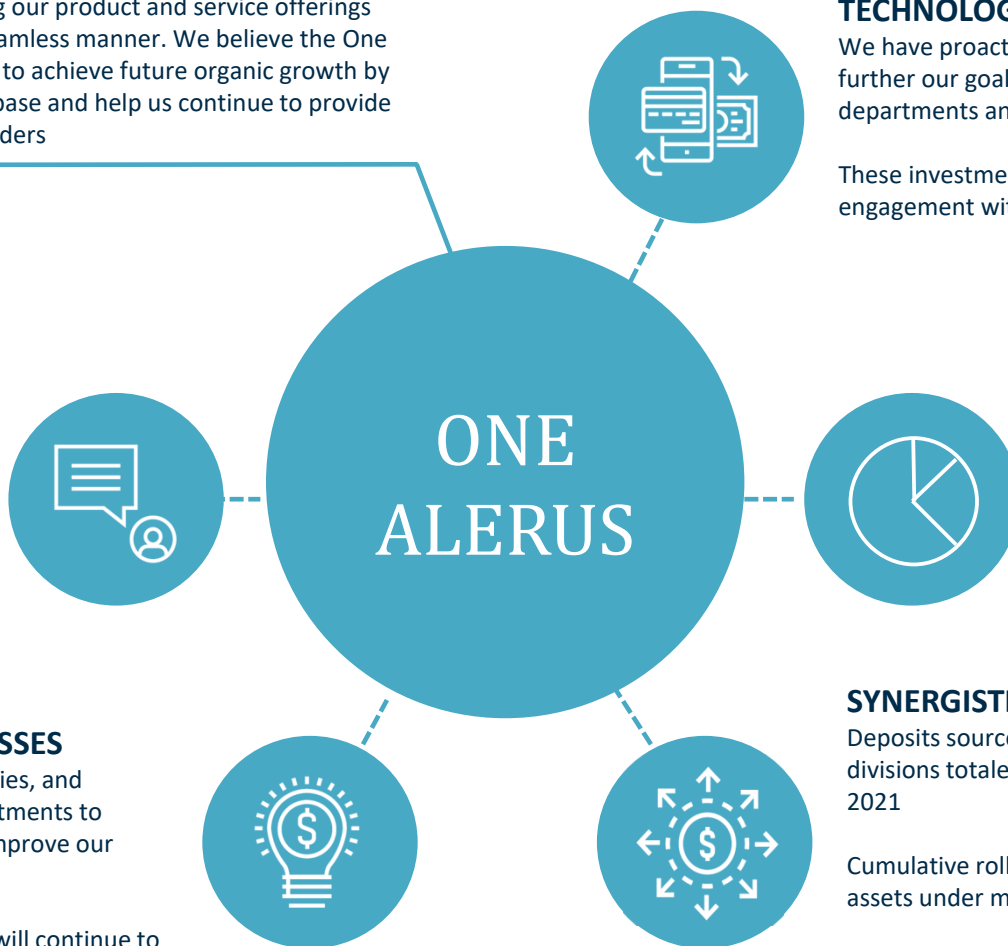
TAILORED ADVICE

We strive to provide each client with a primary point of contact—a trusted advisor—who deals with individual needs and integrates other department's expertise when necessary

REINVENTION OF PROCESSES

We have aligned processes, policies, and procedures throughout all departments to enhance client experience and improve our Company's efficiency

Our expectation is this initiative will continue to improve our scalability and operating costs



STRATEGIC GROWTH

To supplement our strong organic growth, we have executed 24 acquisitions throughout the history of our company across all business lines:

2000

REBRANDED TO ALERUS

2002

Acquired a branch from BNC National Bank (Fargo, ND)

2003

Acquired Pension Solutions, Inc. (St. Paul, MN)
The catalyst to the Retirement Division

2006

OPENED A TRUST AND INVESTMENT OFFICE (TWIN CITIES)

Acquired Stanton Trust Company (Minneapolis, MN)

2007

**EXPANDED TO MINNESOTA MARKET
OPENED A BUSINESS BANKING OFFICE (MINNETONKA, MN)**

Acquired Acclaim Benefits, Inc. (Minneapolis, MN)
Acquired Stanton Investment Advisors (Minneapolis, MN)

2009

**EXPANDED TO ARIZONA MARKET
OPENED A BUSINESS BANKING OFFICE (SCOTTSDALE, AZ)**

Acquired retirement plan practice of Eide Bailly, LLP (Minneapolis, MN)
Acquired Prosperan Bank (Twin Cities, MN)
Acquired deposits from BankFirst (Minneapolis, MN)
Acquired Residential Mortgage Group (Minnetonka, MN)

2011

Acquired selected loans and deposits (in MN) and a branch (in AZ) from BNC National Bank

2012

EXPANDED TO MICHIGAN

Acquired PensionTrend, Inc. and PensionTrend Investment Advisers, LLC (Okemos, MI)

2013

Acquired Tegrit Administrators, LLC

2014

EXPANDED TO NEW HAMPSHIRE

Acquired Private Bank Minnesota (Minneapolis, MN)
Acquired Retirement Alliance, Inc. (Manchester, NH)

2015

Acquired Interactive Retirement Systems, Ltd. (Bloomington, MN)

2016

Acquired Beacon Bank (Shorewood, Excelsior, Eden Prairie and Duluth, MN)
Acquired Alliance Benefit Group North Central States, Inc. (Albert Lea and Eden Prairie, MN)

2017

LAUNCHED ONE ALERUS STRATEGIC GROWTH PLAN

2019

**LAUNCHED FINANCIAL WELLNESS TECHNOLOGY
COMPLETED INITIAL PUBLIC OFFERING (IPO)**

2020

EXPANDED TO COLORADO

Acquired Retirement Planning Services, Inc. (Littleton, CO)

KEY STRATEGIC INITIATIVES

GROWING THE ALERUS FRANCHISE

LEVERAGE OUR EXISTING CLIENT BASE

- Diversified client base consists of **45,200** consumers, **10,200** businesses and over **375,800** employer-sponsored retirement and benefit plan participants
- Harness **product synergies** unavailable to traditional banking organizations

EXECUTE STRATEGIC ACQUISITIONS

- Capitalize on **strategic opportunities** to grow in our existing markets or new markets
- Acquisition targets include **banks and nationwide fee income** companies with **complementary** business models, cultural similarities, synergy and growth opportunities

PURSUE TALENT ACQUISITION

- Recruit **top talent to accelerate growth** in our existing markets or jumpstart our entrance into new markets
- Market disruption caused by M&A activity provides **lift-out opportunities**

ENHANCE BRAND AWARENESS

- Proactively position ourselves as an **acquirer and employer of choice**
- Invested in one of the **leading marketing automation technologies**

STRENGTHEN AND BUILD INFRASTRUCTURE

- Provide **secure and reliable** technology that meets evolving client expectations
- Integrate our full product and service offerings through our **fast-follower** strategy

ORGANIC GROWTH "ONE ALERUS"

- Collaborative leadership team focused on **growing organically** by deepening relationships with existing clients through our expansive services
- Diversified business model focused on bringing value to the client through advice and specialty solutions to help clients grow.

OFFICERS AND DIRECTORS

OUR MOTIVATED, DEDICATED, AND ENERGETIC LEADERS KEEP US ON THE RIGHT PATH

| | | | |
|------------------------------|---|---|---------------------------|
| SENIOR EXECUTIVE TEAM |  | <p>RANDY NEWMAN Chairman, President, and Chief Executive Officer <i>40 years with Alerus</i></p> | BOARD OF DIRECTORS |
|------------------------------|---|---|---------------------------|


| | |
|---|---|
|  | <p>KATIE LORENSEN Executive Vice President and Chief Financial Officer <i>President and CEO Elect, effective Jan. 1, 2022</i> <i>4 years with Alerus</i></p> |
|---|---|

| | |
|---|---|
|  | <p>ANN MCCONN Executive Vice President and Chief Shared Services Officer <i>19 years with Alerus</i></p> |
|---|---|

| | |
|--|---|
|  | <p>KARIN TAYLOR Executive Vice President and Chief Risk Officer <i>3 years with Alerus</i></p> |
|--|---|

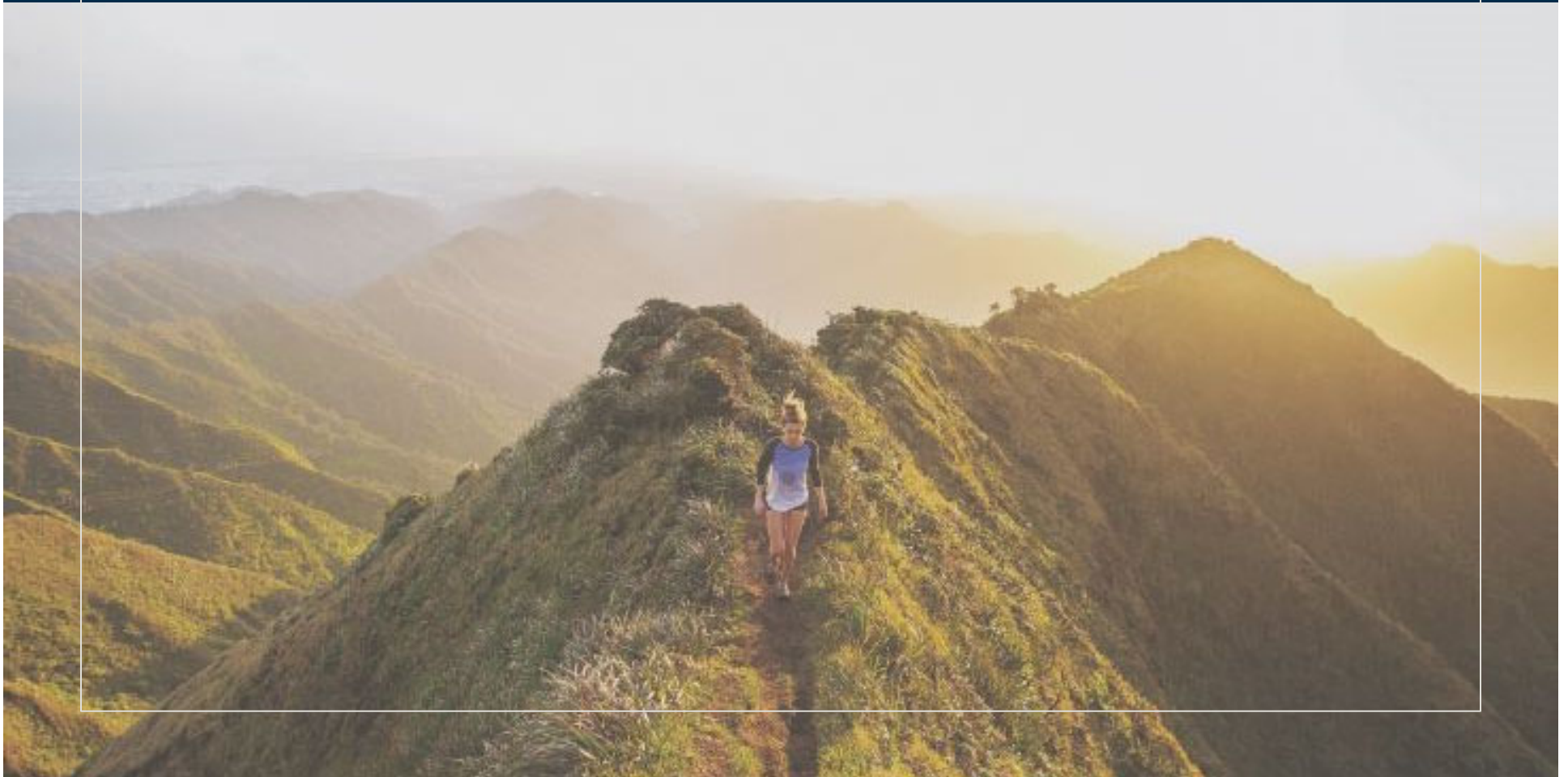
| | | | |
|---|--|---|--|
| <p>KEVIN LEMKE <i>Since 1994</i> President Virtual Systems, Inc. Grand Forks, ND</p> |  | <p>KAREN BOHN <i>Since 1999</i> President, Galeo Group, LLC Former Chief Administrative Officer Piper Jaffray Co. Edina, MN</p> |  |
| <p>SALLY SMITH <i>Since 2007</i> Former President and CEO Buffalo Wild Wings, Inc. Minneapolis, MN</p> |  | <p>DAN COUGHLIN <i>Since 2016</i> Former MD & Co-Head – Fin'l Services Inv. Banking, Raymond James; Former Chairman & CEO, Howe Barnes Hoefer & Arnett Chicago, IL</p> |  |
| <p>GALEN VETTER <i>Since 2013</i> Former Global CFO, Franklin Templeton Investments; Former Partner-in-Charge, Upper Midwest Region, RSM Minneapolis, MN</p> |  | <p>MICHAEL MATHEWS <i>Since 2019</i> CIO, Deluxe Corporation Former SVP – Technology and Enterprise Programs, UnitedHealth Group Minneapolis, MN</p> |  |

| | |
|---|---|
| <p>JANET ESTEP <i>Since 2021</i> Former President and CEO, Nacha Former EVP, US Bank Transaction Division Former VP, Pace Analytical Services Naples, FL</p> |  |
|---|---|

| | |
|--|---|
| <p>JILL SCHURTZ <i>Since 2021</i> CEO and CIO, St. Paul Teacher's Retirement Fund Association Former CEO and COO, Robeco-Sage Mgmt. Minneapolis, MN</p> |  |
|--|---|

| | |
|---|---|
| <p>MARY ZIMMER <i>Since 2021</i> Former Director of Diverse Client Segments and Former Northern Regional President, Wells Fargo Advisors Former Head of Intl. Wealth USA, Royal Bank of Canada U.S. Wealth Mgmt. Minneapolis, MN</p> |  |
|---|---|

THIRD QUARTER HIGHLIGHTS



Q3 2021 FINANCIAL HIGHLIGHTS

INCOME STATEMENT

| | Three months ended | | | Nine months ended | |
|---|--------------------|------------------|-------------------|-------------------|-------------------|
| | September 2021 | June 2021 | September 2020 | September 2021 | September 2020 |
| (dollars and shares in thousands, except per share data) | | | | | |
| Net Interest Income | \$ 21,132 | \$ 21,140 | \$ 21,765 | \$ 64,310 | \$ 60,693 |
| Provision for Loan Losses | (2,000) | — | 3,500 | (2,000) | 9,500 |
| Net Interest Income After Provision for Loan Losses | 23,132 | 21,140 | 18,265 | 66,310 | 51,193 |
| Noninterest Income | 36,040 | 36,748 | 45,256 | 113,669 | 110,675 |
| Noninterest Expense | 42,041 | 42,550 | 40,214 | 127,633 | 116,674 |
| Income Before Income Taxes | 17,131 | 15,338 | 23,307 | 52,346 | 45,194 |
| Income Tax Expense | 4,064 | 3,644 | 5,648 | 12,370 | 10,698 |
| Net Income | \$ 13,067 | \$ 11,694 | \$ 17,659 | \$ 39,976 | \$ 34,496 |
| Per Common Share Data | | | | | |
| Earnings Per Common Share – Diluted | \$ 0.74 | \$ 0.66 | \$ 0.99 | \$ 2.26 | \$ 1.94 |
| Diluted Average Common Shares Outstanding | 17,499 | 17,497 | 17,453 | 17,488 | 17,435 |
| Performance Ratios | | | | | |
| Return on Average Total Assets | 1.62% | 1.50% | 2.42% | 1.71% | 1.71% |
| Return on Average Tangible Common Equity ⁽¹⁾ | 18.13% | 17.36% | 26.67% | 19.44% | 18.70% |
| Noninterest Income as a % of Revenue | 63.04% | 63.48% | 67.53% | 63.87% | 64.58% |
| Net Interest Margin (Tax-Equivalent) ⁽¹⁾⁽²⁾ | 2.78% | 2.88% | 3.17% | 2.92% | 3.22% |
| Efficiency Ratio ⁽¹⁾ | 71.49% | 71.46% | 58.42% | 69.69% | 66.22% |

1 – Represents a non-GAAP Financial measure. See “Non-GAAP Disclosure Reconciliation.”

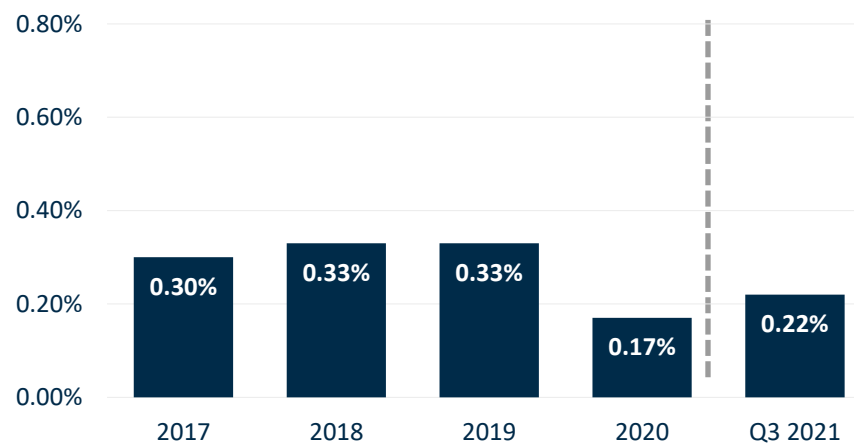
2 – Net interest margin (tax-equivalent) excluding PPP loans for the three and nine months ended September 30, 2021, was 2.62% and 2.77%, respectively.

ASSET QUALITY AND RESERVE LEVELS

OVERVIEW

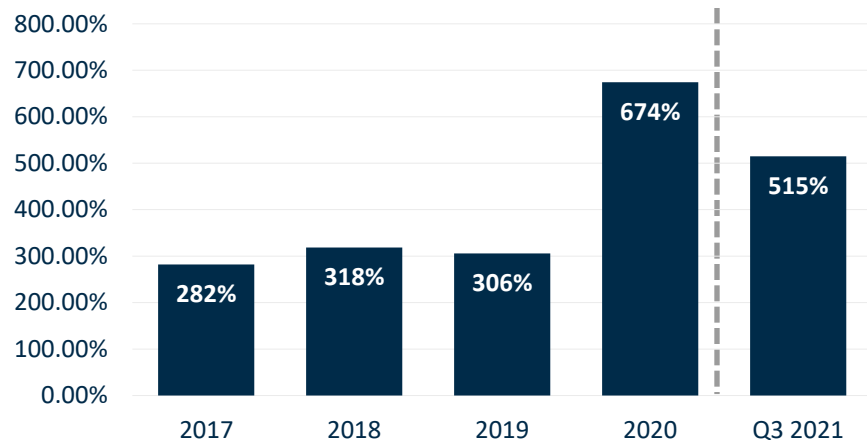
- Solid asset quality
- Strong reserve levels
- Proactive approach to classification of assets and management of loan problems

NPAS / ASSETS (%)

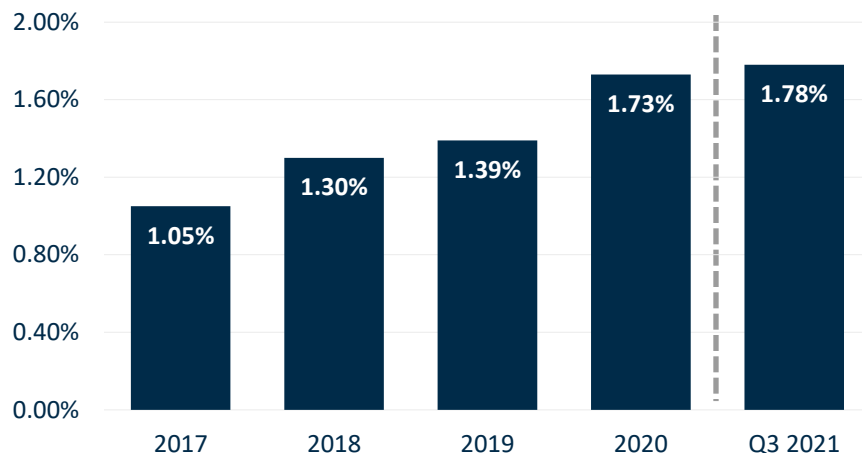


Excluding PPP loans, NPAs/Assets as of September 30, 2021, was 0.23%

RESERVES / NPLS (%)



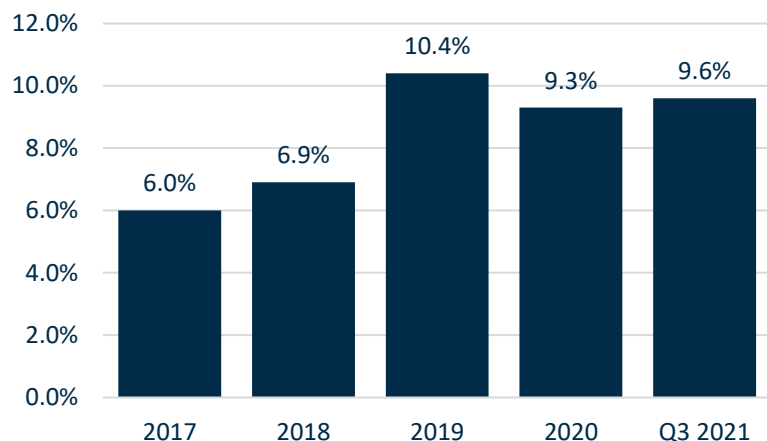
RESERVES / LOANS (%)



Excluding PPP loans, Reserves/Loans as of September 30, 2021, was 1.89%

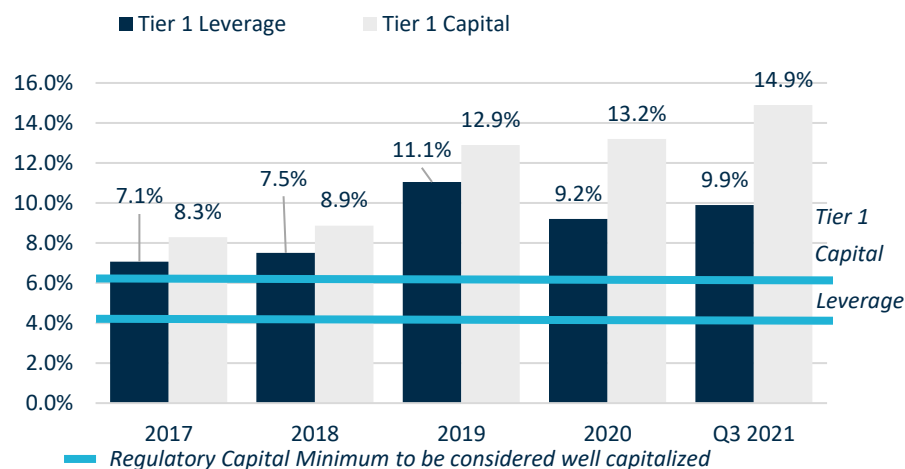
STRONG CAPITAL AND SOURCES OF LIQUIDITY

TANGIBLE COMMON EQUITY/TANGIBLE ASSETS¹

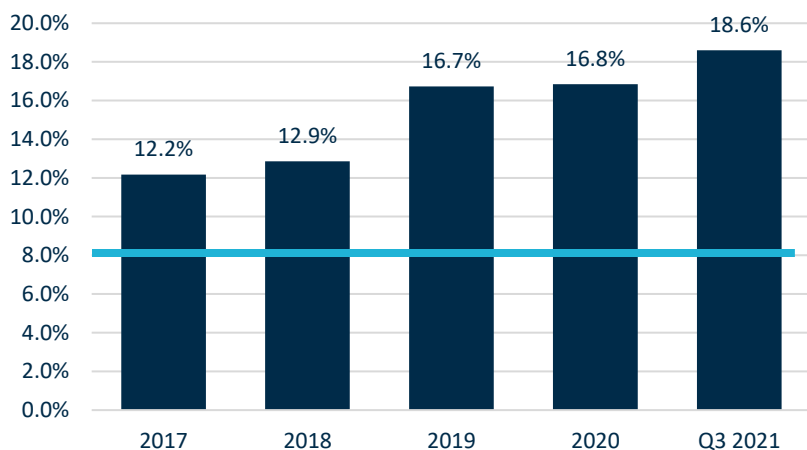


Excluding PPP, Tangible Common Equity/Tangible Assets on September 30, 2021, was 9.95%
 1- Represents a non-GAAP financial measure. See "Non-GAAP Disclosure Reconciliation."

TIER 1 CAPITAL/TIER 1 LEVERAGE RATIOS



TOTAL RISK BASED CAPITAL



Regulatory Capital Minimum to be considered well capitalized

PRIMARY AND SECONDARY SOURCES OF LIQUIDITY

| | |
|---|--------------------|
| Cash and cash equivalents | \$159,454 |
| Unencumbered securities – AFS | 589,914 |
| Over collateralized securities pledging – AFS | 40,089 |
| FHLB borrowing availability | 657,917 |
| Brokered CD capacity | 635,034 |
| Fed funds lines | 102,000 |
| Total as of 9/30/2021 | \$2,184,408 |

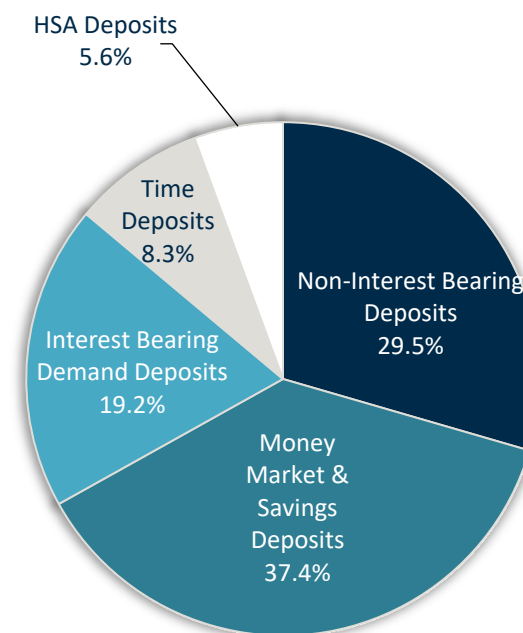
STRONG CORE FUNDING MIX

OVERVIEW AS OF SEPTEMBER 30, 2021

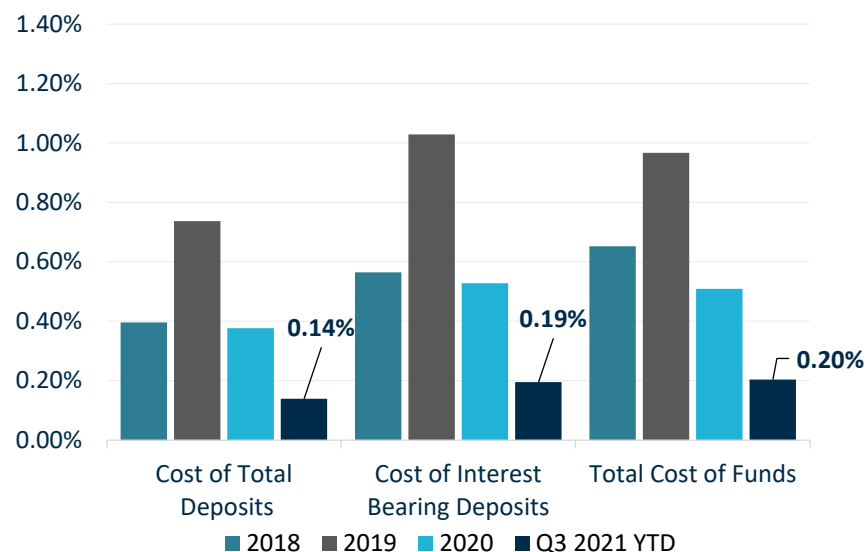
- Commercial transaction accounts totaled \$1.2 billion and decreased 0.1% in Q3. Consumer transaction accounts totaled \$675.3 million and decreased 6.2%
- Synergistic deposits, including HSA deposits and those sourced through retirement plans and participants, totaled \$576.0 million, with a YTD cost of 0.03%
- CD portfolio is primarily 6-month flex CD with over 50% held by clients for 10+ years
- Stable deposit relationships with 22-year average tenure on 10 largest depositors

SEPTEMBER 30, 2021 DEPOSIT FUNDING (\$2,713MM)

As of September 30, 2021, core deposits totaled \$2.6 billion or 97.0% of our total deposits

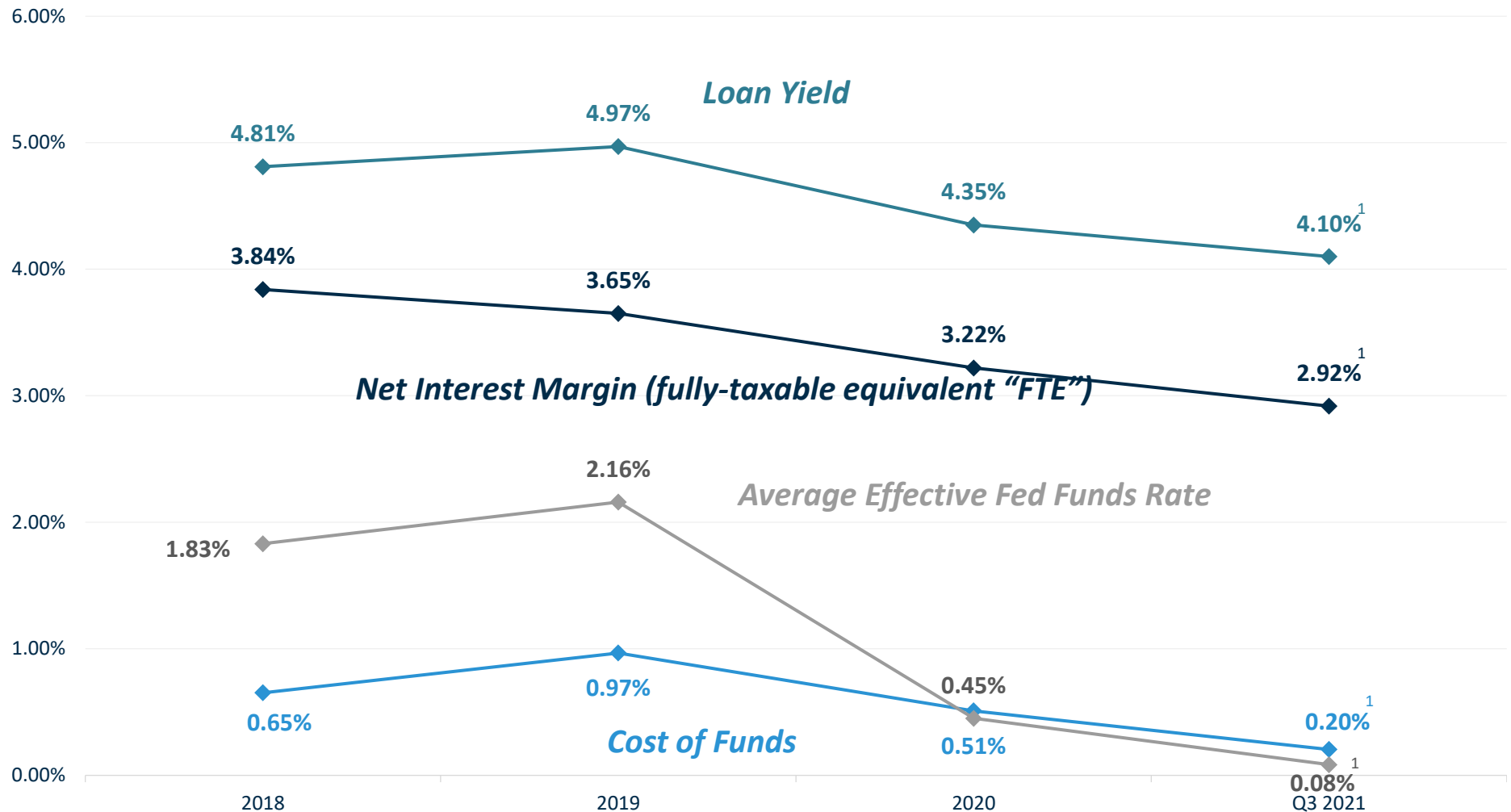


LOW COST OF FUNDS



Data YTD as of 9/30/2021.

NET INTEREST MARGIN (NIM)



1 – Rates have been annualized for interim periods.

Source: Alerus Financial Corporation; Federal Reserve

Note: Net interest margin (FTE) is a non-GAAP financial measure; See "Non-GAAP Disclosure Reconciliation" in the Appendix to this presentation

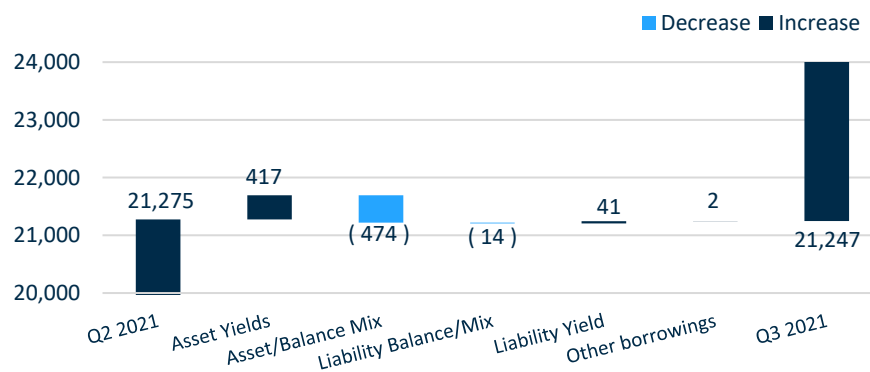
NIM AND LOAN FLOORS

VARIABLE RATE FLOORS BY INDEX

| <i>\$ in Millions</i> Index | In the Money | Out of the Money | No Floor | Total | Total % |
|--------------------------------|---------------|------------------|---------------|---------------|---------------|
| Prime | \$ 203 | \$ 39 | \$ 20 | \$ 262 | 39.6% |
| 1 Month LIBOR | 11 | – | 165 | 176 | 26.6% |
| 12 Month LIBOR | 1 | 83 | 66 | 150 | 22.7% |
| FHLB 5 Year | 16 | 17 | 13 | 46 | 6.9% |
| Other | 24 | 2 | 2 | 28 | 4.2% |
| Total | \$ 255 | \$ 141 | \$ 266 | \$ 662 | 100.0% |

Percent of Total 38.5% 21.3% 40.2% 100.0%

NET INTEREST INCOME¹



1 – NIM excluding PPP for the three months ended September 30, 2021, was 2.62%

VARIABLE RATE FLOORS

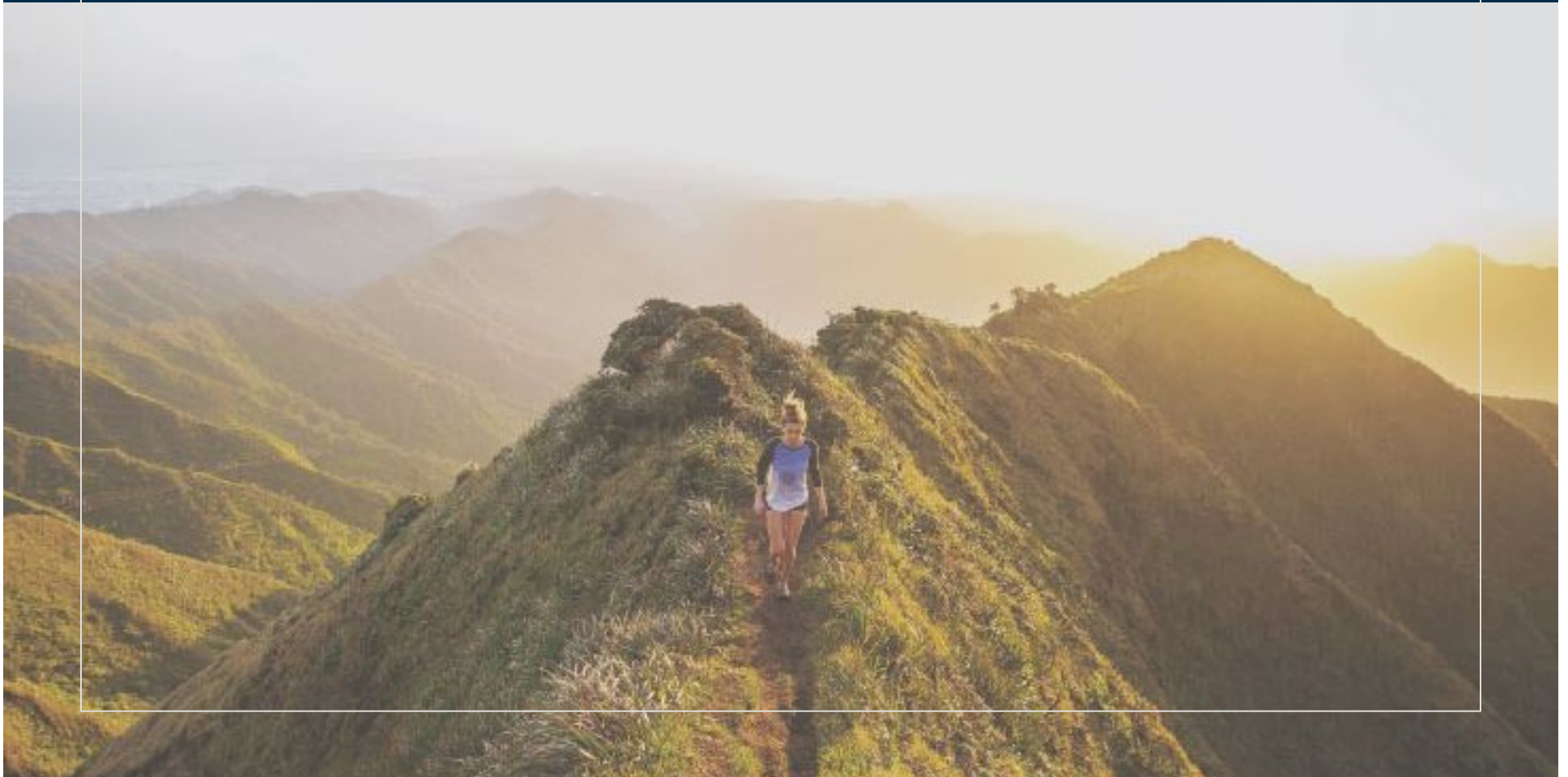
| <i>\$ in Millions</i> | Balance | % of Total Balance | Cumulative % of Total Balance |
|-------------------------|---------------|--------------------|-------------------------------|
| No Floors | \$ 266 | 40.2% | 40.2% |
| Floors Reached | 255 | 38.5% | 78.7% |
| 0-50 bps to reach floor | 125 | 18.9% | 97.6% |
| >50bps to reach floor | 16 | 2.4% | 100.0% |
| Total | \$ 662 | 100.0% | |

COMMENTS

Quarter over quarter highlights:

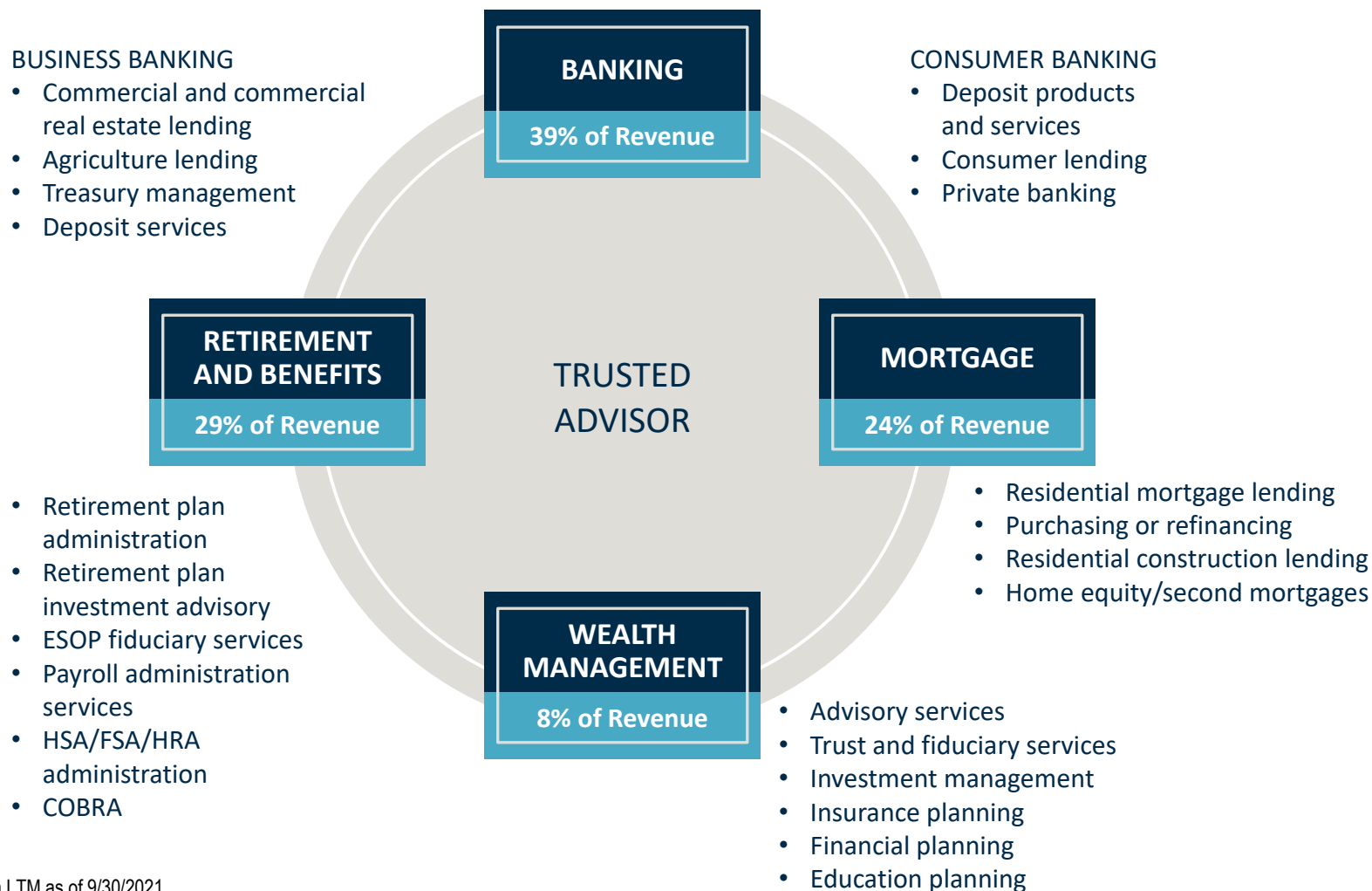
- Loan yield was up 2bps, investment yield was up 2bps and cash was up 4bps offset by increase in cash levels as a % of earning assets
- Other borrowings yield favorable 5pbs
- Deposit yield was down 1bps as deposit avg balance increased \$43 million

DIVERSIFIED



OUR DIVERSE BUSINESS LINES

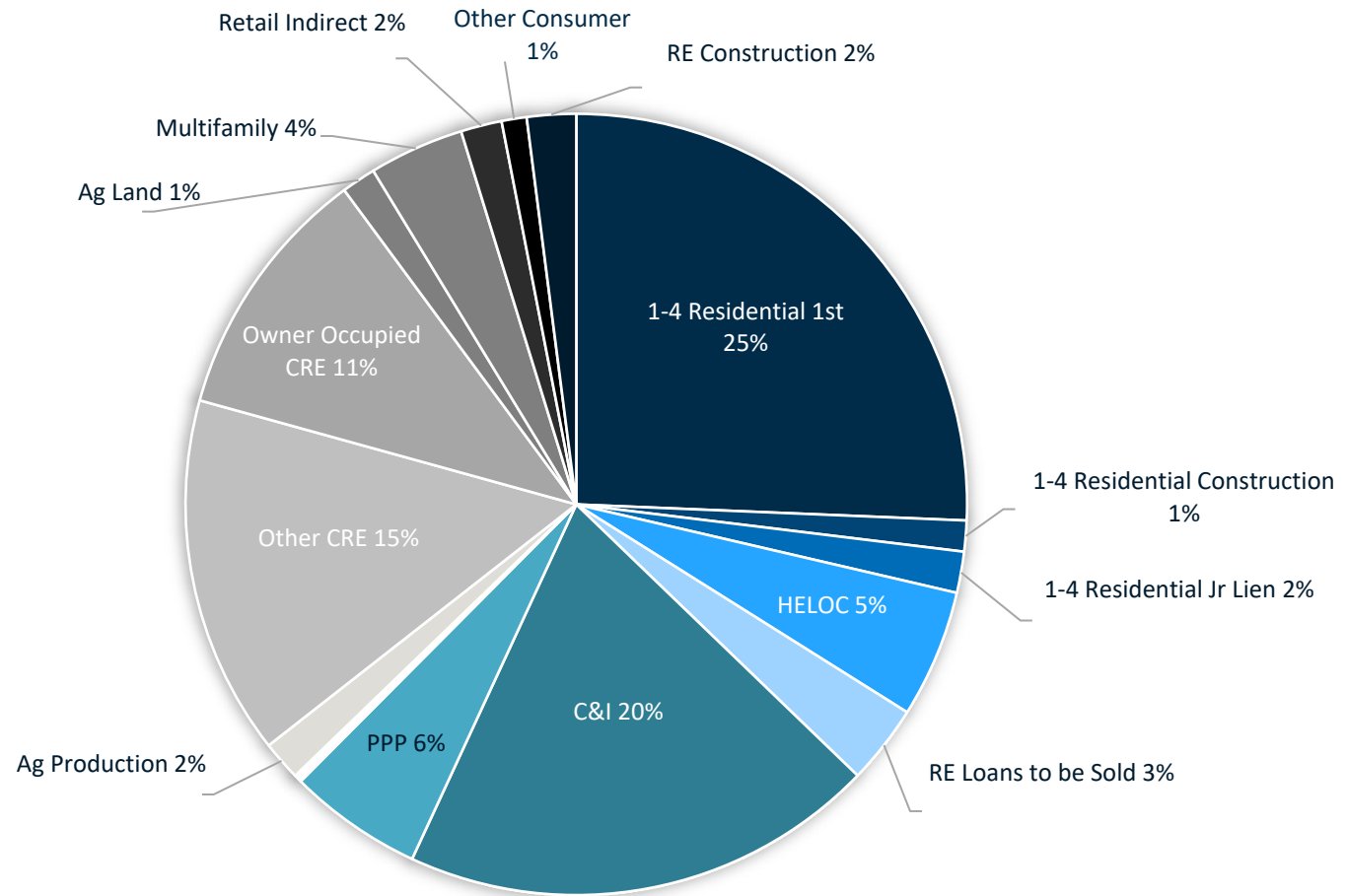
A BIG COMPANY MODEL WITH SMALL COMPANY EXECUTION



Revenue data LTM as of 9/30/2021.

WELL DIVERSIFIED LOAN PORTFOLIO

BY OUTSTANDING BALANCES



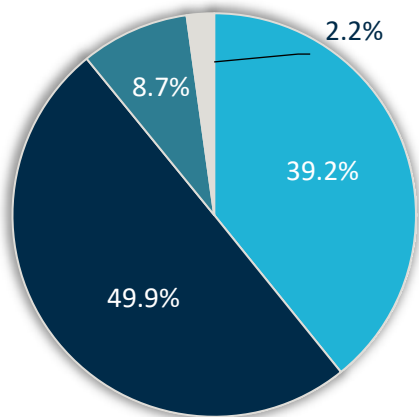
As of 9/30/2021.

MARKET DISTRIBUTION

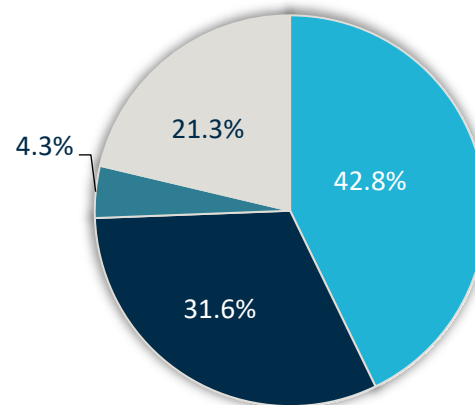
STRONG GROWTH MARKETS AND STABLE CORE FUNDING

(\$ IN MILLIONS)

LOANS (\$1,800)⁽¹⁾



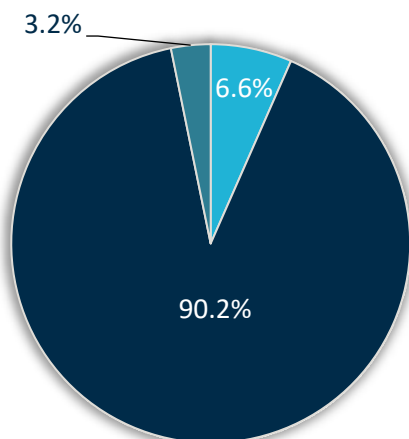
DEPOSITS (\$2,713)



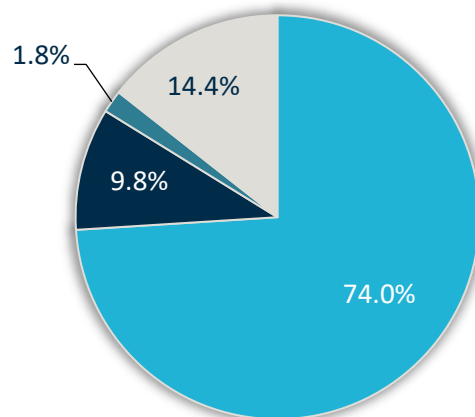
LEGEND

- North Dakota
- Minnesota
- Arizona
- National

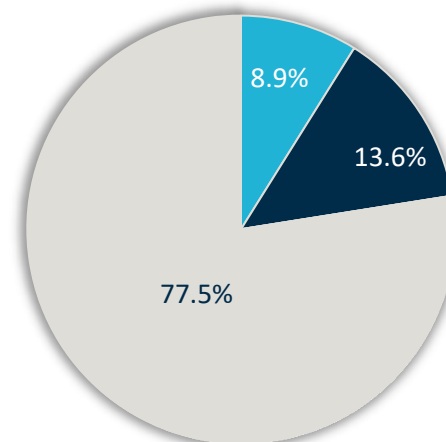
MORTGAGE ORIGINATIONS (\$1,479)



WM ASSETS UNDER ADMIN/MGMT. (\$3,865)



ARB ASSETS UNDER ADMIN/MGMT. (\$36,203)



Data as of 09/30/2021.

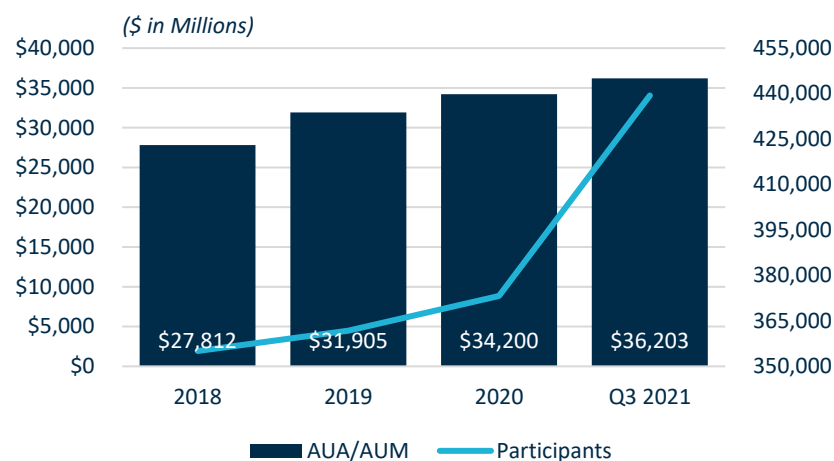
1-Loans in our national market are participant loans not sourced directly through advisors located in one of our geographical markets.

RETIREMENT AND BENEFITS

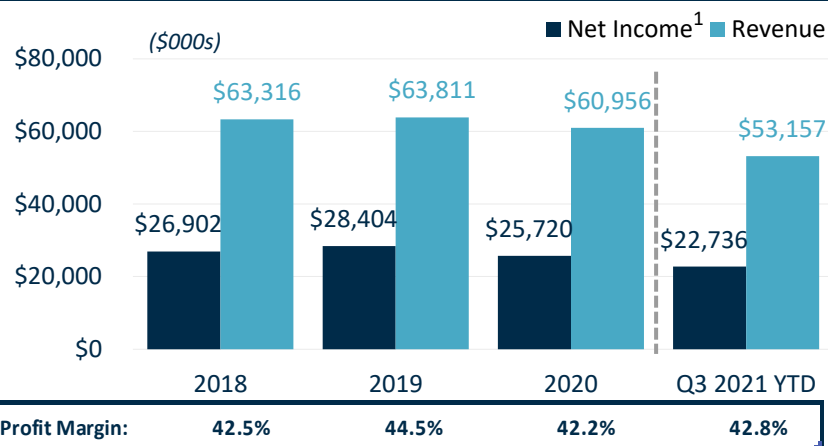
OVERVIEW-7,500 PLANS- NATIONAL FOOTPRINT

- **RETIREMENT** - Provide recordkeeping and administration services to qualified retirement plans
- **ADVISORY SERVICES** - Provide investment fiduciary services to retirement plans
- **HEALTH AND WELFARE** - Provide HSA, FSA, COBRA recordkeeping and administration services to employers
- **ESOP** - Provide trustee, recordkeeping and administration to employee stock ownership plans
- **PAYROLL** - Provide payroll and HRIS services for employers
- **ONE ALERUS SYNERGIES**
 - IRA rollovers \$106.8 million YTD 9/30/2021
 - Deposits - HSA deposits, 401(k) Money Market Funds, Emergency Savings, Terminated Participants
 - Managed accounts

ASSETS UNDER ADMINISTRATION/MANAGEMENT

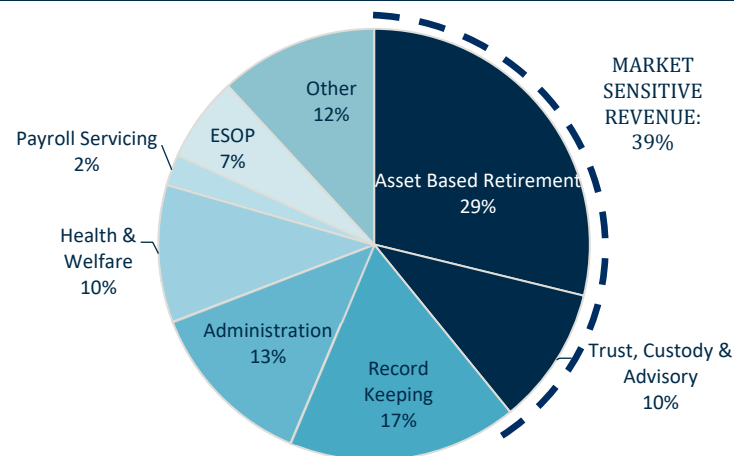


PROFIT MARGIN



¹ Net Income before Tax and Indirect Allocations.

REVENUE MIX

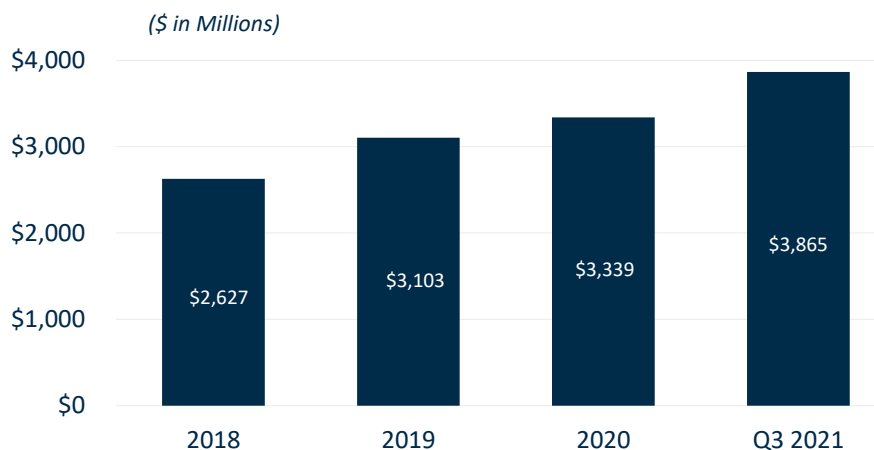


WEALTH MANAGEMENT SERVICES

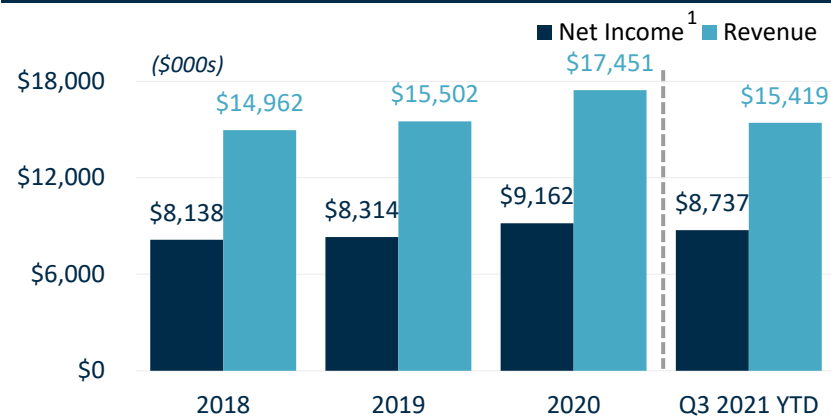
OVERVIEW OF SERVICES

- **ADVISORY AND PLANNING SERVICES**
 - Retirement Planning, Tax Planning, Insurance Planning, Wealth Transfer Planning and Business Transition Planning
- **ASSET MANAGEMENT**
 - Personalized SMA strategies, Tax Management and Global Perspective
- **FIDUCIARY SERVICES**
 - IRA, Agency and Personal Trust
- **ONE ALERUS SYNERGIES**
 - IRA rollovers
 - 401(k) managed accounts

ASSETS UNDER ADMINISTRATION/MANAGEMENT



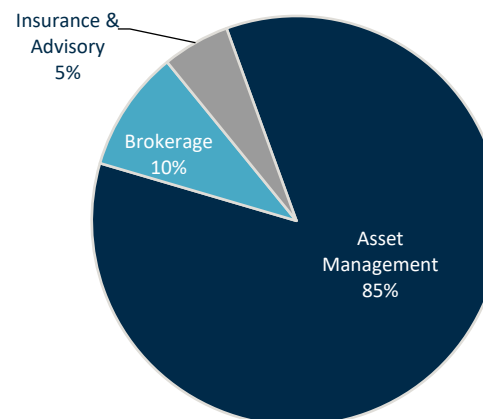
PROFIT MARGIN



| Profit Margin: | 2018 | 2019 | 2020 | Q3 2021 YTD |
|----------------|-------|-------|-------|-------------|
| | 54.4% | 53.6% | 52.5% | 56.7% |

¹ Net Income before Tax and Indirect Allocations.

REVENUE MIX



MORTGAGE BANKING

OVERVIEW OF SERVICES

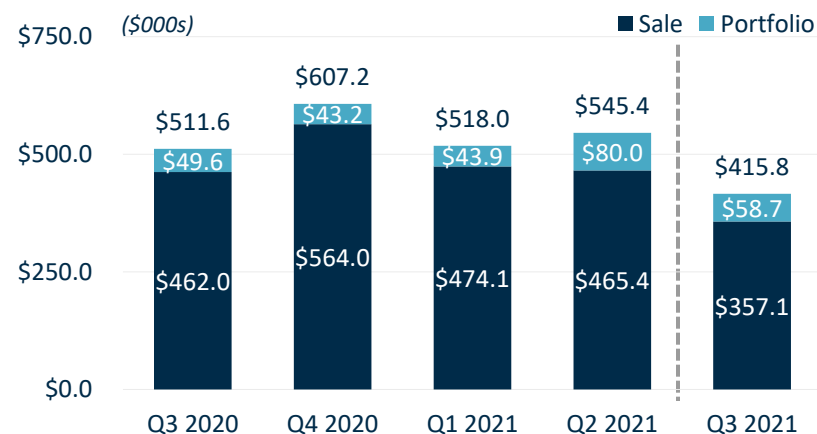
- 1st and 2nd mortgage product offerings through centralized mortgage operations in Minnesota
- Our Twin Cities originators averaged \$42+ million in annual volume over the last three years
- YTD 4,616 loans closed, approximately 50% purchase originations, with approximately 90% sourced from the Twin Cities MSA
- Q3 94.7% pull through on secondary market
- ONE ALERUS SYNERGIES**
 - Through enhanced technology, digital applications total approximately 90%. Paperless environment eliminated nearly 200,000+ pages printed on a monthly basis
 - As of September 30, 2021, residential real estate first mortgages excluding construction mortgages totaled \$478 million

REVENUE SUMMARY

| (\$000s) | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 |
|---------------------------|------------------|------------------|------------------|------------------|------------------|
| Origination and Sale | \$ 16,289 | \$ 19,071 | \$ 16,421 | \$ 17,803 | \$ 12,925 |
| Fair Value Changes | 5,980 | (2,290) | 711 | (5,515) | (1,810) |
| Total | \$ 22,269 | \$ 16,781 | \$ 17,132 | \$ 12,288 | \$ 11,115 |
| Net income ⁽¹⁾ | \$ 13,113 | \$ 4,367 | \$ 6,725 | \$ 2,116 | \$ 3,151 |
| Profit Margin | 57.3% | 25.0% | 38.3% | 16.6% | 27.1% |

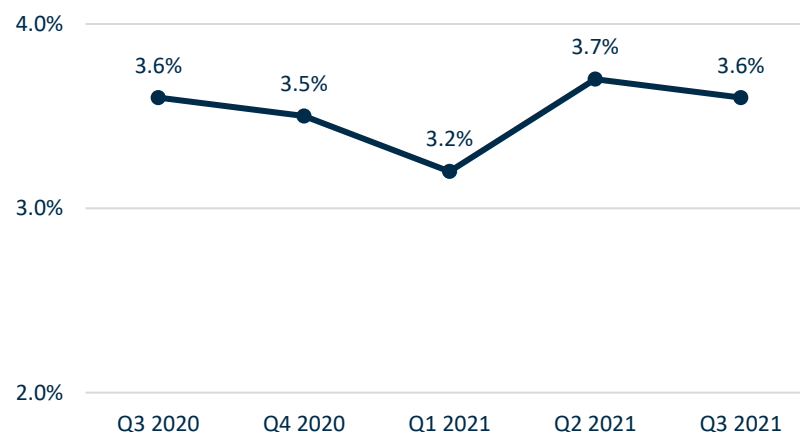
1 Net Income before Tax and Indirect Allocations.

MORTGAGE ORIGINATIONS



| | | | | | |
|-------------|-------|-------|-------|-------|-------|
| Purchase % | 52.8% | 42.1% | 32.3% | 52.5% | 67.5% |
| Refinance % | 47.2% | 57.9% | 67.7% | 47.5% | 32.5% |

GAIN ON SALE MARGIN

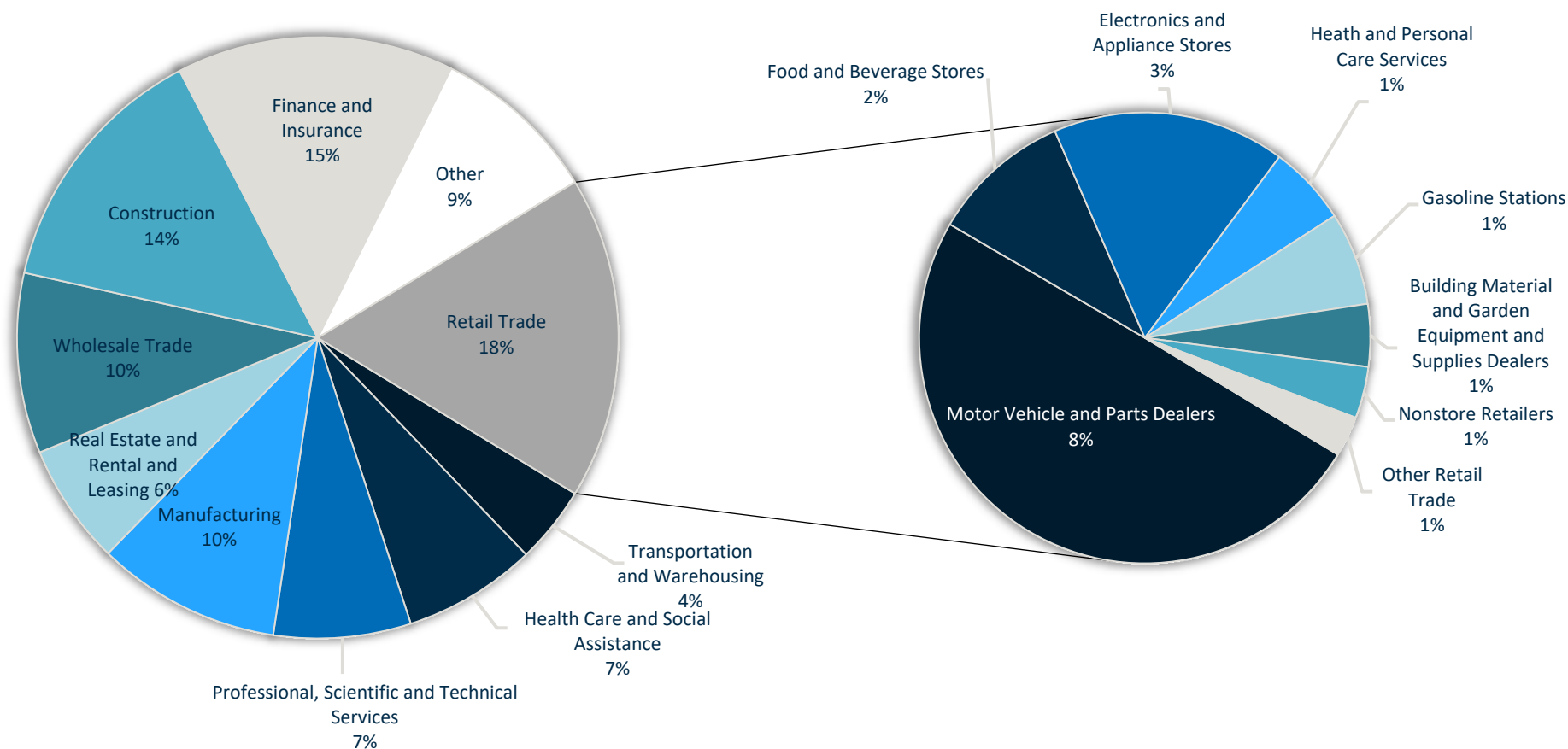


LOAN PORTFOLIO AND CREDIT QUALITY



SUMMARY BY INDUSTRY TYPE

TOTAL COMMITMENT COMMERCIAL & INDUSTRIAL¹



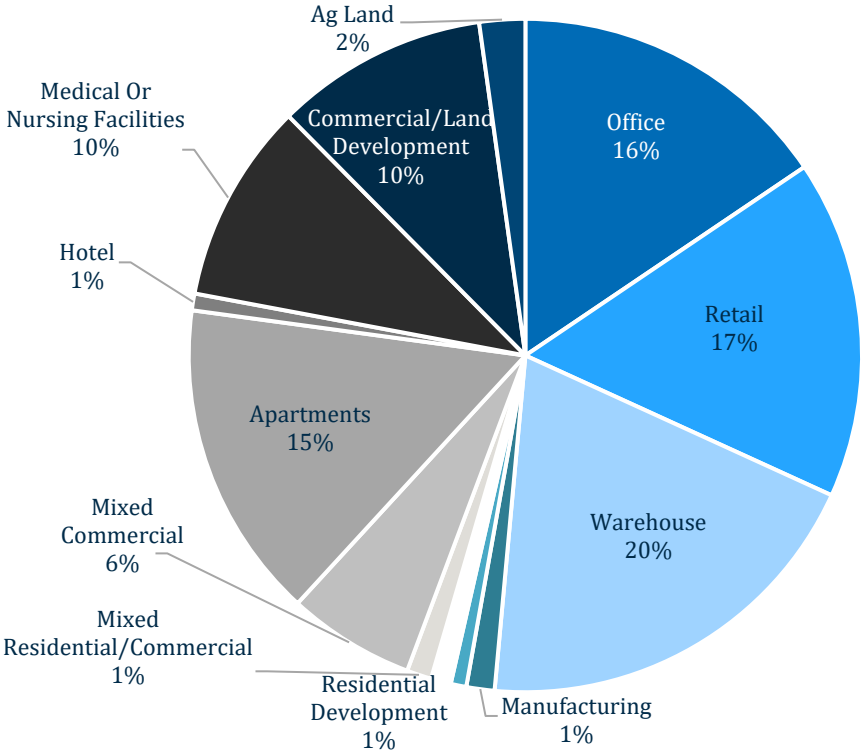
¹ – Commercial and industrial loans includes C & I, Loans to Public Entities, and Other Loans. It Excludes PPP and Ag Production loans

"Other" includes to the following industries (1) Nonclassifiable establishments, (2) Management of Companies and Enterprises, (3) Administrative and Support and Waste Management and Remediation Services, (4) Accommodation and Food Services, (5) Educational Services, (6) Other Services (except Public Administration), (7) Information, (8) Arts, Entertainment, and Recreation, (9) Agriculture Forestry, Fishing, and Hunting, (10) Public Administration, (11) Mining Quarrying, and Oil and Gas Extraction, and (12) Utilities

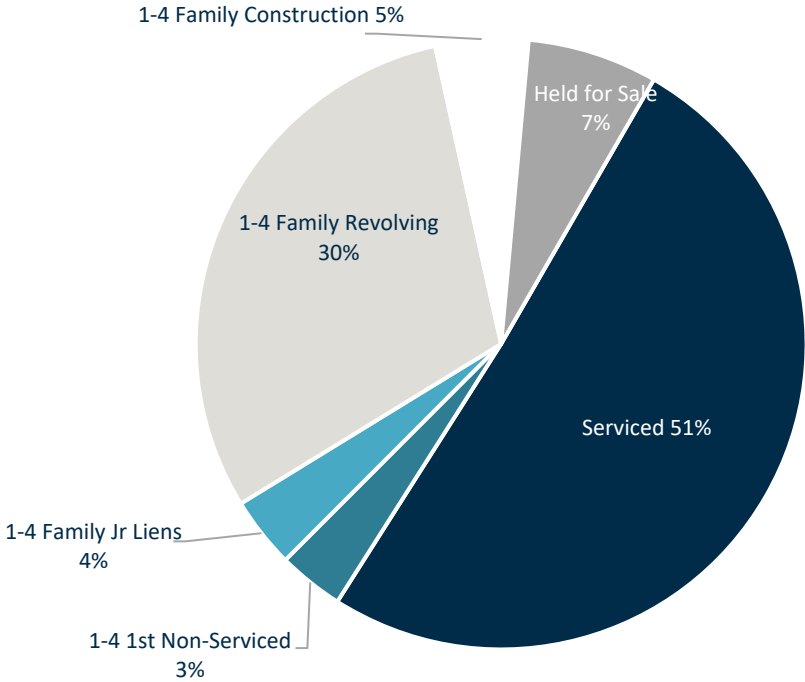
"Other Retail Trade" includes to the following sub-industries within Retail Trade: (1) Miscellaneous Store Retailers, (2) Furniture and Home Furnishings Stores, (3) Sporting Goods, Hobby, Musical Instrument, and Book Stores, (4) Clothing and Clothing Accessories Stores, and (5) General Merchandise Stores

LOANS SECURED BY REAL ESTATE

TOTAL COMMITMENT
COMMERCIAL REAL ESTATE¹



TOTAL COMMITMENT
RESIDENTIAL REAL ESTATE

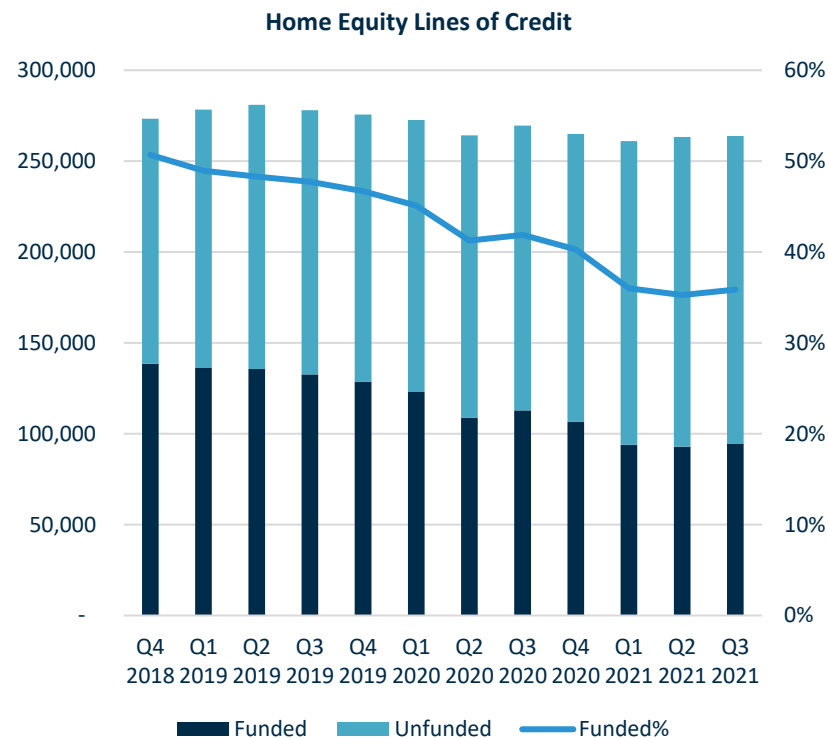
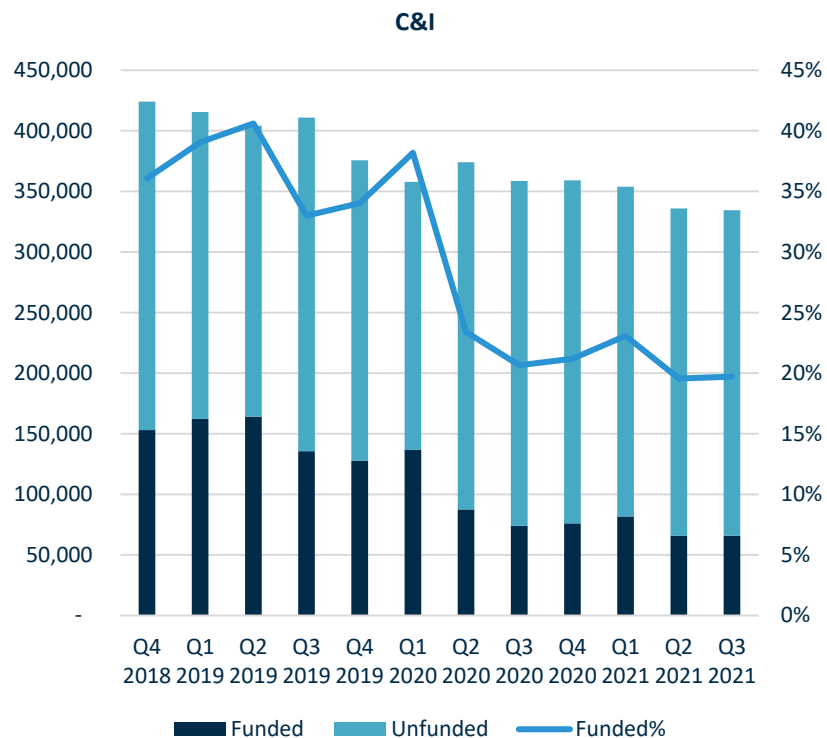


| Portfolio | Avg FICO | Avg LTV |
|--------------|----------|---------|
| Served | 759 | 65% |
| Non-Serviced | 780 | 28% |
| Junior | 755 | 78% |
| HELOC | 795 | 64% |

¹ – Loans secured by commercial real estate include Multifamily loans, Ag land, Other CRE, Owner Occupied CRE, and Ag production

LINE OF CREDIT UTILIZATION

C&I AND HOME EQUITY LINES OF CREDIT¹



1 – Commercial and industrial loans includes revolving C & I Loans and Other Loans. It Excludes non-revolving C&I loans, Ag Production, PPP and loans to Public Entities.

ALLOWANCE FOR LOAN LOSSES

CHANGES IN THE ALL BY PORTFOLIO SEGMENT

| <i>(dollars in thousands)</i> | Nine months ended September 30, 2021 | | | | |
|--|--------------------------------------|---------------------------|------------------|-----------------|----------------|
| | Beginning Balance | Provision for Loan Losses | Loan Charge-offs | Loan Recoveries | Ending Balance |
| Commercial | | | | | |
| Commercial and industrial | \$ 10,205 | \$ (1,378) | \$ (1,224) | \$ 1,497 | \$ 9,100 |
| Real estate construction | 658 | 21 | — | — | 679 |
| Commercial real estate | 14,105 | (1,049) | (536) | 4 | 12,524 |
| Total commercial | 24,968 | (2,406) | (1,760) | 1,501 | 22,303 |
| Consumer | | | | | |
| Residential real estate first mortgage | 5,774 | 1,027 | — | — | 6,801 |
| Residential real estate junior lien | 1,373 | (63) | — | 113 | 1,423 |
| Other revolving and installment | 753 | (196) | (139) | 105 | 523 |
| Total consumer | 7,900 | 768 | (139) | 218 | 8,747 |
| Unallocated | 1,378 | (362) | — | — | 1,016 |
| Total | \$ 34,246 | \$ (2,000) | \$ (1,899) | \$ 1,719 | \$ 32,066 |

ALLOWANCE FOR LOAN LOSSES

ALLOCATION BY PORTFOLIO SEGMENT

| <i>(dollars in thousands)</i> | September 30, 2021 | | December 31, 2020 | |
|--|---------------------|------------------------------------|---------------------|------------------------------------|
| | Allocated Allowance | Percentage of loans to total loans | Allocated Allowance | Percentage of loans to total loans |
| Commercial and industrial | \$ 9,100 | 28.1% | \$ 10,205 | 35.0% |
| Real estate construction | 679 | 2.1% | 658 | 2.2% |
| Commercial real estate | 12,524 | 32.0% | 14,105 | 28.4% |
| Residential real estate first mortgage | 6,801 | 27.8% | 5,774 | 23.4% |
| Residential real estate junior lien | 1,423 | 7.2% | 1,373 | 7.2% |
| Other revolving and installment | 523 | 2.8% | 753 | 3.7% |
| Unallocated | 1,016 | —% | 1,378 | —% |
| Total loans | \$ 32,066 | 100.0% | \$ 34,246 | 100.0% |

ALLOWANCE FOR LOAN LOSSES

ALLOCATION BY RISK SEGMENT (\$ IN 000'S)

| Risk Level | Total Loans | Unguaranteed Balance ¹ | Reserve Amount | Reserve / Unguaranteed Loans | Reserve/Total Loans |
|------------------------------------|---------------------|-----------------------------------|------------------|------------------------------|---------------------|
| Pass | \$ 1,768,566 | \$ 1,654,210 | \$ 28,045 | 1.70% | 1.59% |
| Special Mention | 4,238 | 4,097 | 182 | 4.44% | 4.29% |
| Substandard | 20,631 | 19,854 | 2,264 | 11.40% | 10.97% |
| Total Loans Evaluated Collectively | 1,793,435 | 1,678,161 | 30,491 | 1.82% | 1.70% |
| Total Loans Evaluated Individually | 6,951 | 6,700 | 559 | 8.34% | 8.04% |
| Unallocated | – | – | 1,016 | – | – |
| Total | \$ 1,800,386 | \$ 1,684,861 | \$ 32,066 | 1.90% | 1.78% |

As of 09/30/2021.

1 - Unguaranteed balances exclude PPP loans as well as loans that are guaranteed by another government agency.

COVID-19 RESPONSE



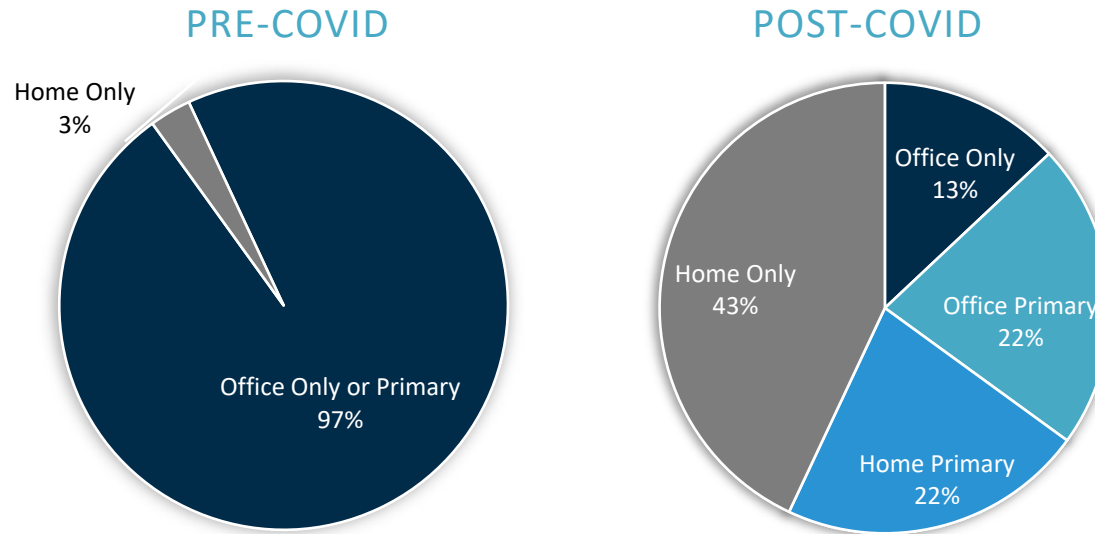
COVID-19 RESPONSE SUMMARY

PROACTIVELY RESPONDING WITH AGILITY AND SUPPORT

| | |
|--|---|
| LEADING DURING THE PANDEMIC CRISIS | <ul style="list-style-type: none">▪ Activated Business Continuity Planning team and Pandemic Policy; frequent meetings with key leadership teams▪ Response guided by safety of employees and clients; being a good corporate citizen; and encouraging digital use▪ Benefit of past crisis experience; 1997 historic Flood and Fire in Grand Forks, ND |
| TAKING CARE OF EMPLOYEES | <ul style="list-style-type: none">▪ Early adoption and continuation of self-quarantine recommendations and restricting non-essential business travel▪ 82% of staff transitioned to working remote in 1 week; 85% remain working remote▪ Established On-Site Pay for staff in offices; introduced Relief Pay for office closures or daycare/school closures▪ Frequent all employee virtual calls hosted by C*Suite; shifted from biweekly in 2020 to monthly in 2021 |
| LEVERAGING INFRASTRUCTURE INVESTMENTS | <ul style="list-style-type: none">▪ Built integrated access between client documents and CRM, allowing team to quickly access client information▪ Robotic Process Automation: continue to add robots to automate operational processes▪ Leveraged DocuSign to develop pre-filled, dynamic Paycheck Protection Program Forgiveness Application▪ Simplified client experience, moving various loan, wealth management, and investment documents to DocuSign |
| INCREASED DIGITAL ENGAGEMENT | <ul style="list-style-type: none">▪ Built upon holistic financial picture for consumer clients by integrating wealth management and brokerage accounts held with Alerus into My Alerus, simplifying the online account experience down to one login▪ Moved all retirement statements and confirmations to electronic format as the default, further driving online engagement |
| SERVING IN THE BEST INTEREST OF CLIENTS | <ul style="list-style-type: none">▪ Paycheck Protection Program: helped over 2,289 new and existing clients secure ~ \$447 million in funding relief▪ Ongoing virtual webinars to provide guidance and help clients with their financial issues on various topics▪ Waived fees on loan extensions, loan payment deferrals, or early CD withdrawals due to COVID-19 related hardship▪ Proactively helping participants navigate retirement distributions or other lending options |
| THE NEW NORMAL | <ul style="list-style-type: none">▪ ND: lobbies closed in mid-March 2020, open by appointment only in early June 2020, lobbies reopened in mid-June 2020, markets were never subject to stay at home order and markets are widely open for business▪ MN: lobbies closed in mid-March 2020, open by appointment only in August, continued progress of state's four-phases approach to businesses reopening with lobbies opened in April - July 2021▪ AZ: lobbies closed in mid-March, drive-up remained open, open by appointment only in September 2020, lobbies opened May 2021▪ Adopted a flexible approach to work environment, allowing many of our employees to work from home long term |

POST COVID-19 FACILITIES TRANSFORMATION

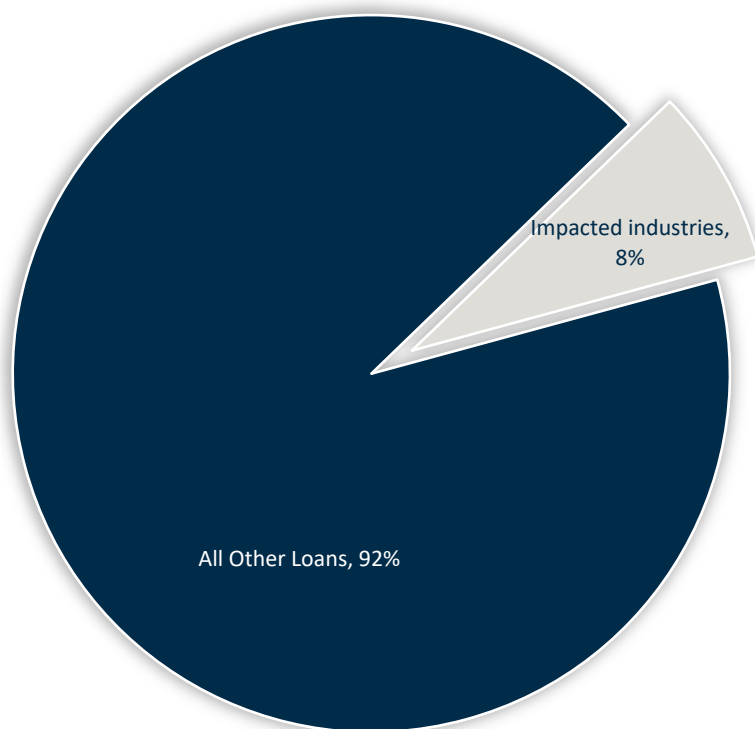
PANDEMIC AGILITY RESULTED IN POSITIVE LASTING IMPACT



- Since 2020, we exited three client offices and six admin offices (primarily housed by administrative and operational staff)
- Experienced minimal client and employee dissatisfaction
- All remaining client offices are now open across the Alerus footprint in ND, MN, and AZ

INDUSTRIES DIRECTLY IMPACTED BY COVID-19

COMMERCIAL AND INDUSTRIAL AND COMMERCIAL REAL ESTATE



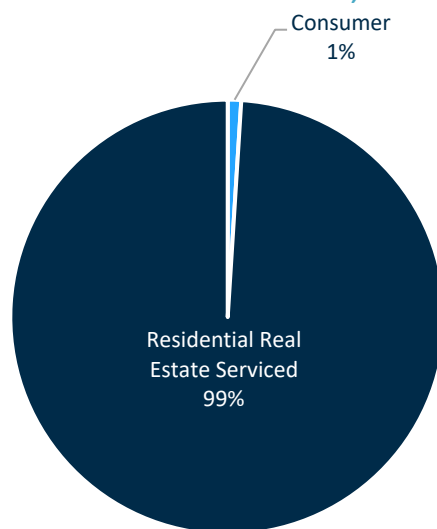
| C&I | Total Commitment (\$ in 000's) | % of Total |
|-------------------------------------|--------------------------------|--------------|
| Accommodation and Food Services | \$ 8,688 | 0.63% |
| Arts, Entertainment, and Recreation | 2,891 | 0.21% |
| Oil and Gas | 488 | 0.04% |
| Other Retail Trade | 3,446 | 0.25% |
| Total | \$ 15,513 | 1.13% |

| CRE | Total Commitment (\$ in 000's) | % of Total |
|-------------------------------|--------------------------------|---------------|
| Retail | \$ 103,029 | 7.42% |
| Medical or Nursing Facilities | 52,453 | 3.78% |
| Hotel | 5,180 | 0.37% |
| Total | \$ 160,662 | 11.57% |

As of 9/30/2021.

COVID-19 RELIEF PROGRAMS

PAYMENT DEFERRALS, MATURITY EXTENSIONS, AND PAYMENT MODIFICATIONS



September 30, 2021

| Loan Group | Number Of Loans | Granted Deferral (\$ in 000's) | Still on Initial Deferral (\$ in 000's) | Additional Deferral (\$ in 000's) | Returned to Normal (\$ in 000's) |
|--------------------------------------|-----------------|--------------------------------|---|-----------------------------------|----------------------------------|
| Consumer | 181 | \$ 2,496 | \$ 15 | \$ 5 | \$ 2,476 |
| Residential Real Estate Serviced | 63 | 27,419 | 54 | 3,395 | 23,970 |
| Residential Real Estate Non-serviced | 77 | 10,550 | — | — | 10,550 |
| Commercial Real Estate | 79 | 80,763 | — | — | 80,763 |
| Commercial & Industrial | 187 | 33,335 | — | — | 33,335 |
| Total | 587 | \$ 154,563 | \$ 69 | \$ 3,400 | \$ 151,094 |

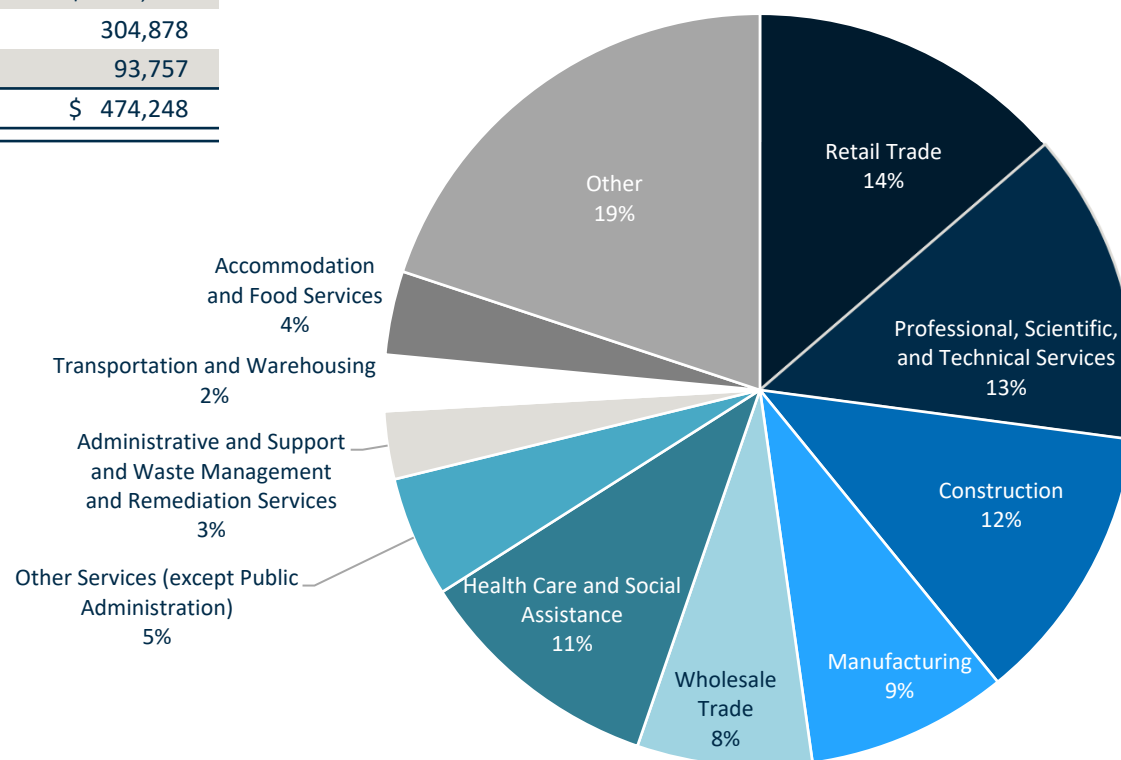
COVID-19 RELIEF PROGRAMS

SBA PAYCHECK PROTECTION PROGRAM (PPP)

INDUSTRY BREAKDOWN OF PPP LOANS MADE TO BORROWERS

THROUGH 09/30/2021 SECURED SBA FINANCING OF 2,454 LOANS FOR APPROXIMATELY \$474MM

| Loan Amount Group | # of Loans | \$ Originated (in 000's) |
|-------------------|--------------|-----------------------------|
| \$150M or less | 1,825 | \$ 75,613 |
| \$150M to \$2MM | 601 | 304,878 |
| \$2MM+ | 28 | 93,757 |
| Total | 2,454 | \$ 474,248 |



As of 9/30/2021.

As of September 30, 2021, 1,937 loans totaling \$376.7 million have been approved for forgiveness by the SBA.

APPENDIX



FINANCIAL HIGHLIGHTS

| (\$000s, except where otherwise noted) | Annual | | | | 17-'20 | Year-to-date | |
|---|--------------|--------------|--------------|--------------|--------|--------------|-------------|
| | 2017 | 2018 | 2019 | 2020 | CAGR | Q3 2020 | Q3 2021 |
| Total Assets | \$ 2,136,081 | \$ 2,179,070 | \$ 2,356,878 | \$ 3,013,771 | 12.2% | \$ 2,898,809 | \$3,175,169 |
| Total Loans | 1,574,474 | 1,701,850 | 1,721,279 | 1,979,375 | 7.9% | 2,058,419 | 1,800,386 |
| Total Deposits | 1,834,962 | 1,775,096 | 1,971,316 | 2,571,993 | 11.9% | 2,462,370 | 2,713,088 |
| Tangible Common Equity ¹ | 125,154 | 147,152 | 240,008 | 274,043 | 29.9% | 279,253 | 300,401 |
| Net Income | \$ 15,001 | \$ 25,866 | \$ 29,540 | \$ 44,675 | 43.9% | \$ 34,496 | \$ 39,976 |
| ROAA (%) | 0.75 | 1.21 | 1.34 | 1.61 | | 1.71 | 1.71 |
| ROATCE (%) ¹ | 18.04 | 21.02 | 17.46 | 17.74 | | 18.70 | 19.44 |
| Net Interest Margin (FTE) (%) ¹ | 3.74 | 3.84 | 3.65 | 3.22 | | 3.22 | 2.92 |
| Efficiency Ratio (FTE) (%) ¹ | 75.36 | 73.80 | 73.22 | 68.40 | | 66.22 | 69.69 |
| Non-Int. Income / Op. Rev. (%) | 60.36 | 57.73 | 60.50 | 64.05 | | 64.58 | 63.87 |
| Earnings per common share - diluted | 1.07 | 1.84 | 1.91 | 2.52 | | 1.94 | 2.26 |
| Total Equity / Total Assets (%) | 8.41 | 9.04 | 12.12 | 10.96 | | 11.11 | 11.12 |
| Tang. Cmn. Equity / Tang. Assets (%) ^{1,2} | 6.01 | 6.91 | 10.38 | 9.27 | | 9.78 | 9.62 |
| Loans / Deposits (%) | 85.80 | 95.87 | 87.32 | 76.96 | | 83.60 | 66.36 |
| NPLs / Loans (%) ² | 0.37 | 0.41 | 0.45 | 0.26 | | 0.23 | 0.35 |
| NPAs / Assets (%) ² | 0.30 | 0.33 | 0.33 | 0.17 | | 0.17 | 0.22 |
| Allowance / NPLs (%) | 282.04 | 318.45 | 305.66 | 674.13 | | 653.53 | 514.79 |
| Allowance / Loans (%) ² | 1.05 | 1.30 | 1.39 | 1.73 | | 1.52 | 1.78 |
| NCOs / Average Loans (%) ² | 0.16 | 0.18 | 0.33 | 0.03 | | 0.15 | 0.01 |

1 Represents a non-GAAP financial measure. See "Non-GAAP Disclosure Reconciliation" in the Appendix to this presentation.

2 Excluding PPP loans, the following ratios were TCE/TA 9.95% NPLs/Loans 0.37%, NPAs/Assets 0.23%, Allowance/Loans 1.89%, and NCOs/Average Loans 0.01%

NON-GAAP DISCLOSURE RECONCILIATION

| | Annual | | | | Year-to-date | |
|--|------------|------------|------------|------------|--------------|------------|
| | 2017 | 2018 | 2019 | 2020 | Q3 2020 | Q3 2021 |
| <i>(\$000s, except where otherwise noted)</i> | | | | | | |
| Tangible common equity to tangible assets | | | | | | |
| Total common stockholders' equity | \$ 179,594 | \$ 196,954 | \$ 285,728 | \$ 330,163 | \$ 322,003 | \$ 353,195 |
| Less: Goodwill | 27,329 | 27,329 | 27,329 | 30,201 | 27,329 | 30,201 |
| Less: Other intangible assets | 27,111 | 22,473 | 18,391 | 25,919 | 15,421 | 22,593 |
| Tangible common equity (a) | 125,154 | 147,152 | 240,008 | 274,043 | 279,253 | 300,401 |
| Total assets | 2,136,081 | 2,179,070 | 2,356,878 | 3,013,771 | 2,898,809 | 3,175,169 |
| Less: Goodwill | 27,329 | 27,329 | 27,329 | 30,201 | 27,329 | 30,201 |
| Less: Other intangible assets | 27,111 | 22,473 | 18,391 | 25,919 | 15,421 | 22,593 |
| Tangible assets (b) | 2,081,641 | 2,129,268 | 2,311,158 | 2,957,651 | 2,856,059 | 3,122,375 |
| Tangible common equity to tangible assets (a)/(b) | 6.01 % | 6.91 % | 10.38 % | 9.27 % | 9.78 % | 9.62% |
| Tangible common equity per common share | | | | | | |
| Total stockholders' equity | \$ 179,594 | \$ 196,954 | \$ 285,728 | \$ 330,163 | \$ 322,003 | \$ 353,195 |
| Less: Goodwill | 27,329 | 27,329 | 27,329 | 30,201 | 27,329 | 30,201 |
| Less: Other intangible assets | 27,111 | 22,473 | 18,391 | 25,919 | 15,421 | 22,593 |
| Tangible common equity (c) | 125,154 | 147,152 | 240,008 | 274,043 | 279,253 | 300,401 |
| Common shares outstanding (d) | 13,699 | 13,775 | 17,050 | 17,125 | 17,122 | 17,208 |
| Tangible common equity per common share (c)/(d) | \$ 9.14 | \$ 10.68 | \$ 14.08 | \$ 16.00 | \$ 16.31 | \$ 17.46 |
| Return on average tangible common equity | | | | | | |
| Net income | \$ 15,001 | \$ 25,866 | \$ 29,540 | \$ 44,675 | \$ 34,496 | \$ 39,976 |
| Add: Intangible amortization expense (net of tax) | 3,655 | 3,664 | 3,224 | 3,129 | 2,347 | 2,628 |
| Remeasurement due to tax reform | 4,818 | — | — | — | — | — |
| Net income, excluding intangible amortization (e) | 23,474 | 29,530 | 32,764 | 47,804 | 36,843 | 42,604 |
| Average total equity | 176,779 | 187,341 | 231,084 | 310,208 | 303,825 | 342,344 |
| Less: Average goodwill | 27,329 | 27,329 | 27,329 | 27,439 | 27,329 | 30,201 |
| Less: Average other intangible assets (net of tax) | 19,358 | 19,522 | 16,101 | 13,309 | 13,343 | 19,124 |
| Average tangible common equity (f) | 130,092 | 140,490 | 187,654 | 269,460 | 263,153 | 293,019 |
| Return on average tangible common equity (e)/(f) | 18.04 % | 21.02 % | 17.46 % | 17.74 % | 18.70 % | 19.44% |
| Net interest margin (tax-equivalent) | | | | | | |
| Net interest income | \$ 67,670 | \$ 75,224 | \$ 74,551 | \$ 83,846 | \$ 60,693 | \$ 64,310 |
| Tax equivalent adjustment | 865 | 462 | 347 | 455 | 325 | 392 |
| Tax equivalent net interest income (g) | 68,535 | 75,686 | 74,898 | 84,301 | 61,018 | 64,702 |
| Average earning assets (h) | 1,833,002 | 1,970,004 | 2,052,758 | 2,618,427 | 2,534,038 | 2,958,742 |
| Net interest margin (tax equivalent) (g)/(h) | 3.74 % | 3.84 % | 3.65 % | 3.22 % | 3.22 % | 2.92% |
| Efficiency Ratio | | | | | | |
| Noninterest expense | \$ 134,920 | \$ 136,325 | \$ 142,537 | \$ 163,799 | \$ 116,674 | \$ 127,633 |
| Less: Intangible amortization expense | 5,623 | 4,638 | 4,081 | 3,961 | 2,971 | 3,327 |
| Adjusted noninterest expense (i) | 129,297 | 131,687 | 138,456 | 159,838 | 113,703 | 124,306 |
| Net interest income | 67,670 | 75,224 | 74,551 | 83,846 | 60,693 | 64,310 |
| Noninterest income | 103,045 | 102,749 | 114,194 | 149,371 | 110,675 | 113,669 |
| Tax equivalent adjustment | 865 | 462 | 347 | 455 | 325 | 392 |
| Total tax equivalent revenue (j) | 171,580 | 178,435 | 189,092 | 233,672 | 171,693 | 178,371 |
| Efficiency ratio (i)/(j) | 75.36 % | 73.80 % | 73.22 % | 68.40 % | 66.22 % | 69.69% |