

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Hawthorn Bancshares, Inc.		2 Issuer's employer identification number (EIN) 43-1626350	
3 Name of contact for additional information Chris Hafner	4 Telephone No. of contact 816-348-2120	5 Email address of contact chafner@hawthornbank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7400 College Blvd, Suite 205		7 City, town, or post office, state, and ZIP code of contact Overland Park, KS 66210	
8 Date of action September 3, 2026		9 Classification and description SEE ATTACHMENT	
10 CUSIP number 420476103	11 Serial number(s)	12 Ticker symbol HWBK	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

- 14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **SEE ATTACHMENT**

- 15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **SEE ATTACHMENT**

- 16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **SEE ATTACHMENT**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

SEE ATTACHMENT18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHMENT**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶



Date ▶

9/25/26

Print your name ▶

Chris Hafner

Title ▶

CFO

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

ATTACHMENT TO IRS FORM 8937

Hawthorn Bancshares, Inc.
43-1626350
Attachment to Form 8937

Part I, Box 9

The securities subject to reporting include all shares of Hawthorn Bancshares, Inc. ("HBI") common stock issued to shareholders of FSC Bancshares, Inc. ("FBI") in exchange for the outstanding common stock of FBI as a result of (i) the merger of Hawthorn Holdco, Inc. ("Merger Sub") with and into FBI, with FBI continuing as the surviving corporation (the "Merger"), immediately followed by (ii) the merger of FBI with and into HBI, with HBI continuing as the surviving corporation (the "Second Step Merger" and, taken together with the Merger, the "Mergers"), pursuant to that certain Agreement and Plan of Reorganization, dated as of April 29, 2026 (the "Merger Agreement"). Shareholders of FBI received shares of HBI common stock (and cash in lieu of fractional shares of HBI common stock) in exchange for their shares of FBI common stock in the Mergers.

Part II Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

The reportable organizational actions are the Merger and the Second Step Merger, as described in Part I, Box 9.

In the Mergers, each share of FBI common stock was converted into the right to receive, without interest, 2.1823 shares of HBI common stock and \$73.7099 in cash. To the extent that the exchange would have resulted in the issuance of a fractional share of HBI common stock to a FBI shareholder, a cash payment equal to the market value equivalent of the fractional share, without interest, or \$39.5457, was paid in lieu of issuing a fractional share of HBI common stock.

Part II Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The parties intend that the Mergers, taken together, qualify as a reorganization within the meaning of section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

The aggregate adjusted tax basis of each FBI shareholder in the shares of HBI common stock received as a result of the Mergers will be the same as the aggregate tax basis of the shares of FBI common stock surrendered in exchange therefor, increased by (i) the amount of gain recognized by that shareholder (if any) and the amount, if any, treated as the receipt of a dividend (excluding any cash received in lieu of a fractional share of HBI common stock), and (ii) decreased by the amount of any cash received by that FBI shareholder in the exchange (if any, excluding cash received instead of fractional shares).

The resulting figure represents the aggregate tax basis of the shares of HBI common stock received in the exchange for that identifiable block of shares of FBI common stock transferred. The tax basis of each individual share of HBI common stock within this identifiable block is determined by dividing the aggregate tax basis by the number of HBI shares that comprise this identifiable block.

Other than holders of FBI common stock who receive cash in lieu of a fractional share of HBI common stock (discussed below), to the extent that holders of FBI common stock exchange their shares of FBI common stock solely for HBI common stock, such FBI shareholders generally should not recognize any gain or loss for U.S. federal income tax purposes. To the extent that holders of FBI common stock receive cash in exchange for their shares of FBI common stock, such FBI shareholders generally should recognize gain (but not loss) in an amount equal to the lesser of (1) the sum of the cash consideration received and the fair market value of the shares of HBI common stock received, minus the adjusted tax basis of the FBI shareholder's shares of FBI common stock surrendered in exchange therefor, or (2) the amount of cash consideration received.

The receipt by a holder of FBI common stock of cash in lieu of fractional shares of HBI common stock will be treated as if the fractional shares had been distributed to the FBI shareholder in connection with the Mergers and then had been sold for cash in a taxable transaction. These FBI shareholders generally will recognize a taxable gain or loss equal to the difference between the amount of cash received in lieu of the fractional share and the portion of the FBI shareholder's aggregate adjusted tax basis of the shares of FBI common stock surrendered that is allocable to the fractional share.

Part II Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

A FBI shareholder's aggregate tax basis in the shares of HBI common stock received as a result of the Mergers (including any fractional share interest in HBI common stock deemed received) will be calculated as described in Part II Line 15 above.

For purposes of this calculation, the fair market value of the HBI common stock received in exchange for shares of FBI common stock pursuant to the Mergers is described in Part II Line 14 above. The valuation date for the HBI common stock issued pursuant to the Mergers was as of April 28, 2026 (which was the last trading day before the execution date of the Merger Agreement).

Part II Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

The Mergers, taken together, are intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. Other relevant Code Sections include Sections 356 and 358.

Part II Line 18. Can any resulting loss be recognized?

In general, holders of FBI common stock will not recognize any loss for U.S. federal income tax purposes by reason of the Mergers, except with respect to the cash received in lieu of fractional shares of HBI common stock as described in Part II Line 15 and Part II Line 16 above.

Part II Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Mergers were completed on September 3, 2026. Shareholders who report taxable income on the basis of a calendar year should report the Mergers in the 2026 calendar year.