

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT TO
SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): September 26, 2024

Alerus Financial Corporation

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-39036
(Commission File Number)

45-0375407
(IRS Employer Identification No.)

401 Demers Avenue
Grand Forks, North Dakota 58201
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (701) 795-3200

N/A
(Former Name or Former Address, if Changed Since Last Report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, \$1.00 par value per share	ALRS	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01. Regulation FD Disclosure.

On September 26, 2024, Alerus Financial Corporation, a Delaware corporation (the “Company”), and HMN Financial, Inc., a Delaware corporation (“HMNF”), issued a joint press release announcing the results of the special meetings of their respective stockholders, and the receipt of regulatory approval of the merger of HMNF with and into the Company, with the Company as the surviving corporation (the “Merger”). A copy of the press release is attached to this report as Exhibit 99.1, which is incorporated herein by reference.

The information furnished pursuant to this Item and the related exhibit are being “furnished” and will not, except to the extent required by applicable law or regulation, be deemed “filed” by the Company for purposes of Section 18 of the Exchange Act, or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as may be expressly set forth by specific reference in such filing.

Special Note Concerning Forward-Looking Statements

This report 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 the Company and HMNF and certain plans, expectations, goals, projections and benefits relating to the Merger, all of which are subject to numerous assumptions, risks and uncertainties. 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 the Company makes regarding the ability of the Company and HMNF to complete the transactions contemplated by the Agreement and Plan of Merger, dated May 14, 2024, between the Company and HMNF (the “Merger Agreement”), including the parties’ ability to satisfy the conditions to the consummation of the Merger, statements about the expected timing for completing the Merger, the potential effects of the proposed Merger on both the Company and HMNF, and the possibility of any termination of the Merger Agreement, and any potential downward adjustment in the exchange ratio.

Forward-looking statements are not historical facts but instead express only management’s beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside of management’s control. It is possible that actual results and outcomes may differ, possibly materially, from the anticipated results or outcomes indicated in these forward-looking statements. In addition to factors disclosed in reports filed by the Company and HMNF with the SEC, risks and uncertainties for the Company, HMNF and the combined company that may cause actual results or outcomes to differ materially from those anticipated include, but are not limited to: (1) the possibility that any of the anticipated benefits of the proposed Merger will not be realized or will not be realized within the expected time period; (2) the risk that integration of HMNF’s operations with those of the Company will be materially delayed or will be more costly or difficult than expected; (3) the parties’ inability to meet expectations regarding the timing of the proposed Merger; (4) changes to tax legislation and their potential effects on the accounting for the Merger; (5) the failure to satisfy other conditions to completion of the proposed Merger; (6) the failure of the proposed Merger to close for any other reason; (7) diversion of managements’ attention from ongoing business operations and opportunities due to the proposed Merger; (8) the challenges of integrating and retaining key employees; (9) the effect of the announcement of the proposed Merger on the Company’s, HMNF’s or the combined company’s respective customer and employee relationships and operating results; (10) the possibility that the proposed Merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; (11) the amount of HMNF’s stockholders’ equity as of the closing date of the Merger and any potential downward adjustment in the exchange ratio; (12) the dilution caused by the Company’s issuance of additional shares of the Company’s common stock in connection with the Merger; and (13) changes in the global economy and financial market conditions and the business, results of operations and financial condition of the Company, HMNF and the combined company. Please refer to the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on March 8, 2024 and HMNF’s Annual Report on Form 10-K/A for the year ended December 31, 2024 filed with the SEC on March 19, 2024, as well as both parties’ other filings with the SEC, for a more detailed discussion of risks, uncertainties and factors that could cause actual results to differ from those discussed in the forward-looking statements.

Any forward-looking statement included in this report is based only on information currently available to management and speaks only as of the date on which it is made. Neither the Company nor HMNF undertakes any 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, except as required by law.

Additional Information and Where to Find It

Alerus has filed a Registration Statement on Form S-4 (Registration Statement No. 333-280815) with the SEC on July 15, 2024, as amended on July 29, 2024, and as declared effective by the SEC on July 31, 2024, in connection with the proposed transaction. The registration statement includes a joint proxy statement of the Company and HMNF that also constitutes a prospectus of the Company, which was sent to the stockholders of the Company and HMNF. Before making any voting decision, the stockholders of the Company and HMNF are advised to read the joint proxy statement/prospectus because it contains important information about the Company, HMNF and the proposed transaction. This document and other documents relating to the Merger filed by the Company can be obtained free of charge from the SEC's website at www.sec.gov. These documents also can be obtained free of charge by accessing the Company's website at www.alerus.com under the link "Investors Relations" and then under "SEC Filings" and HMNF's website at www.justcallhome.com/HMNFfinancial under "SEC Filings." Alternatively, these documents can be obtained free of charge from the Company upon written request to Alerus Financial Corporation, Corporate Secretary, 401 Demers Avenue, Grand Forks, North Dakota 58201 or by calling (701) 795-3200, or from HMNF upon written request to HMN Financial, Inc., Corporate Secretary, 1016 Civic Center Drive NW, Rochester, Minnesota 55901 or by calling (507) 535-1200. The contents of the websites referenced above are not deemed to be incorporated by reference into the registration statement or the joint proxy statement/prospectus.

Participants in the Solicitation

This report does not constitute a solicitation of proxy, an offer to purchase or a solicitation of an offer to sell any securities. The Company, HMNF, and certain of their directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from the stockholders of the Company and HMNF in connection with the proposed Merger under SEC rules. Information about the directors and executive officers of the Company and HMNF is included in the joint proxy statement/prospectus for the proposed transaction filed with the SEC. These documents may be obtained free of charge in the manner described above under "Additional Information and Where to Find It."

Security holders may obtain information regarding the names, affiliations and interests of the Company's directors and executive officers in the definitive proxy statement of the Company relating to its 2024 Annual Meeting of Stockholders filed with the SEC on March 25, 2024 and on the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on March 8, 2024. Security holders may also obtain information regarding the names, affiliations and interests of HMNF's directors and executive officers in the definitive proxy statement of HMNF relating to its 2024 Annual Meeting of Stockholders filed with the SEC on March 21, 2024 and HMNF's Annual Report on Form 10-K/A for the year ended December 31, 2023 filed with the SEC on March 19, 2024. To the extent the holdings of the Company's securities by the Company's directors and executive officers or the holdings of HMNF securities by HMNF's directors and executive officers have changed since the amounts set forth in the Company's or HMNF's respective proxy statement for its 2024 Annual Meeting of Stockholders, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. These documents can be obtained free of charge in the manner described above under "Additional Information and Where to Find It."

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
<u>99.1</u>	<u>Press Release of Alerus Financial Corporation and HMN Financial, Inc., dated September 26, 2024</u>
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 26, 2024

Alerus Financial Corporation

By: /s/ Katie A. Lorenson
Name: Katie A. Lorenson
Title: President and Chief Executive Officer



Kris Bevill, Public Relations
701.280.5076 (Office) | 701.306.8561 (Cell)
kris.bevill@alerus.com

Melissa Von Arx, Public Relations
507.535.1297 (Office)
melissa.vonarx@hfsb.com

FOR IMMEDIATE RELEASE

**ALERUS FINANCIAL CORPORATION AND HMN FINANCIAL, INC. RECEIVE STOCKHOLDER
AND REGULATORY APPROVAL TO PROCEED WITH MERGER**

GRAND FORKS, N.D. and ROCHESTER, MN (September 26, 2024) – Alerus Financial Corporation (Nasdaq: ALRS) and its wholly owned subsidiary, Alerus Financial, National Association, (together, “Alerus”) announced today they have received all regulatory approvals necessary to complete the previously announced acquisition of HMN Financial, Inc. (Nasdaq: HMNF) and its wholly owned subsidiary, Home Federal Savings Bank (together, “Home Federal”). The merger was unanimously approved by the board of directors of each company. Stockholders of each company approved the all-stock transaction during special meetings held September 12, 2024. Alerus and Home Federal anticipate the acquisition will close early in the fourth quarter of 2024, subject to customary closing conditions.

“This is an exciting time for both Alerus and Home Federal as we merge our teams and prepare to provide an enhanced financial services experience for our combined clients,” said Katie Lorenson, President and CEO at Alerus. “As an experienced acquirer, we are committed to providing a seamless transition for Home Federal’s employees and clients and we look forward to helping them achieve their long-term financial goals.”

“We carefully selected Alerus as our merger partner for many reasons, but at the top of the list are our similar values and commitment to client service,” said Brad Krehbiel, President and Chief Executive Officer of HMNF. “Our merger with Alerus is the right choice for our stockholders, our clients, and our employees, and we are excited for the new opportunities this will bring to our clients and team.”

Upon completion of the transaction, Alerus will have approximately \$5.5 billion in total assets, \$3.7 billion in total loans, \$4.3 billion in total deposits, and approximately \$43.1 billion in assets under administration and management. The addition of Home Federal’s 12 branches in Rochester, Minnesota and throughout southern Minnesota, one branch in Iowa, and one branch in Wisconsin, will expand Alerus’ footprint to new markets and increase its total number of branches to 29 locations throughout the Midwest and Arizona.

About Alerus Financial Corporation

Alerus Financial Corporation (Nasdaq: ALRS) is a commercial wealth bank and national retirement services provider with corporate offices in Grand Forks, North Dakota, and the Minneapolis-St. Paul, Minnesota metropolitan area. Through its subsidiary, Alerus Financial, N.A., Alerus provides diversified and comprehensive financial solutions to businesses and consumer clients, including banking, wealth services, and retirement and benefits plans and services. Alerus provides clients with a primary point of contact to help fully understand the unique needs and delivery channel preferences of each client. Clients are provided with competitive products, valuable insight, and sound advice supported by digital solutions designed to meet the clients’ needs.

Alerus has banking and wealth offices in Grand Forks and Fargo, North Dakota, the Minneapolis-St. Paul, Minnesota metropolitan area, and Phoenix and Scottsdale, Arizona. Alerus Retirement and Benefits serves advisors, brokers, employers, and plan participants across the United States.

About HMN Financial, Inc.

HMN Financial, Inc. (Nasdaq: HMNF) and Home Federal Savings Bank are headquartered in Rochester, Minnesota. Home Federal operates twelve full-service offices in Minnesota located in Albert Lea, Austin, Eagan, Kasson, La Crescent, Owatonna, Rochester (4), Spring Valley and Winona, one full-service office in Marshalltown, Iowa, and one full-service office in Pewaukee, Wisconsin. Home Federal also operates a loan origination office located in La Crosse, Wisconsin.

Special Note Concerning Forward-Looking Statements

This press release 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 (“Alerus”) and HMN Financial, Inc. (“HMNF”) and certain plans, expectations, goals, projections and benefits relating to the merger of HMNF with and into Alerus (the “Merger”), all of which are subject to numerous assumptions, risks and uncertainties. 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 Alerus makes regarding the ability of Alerus and HMNF to complete the transactions contemplated by the agreement and plan of merger (the “Merger Agreement”), including the parties’ ability to satisfy the conditions to the consummation of the Merger, statements about the expected timing for completing the Merger, the potential effects of the proposed Merger on both Alerus and HMNF, and the possibility of any termination of the Merger Agreement, and any potential downward adjustment in the exchange ratio.

Forward-looking statements are not historical facts but instead express only management's beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside of management's control. It is possible that actual results and outcomes may differ, possibly materially, from the anticipated results or outcomes indicated in these forward-looking statements. In addition to factors disclosed in reports filed by Alerus and HMNF with the SEC, risks and uncertainties for Alerus, HMNF and the combined company that may cause actual results or outcomes to differ materially from those anticipated include, but are not limited to: (1) the possibility that any of the anticipated benefits of the proposed Merger will not be realized or will not be realized within the expected time period; (2) the risk that integration of HMNF's operations with those of Alerus will be materially delayed or will be more costly or difficult than expected; (3) the parties' inability to meet expectations regarding the timing of the proposed Merger; (4) changes to tax legislation and their potential effects on the accounting for the Merger; (5) the failure to satisfy other conditions to completion of the proposed Merger; (6) the failure of the proposed Merger to close for any other reason; (7) diversion of managements' attention from ongoing business operations and opportunities due to the proposed Merger; (8) the challenges of integrating and retaining key employees; (9) the effect of the announcement of the proposed Merger on Alerus', HMNF's or the combined company's respective customer and employee relationships and operating results; (10) the possibility that the proposed Merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; (11) the amount of HMNF's stockholders' equity as of the closing date of the Merger and any potential downward adjustment in the exchange ratio; (12) the dilution caused by Alerus' issuance of additional shares of Alerus' common stock in connection with the Merger; and (13) changes in the global economy and financial market conditions and the business, results of operations and financial condition of Alerus, HMNF and the combined company. Please refer to Alerus' Annual Report on Form 10-K for the year ended December 31, 2023 filed on March 8, 2024 and HMN's Annual Report on Form 10-K/A for the year ended December 31, 2023 filed with the SEC on March 19, 2024, as well as both parties' other filings with the SEC, for a more detailed discussion of risks, uncertainties and factors that could cause actual results to differ from those discussed in the forward-looking statements.

Any forward-looking statement included in this report is based only on information currently available to management and speaks only as of the date on which it is made. Neither Alerus nor HMNF undertakes any 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, except as required by law.
