Hawthorn BANCSHARES®

Annual Shareholders Meeting
June 7, 2022

www.HawthornBancshares.com

NASDAQ: HWBK

SENIOR EXECUTIVE TEAM

DAVID TURNER
Chairman, CEO and President
43 years with Hawthorn
Director since 1997

KATHLEEN BRUEGENHEMKE, CPA
Director, Senior Vice President, Chief Risk Officer and Secretary
30 years with Hawthorn
Director since 2017

STEVE GUTHRIE, CPA
Chief Financial Officer, Senior Vice President
2 years with Hawthorn

GREGG BEXTEN
Regional President, Hawthorn Bank
24 years with Hawthorn

BOARD OF DIRECTORS

FRANK BURKHEAD, CPA
Co-owner, Burkhead & Assoc. Owner, Burkhead Wealth Management
Director since 2014

PHILIP FREEMAN
Owner, Freeman Properties JCMO, LLC
Director since 1990

JONATHAN HOLTAWAY
President, Ategra Capital Management, LLC; Managing Member, Ategra GP, LLC
Director since 2019

KEVIN RILEY
Former owner, Riley Chevrolet Buick GMC Cadillac; Co-owner, Riley Toyota, Inc.
Director since 1995

JACK WETZEL
Co-owner, Meadows Contracting, LLC and Meadows Development Company
Director since 2019

CHARLES DUDENHOEFFER
Former Senior Vice President, Trust Officer (Retired)
Hawthorn Bank
Advisory Director since 1978

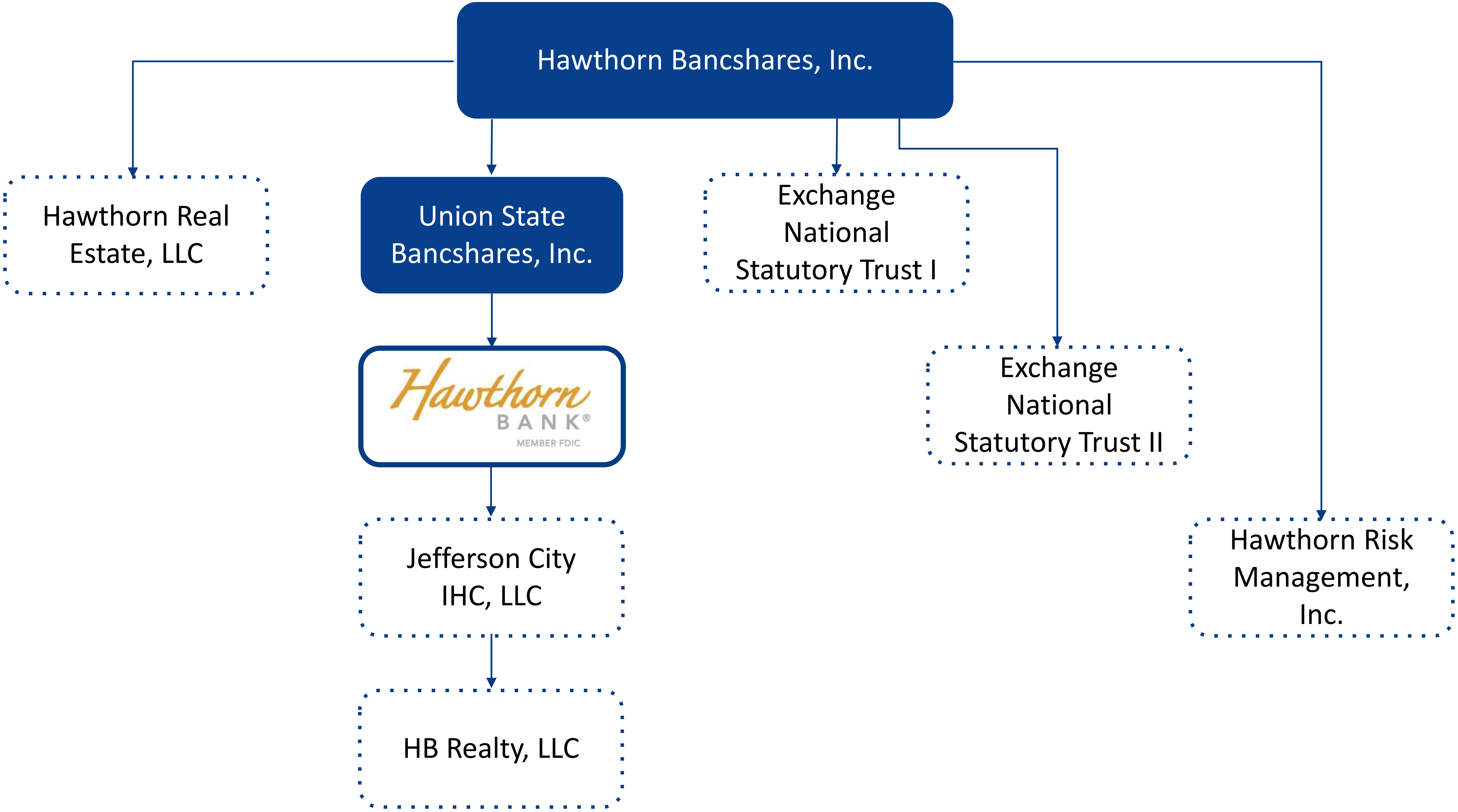
DR. GUS WETZEL, III
Physician/Surgeon
Advisory Director since 1974

Forward-Looking Statements

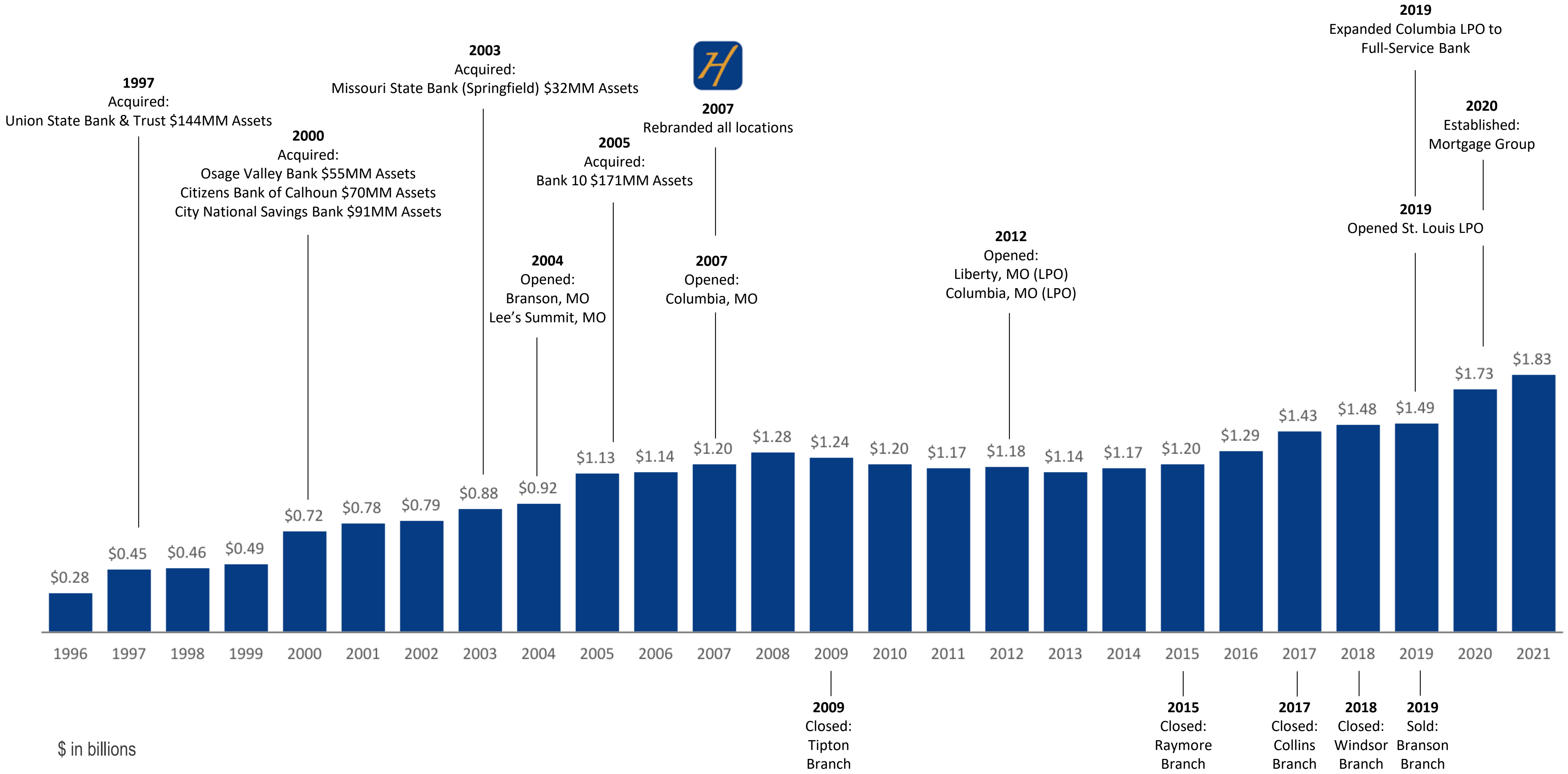
FORWARD-LOOKING STATEMENTS. This presentation and oral statements made during this meeting contain forward looking statements. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "might," "should," "could," "predict," "potential," "believe ," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "strive," "projection," "goal," "target," "outlook," "aim," "would," "annualized" and "outlook," or the negative version of those words or other comparable words or phrases of a future or forward looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward looking statements, including, but not limited to, the following: risks related to general business and economic conditions and any regulatory responses to such conditions; our ability to effectively execute our growth strategy and manage our growth; the geographic concentration of our markets; fluctuation of the fair value of our investment securities due to factors outside our control; our ability to successfully manage our credit risk and the sufficiency of our allowance; our ability to attract, hire and retain qualified management personnel; interest rate fluctuations; our ability to raise or maintain sufficient capital; competition from banks, credit unions and other financial services providers; the effectiveness of our risk management framework in mitigating risks and losses; our ability to maintain effective internal control over financial reporting; our ability to keep pace with technological changes; system failures and interruptions, cyberattacks and security breaches; employee error, fraudulent activity by employees or clients and inaccurate or incomplete information about our clients and counterparties; our ability to maintain our reputation; costs and effects of litigation, investigations or similar matters; risk exposure from transactions with financial counterparties; severe weather, acts of god, acts of war or terrorism; risks relating to the COVID 19 pandemic; compliance with governmental and regulatory requirements; changes in the laws, rules, regulations, interpretations or policies relating to financial institutions, accounting, tax, trade, monetary and fiscal matters; compliance with requirements associated with being a public company; and level of coverage of our business by securities analysts. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

NON-GAAP FINANCIAL INFORMATION. This presentation contains certain non-GAAP measures. These non-GAAP measures, as calculated by Hawthorn, are not necessarily comparable to similarly titled measures reported by other companies. Additionally, these non-GAAP measures are not measures of financial performance or liquidity under GAAP and should not be considered alternatives to the Company's other financial information determined under GAAP.

MARKET AND INDUSTRY DATA. This presentation may reference certain market, industry and demographic data, forecasts and other statistical information. We obtain this data, forecasts and information from various independent, third-party industry sources and publications . Nothing in the data, forecasts or information used or derived from third party sources should be construed as advice. Some data and other information may also be based on our good faith estimates, which may be derived from our review of industry publications and surveys and independent sources. We believe that these sources and estimates are reliable but have not independently verified them. Statements as to our market position are based on market data currently available to us. Although we are not aware of any misstatements regarding the economic, employment, industry and other market data presented herein, these estimates involve inherent risks and uncertainties and are based on assumptions that are subject to change.

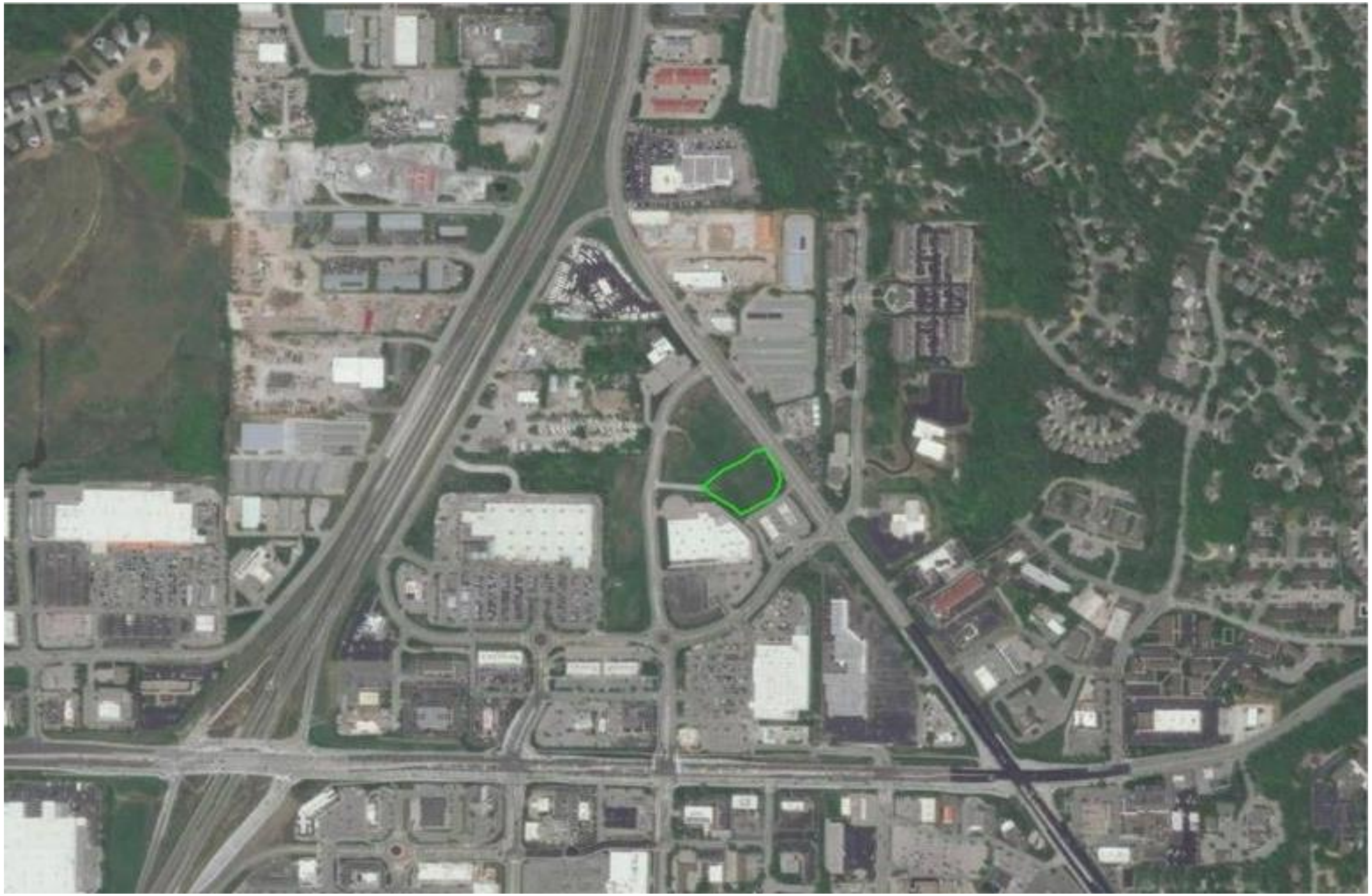

Hawthorn Bancshares, Inc.
Hawthorn Real Estate, LLC
Union State Bancshares, Inc.
Exchange National Statutory Trust I
Exchange National Statutory Trust II
Hawthorn Risk Management, Inc.
Hawthorn BANK
MEMBER FDIC
Jefferson City IHC, LLC
HB Realty, LLC

History of Asset Growth



Liberty, MO Expansion

Liberty, MO Expansion



Hawthorn BANCSHARES®

- NASDAQ Ticker Symbol: HWBK
- Established in 1865
- Headquartered in Jefferson City, Missouri
- 21 Branches and 2 LPO's
- 306 Employees

$ in millions

Financial Highlights

As of the period ended		2017	2018	2019	2020	2021	1Q 2022
Balance Sheet	Total Assets	$ 1,429	$ 1,482	$ 1,493	$ 1,734	$ 1,832	$ 1,736
	Total Gross Loans	$ 1,068	$ 1,146	$ 1,169	$ 1,287	$ 1,302	$ 1,334
	Allowance for Loans	$ (11)	$ (12)	$ (12)	$ (18)	$ (17)	$ (14)
	Total Deposits	$ 1,126	$ 1,198	$ 1,187	$ 1,384	$ 1,517	$ 1,456
	% Core Deposits	93.4 %	89.2 %	87.0 %	90.3 %	94.1 %	92.8 %
	Loans-to-Deposits	94.9 %	95.7 %	98.5 %	93.4 %	86.0 %	91.7 %
Key Performance Indicators	Net Income	$ 3.4	$ 10.7	$ 16.1	$ 14.3	$ 22.5	$ 6.6
	Return on Assets	0.25 %	0.74 %	1.09 %	0.88 %	1.30 %	1.51 %
	Return on Equity	3.59 %	11.45 %	14.77 %	11.74 %	16.46 %	18.41 %
	Cost of Deposits	0.43 %	0.76 %	0.88 %	0.45 %	0.22 %	0.19 %
	Net Interest Margin	3.41 %	3.31 %	3.51 %	3.48 %	3.62 %	3.50 %
	Yield on Loans	4.57 %	4.79 %	5.09 %	4.71 %	4.67 %	4.34 %
	Efficiency Ratio	74.8 %	74.8 %	67.2 %	66.0 %	64.8 %	68.4 %
Credit & Capital	NCOs / Loans	0.08 %	0.06 %	0.03 %	0.01 %	-0.04 %	0.01 %
	ALLL / Loans	1.02 %	1.02 %	1.07 %	1.41 %	1.30 %	1.07 %
	NPLs / Gross Loans	0.56 %	0.49 %	0.43 %	2.69 %	1.96 %	1.28 %
	NPAs / Gross Loans	1.80 %	1.68 %	1.53 %	3.64 %	2.76 %	2.01 %
	Stockholders' Equity / Assets	6.39 %	6.71 %	7.71 %	7.53 %	8.13 %	7.74 %

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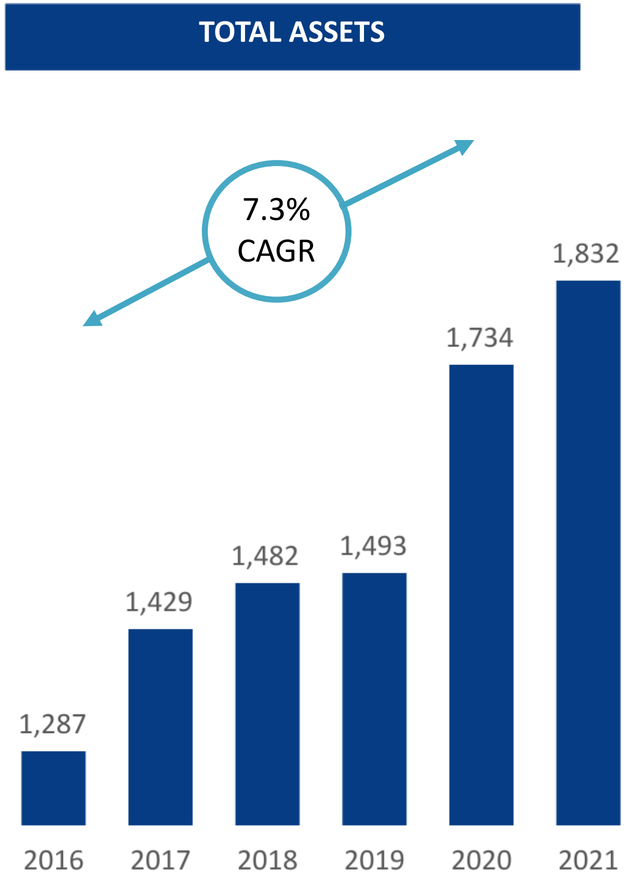
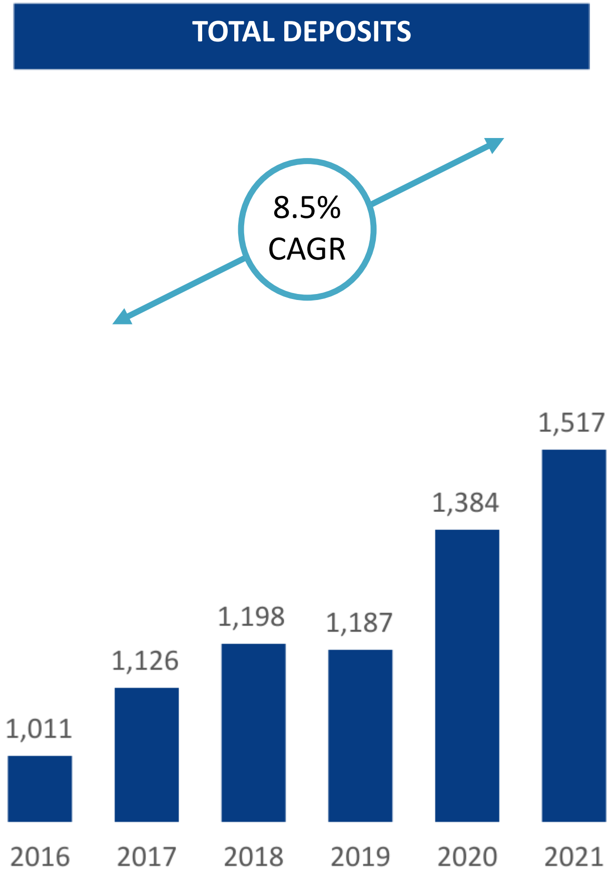
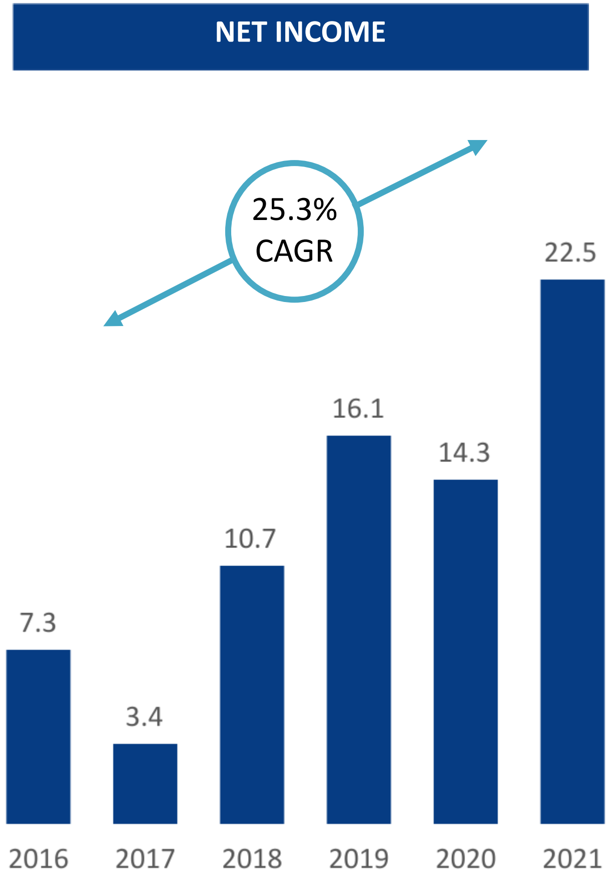
Historical Growth Rates



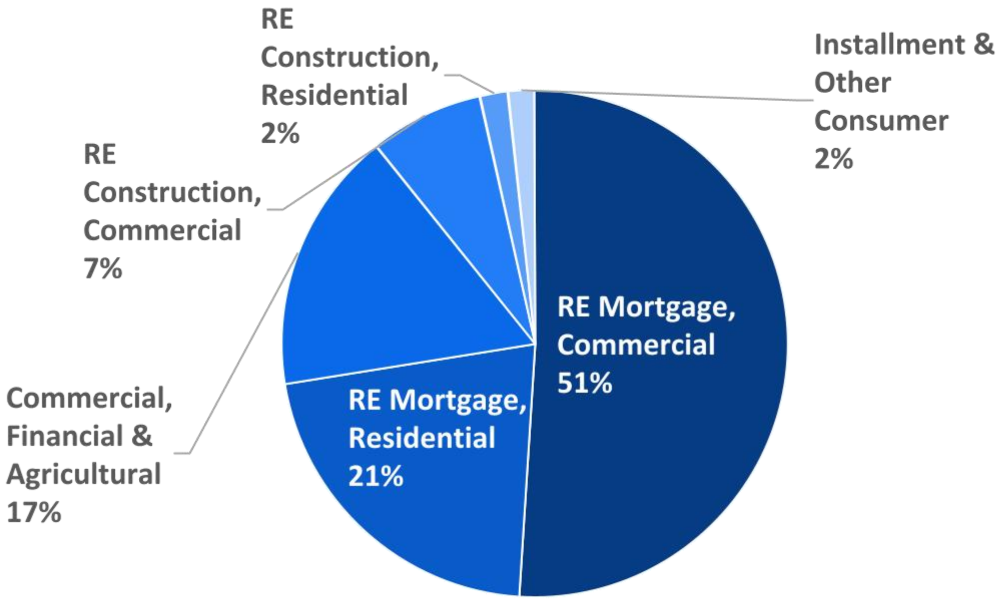




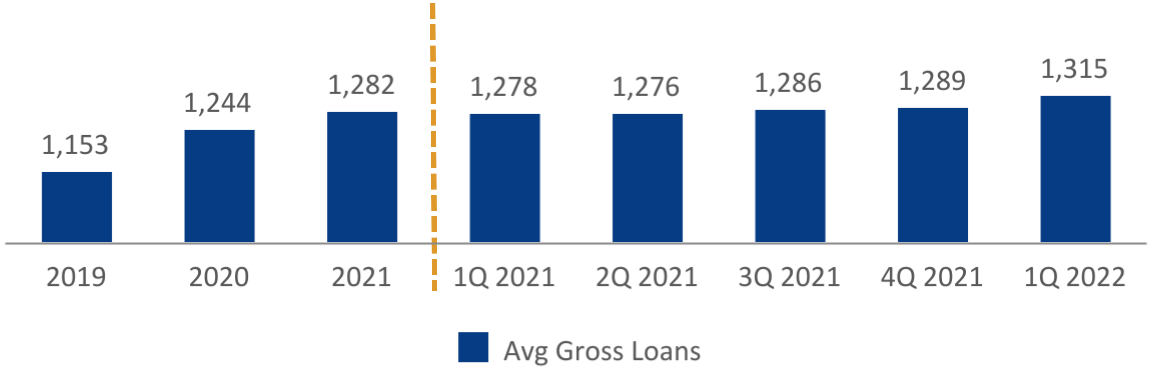
$ in millions
CAGR: Compound Annual Growth Rate Over 5 years

Loan Portfolio

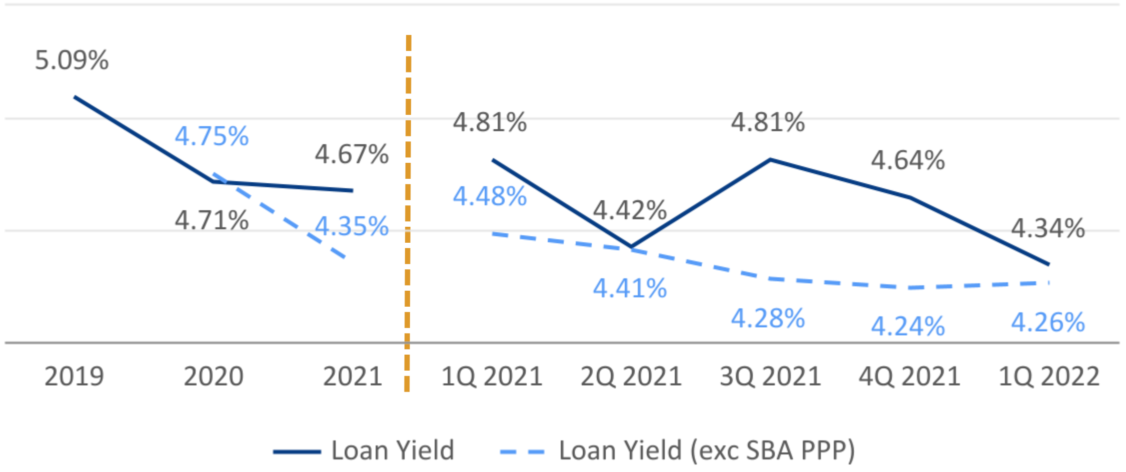
LOAN PORTFOLIO COMPOSITION (Avg)
MARCH 31, 2022



LOAN BALANCES



LOAN YIELD



- Loan composition is predominantly commercial real estate (51%) followed by residential real estate (21%).
- Loan yields (ex. SBA PPP) have declined most recently due to new loan originations and repricing in a low-interest rate environment.
- PPP Loan volume peaked in 3Q 2020 at $88 million and then began to decline as loans were forgiven. At the end of 1Q 2022, PPP Loans totaled $3 million.

$ in millions

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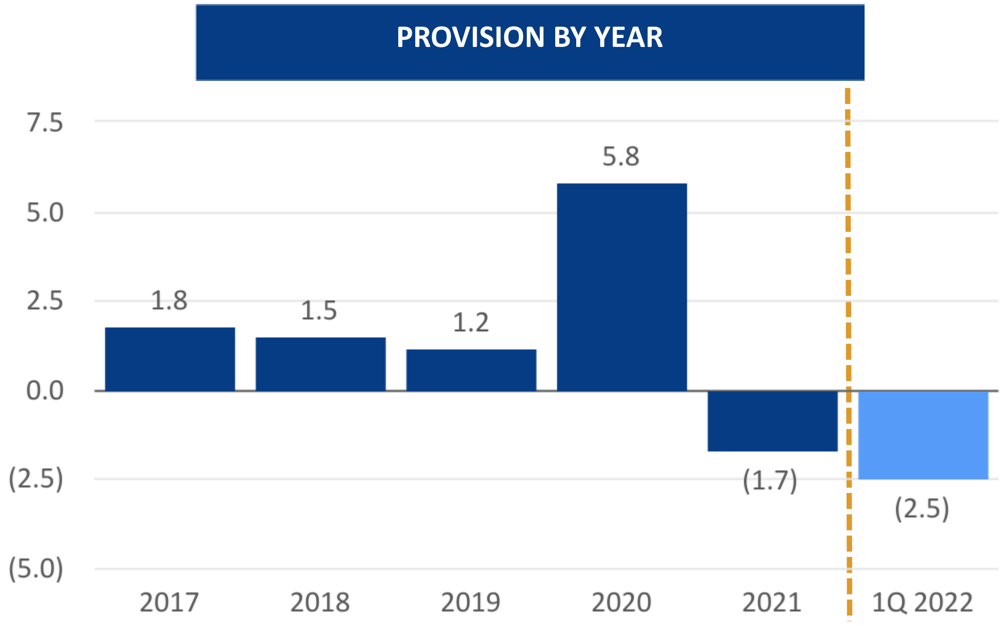
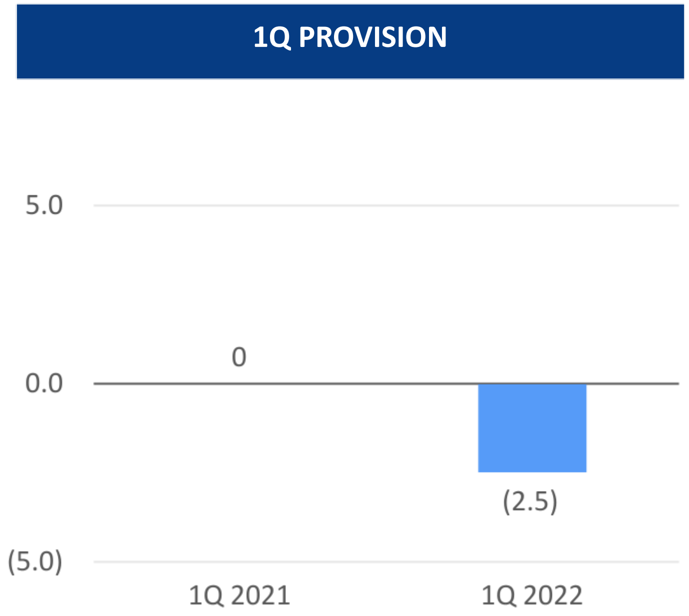
Provision for Loan Losses

The substantial increase in provision expense in 2020 was primarily due to the pandemic and the perceived need to significantly increase reserves for certain of our customers whose business operations were negatively impacted. Negative provision expense was recognized in 2021 and 1Q 2022 as business operations returned to post-COVID level of normality.





$ in millions

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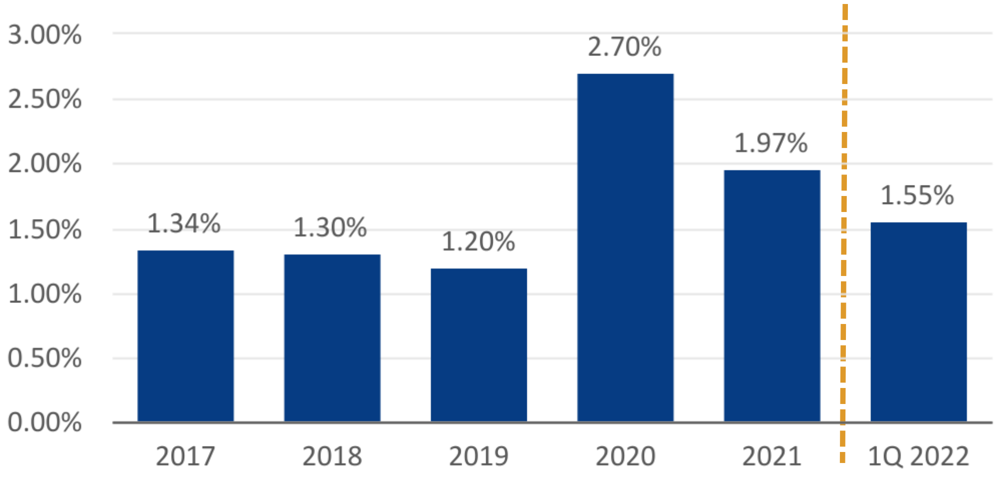
Asset Quality and Reserve Level

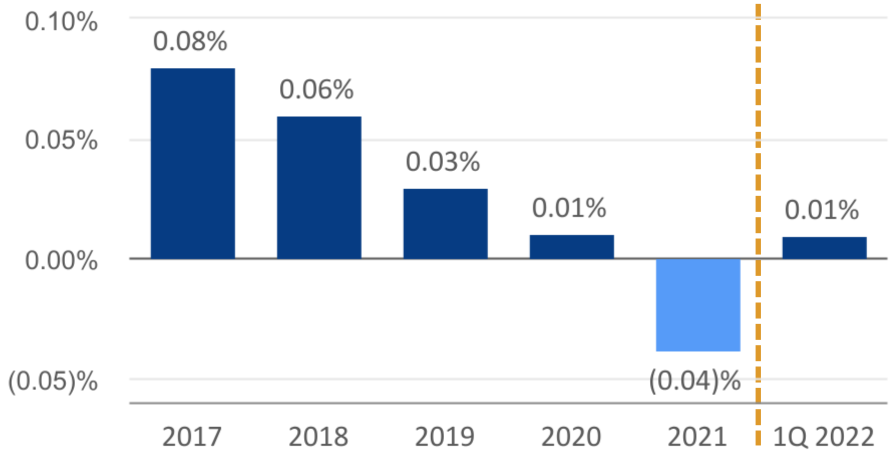
OVERVIEW

- Historically solid asset quality and strong reserve position.
- The increase in non-performing assets and higher reserve positions in 2020 is attributed to proactive reclassification of several loans negatively impacted by the pandemic. By end of 1Q 2022 most loans had returned to accrual status.

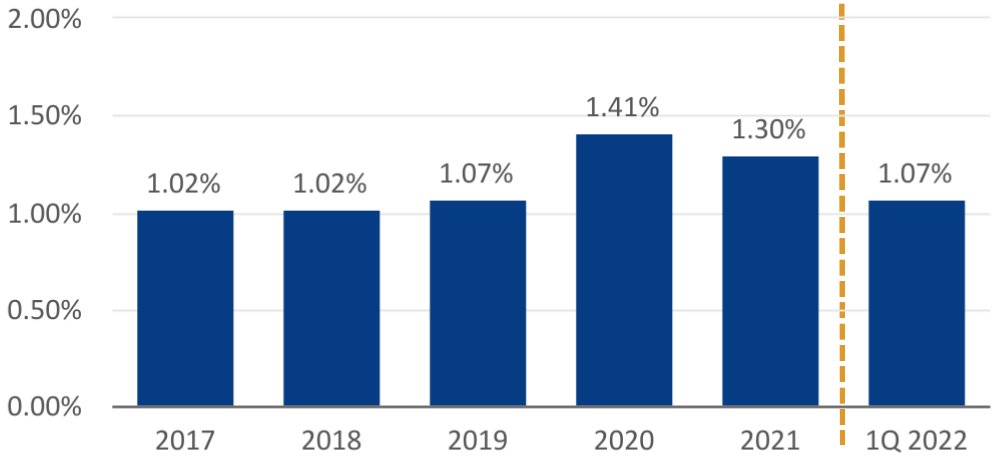
NPAS + ORE / ASSETS



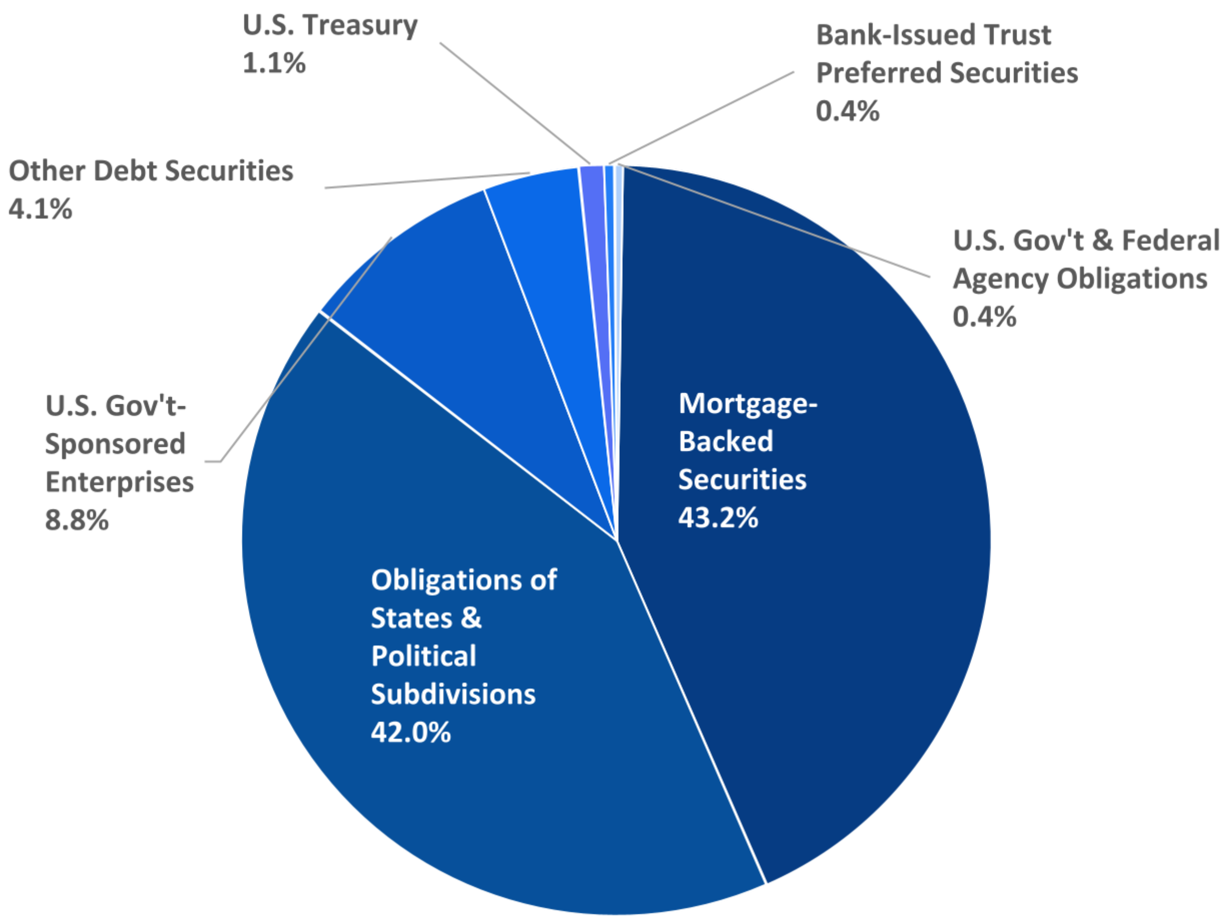
NET CHARGE-OFF's / AVERAGE LOANS



RESERVES / LOANS



Investment Portfolio Composition

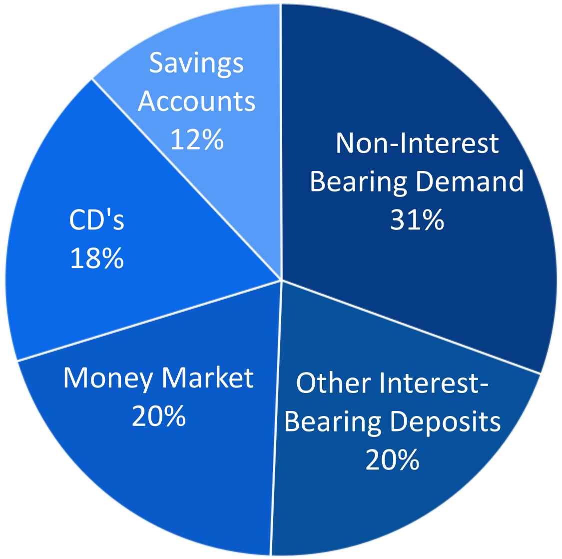


OVERVIEW AS OF MARCH 31, 2022

- $286.8 million total investments
  - 100% available-for-sale
- Average Tax Effective Yield of 2.00%
- Effective duration of 5.2 years
- Scheduled principal cash flows over the next 36 months projected to be 24% of portfolio
- As % of Total Assets: 16.5% at March 31, 2022, compared to 13.8% at March 31, 2021

Deposits

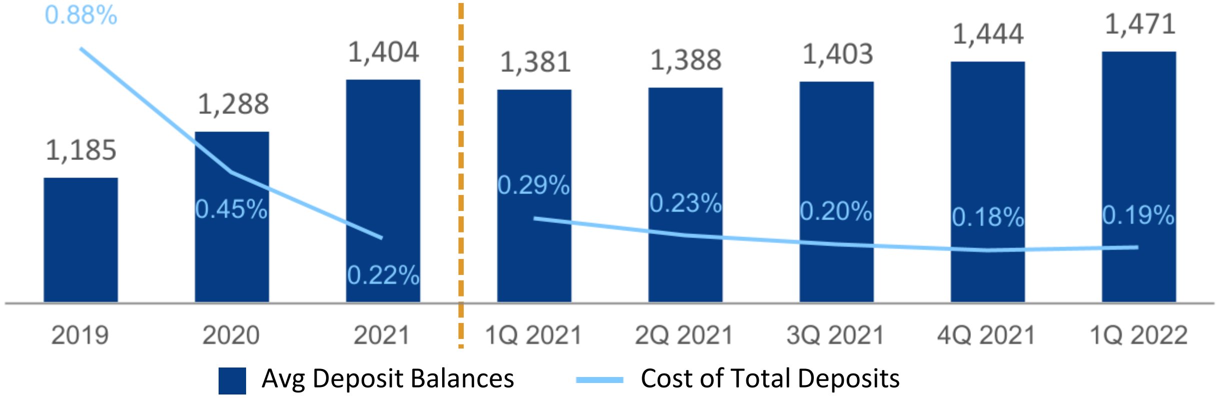
DEPOSIT COMPOSITION (Avg) AS OF MARCH 31, 2022



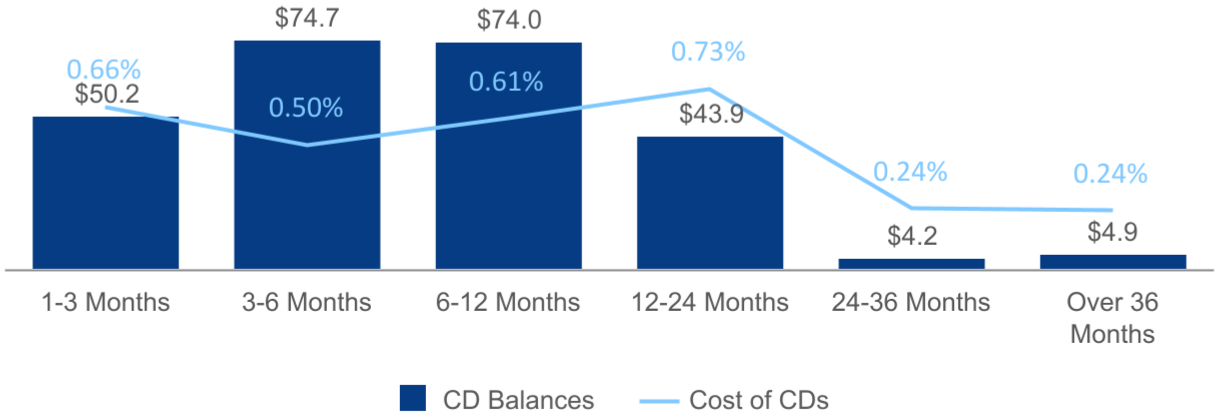
- Growth in year-over-year core deposits is driven in large measure by higher savings rate in response to the pandemic.
- Non-maturity deposits are 82% of total deposits.
- $199 million, or 78% of CD balances reprice in the next 12 months.

$ in millions

DEPOSIT BALANCES AND COST OF TOTAL DEPOSITS

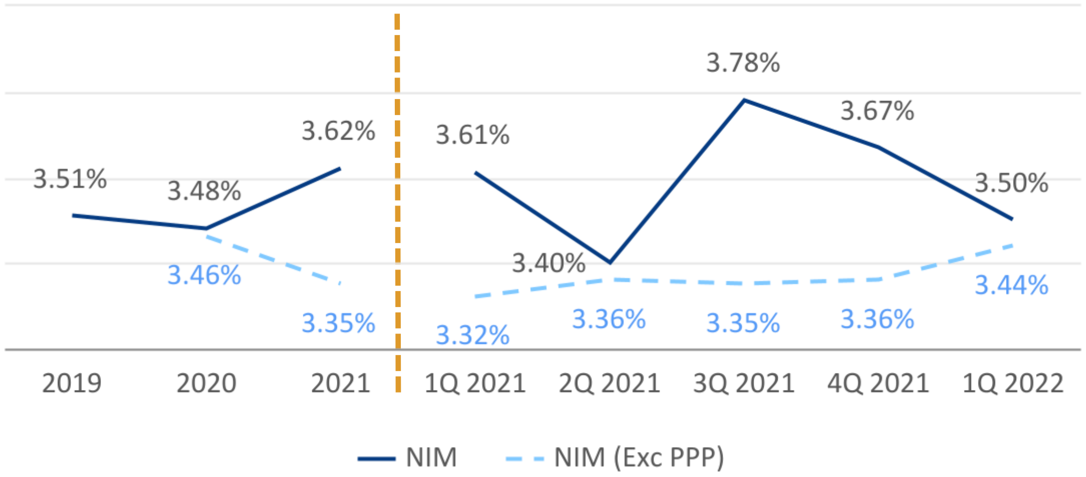


CD REPRICING OPPORTUNITIES

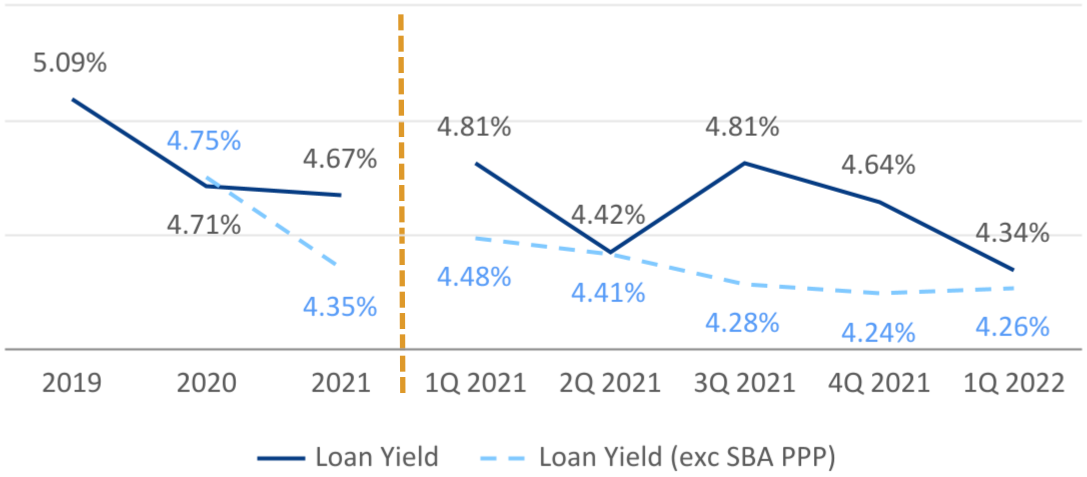


Net Interest Margin (NIM) and Key Drivers

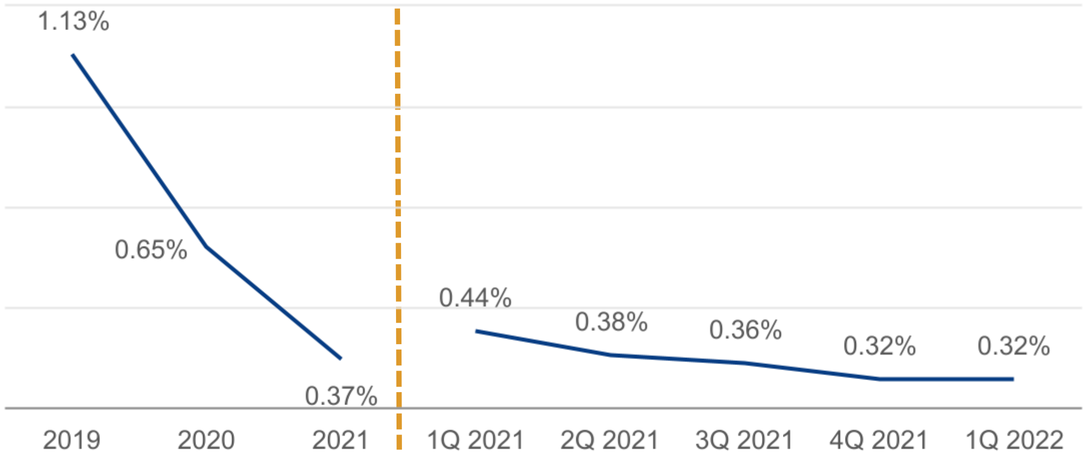
NIM (Tax Equivalent Yield)



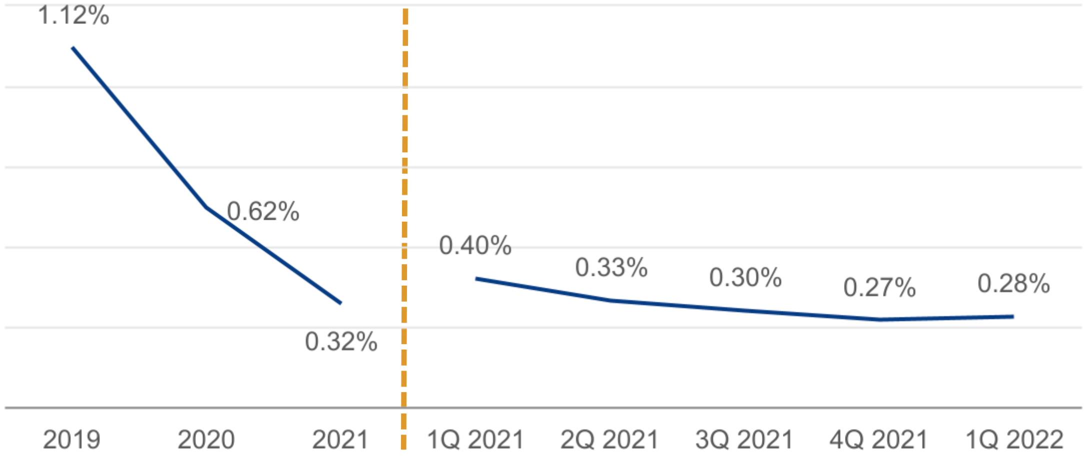
YIELD ON LOANS



COST OF FUNDS



COST OF INTEREST-BEARING DEPOSITS



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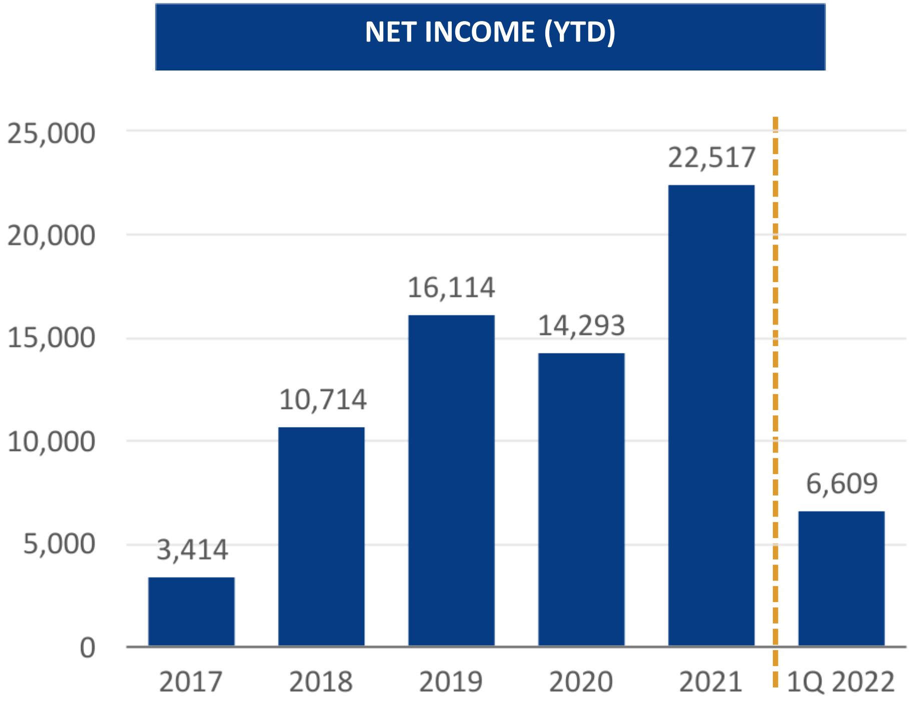
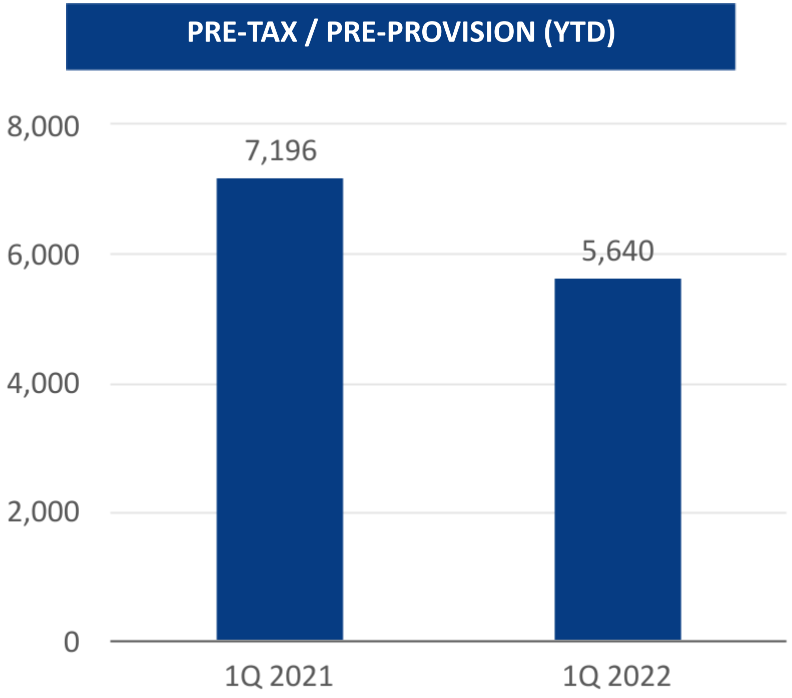
Net Income (As Reported)





$ in thousands

Comparative Income Statement

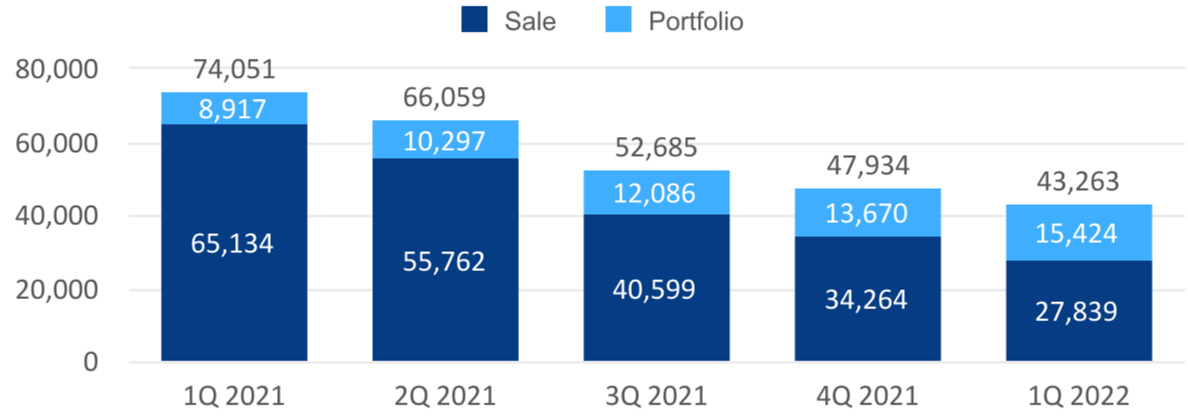
(dollars in thousands)	Twelve Months Ended December 31,			Three Months Ended March 31,		
	2020	**2021**	**Change**	**2021**	**2022**	**Change**
Net Interest Income	$53,263	$58,545	$5,282	$14,390	$14,145	$(245)
Provision for Loan Losses	5,800	(1,700)	(7,500)	—	(2,500)	$(2,500)
Non-Interest Income	15,034	16,531	1,497	4,586	3,722	$(864)
Non-Interest Expense	45,021	48,562	3,541	11,780	12,227	$447
Income Before Taxes	17,476	28,214	10,738	7,196	8,140	944
Income Taxes	3,183	5,697	2,514	1,357	1,531	174
Net Income	$14,293	$22,517	$8,224	$5,839	$6,609	$770

Mortgage Banking Performance

OVERVIEW OF SERVICES

- Total mortgage loan originations have dropped 42% since 1Q 2021, driven by fewer loans refinancing as interest rates have increased.
- Quarterly profit margins have also declined from 50% in 1Q 2021, to 23% in 1Q 2022 as a result of lower spreads on loans sold to investors in the secondary market, in addition to a higher allocation to on-balance-sheet portfolio loans.

MORTGAGE ORIGINATIONS



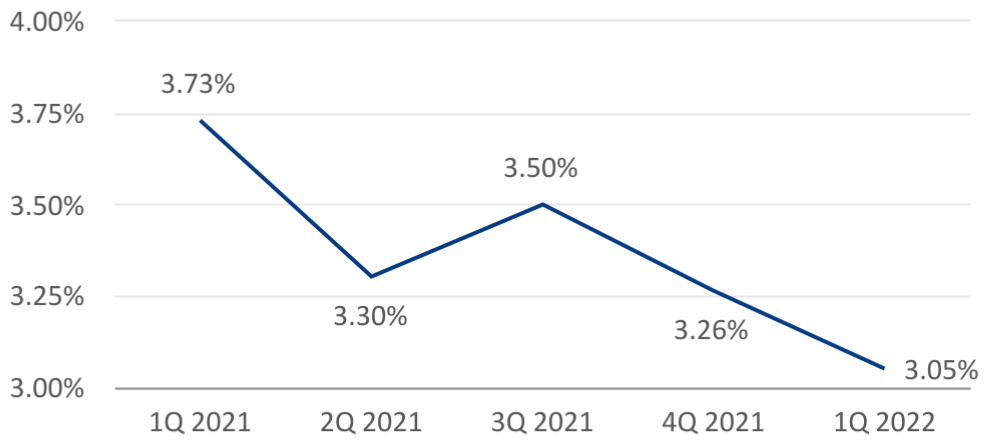
	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022
Purchase	29 %	50 %	54 %	67 %	54 %
Refinance	71 %	50 %	46 %	33 %	46 %

REVENUE SUMMARY

	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022
Origination and sale	$2,404	$1,990	$1,293	$1,222	$881
Earnings before tax	1,205	963	422	404	199
Profit Margin	50 %	48 %	33 %	33 %	23 %

$ in thousands

GAIN ON SALE MARGIN



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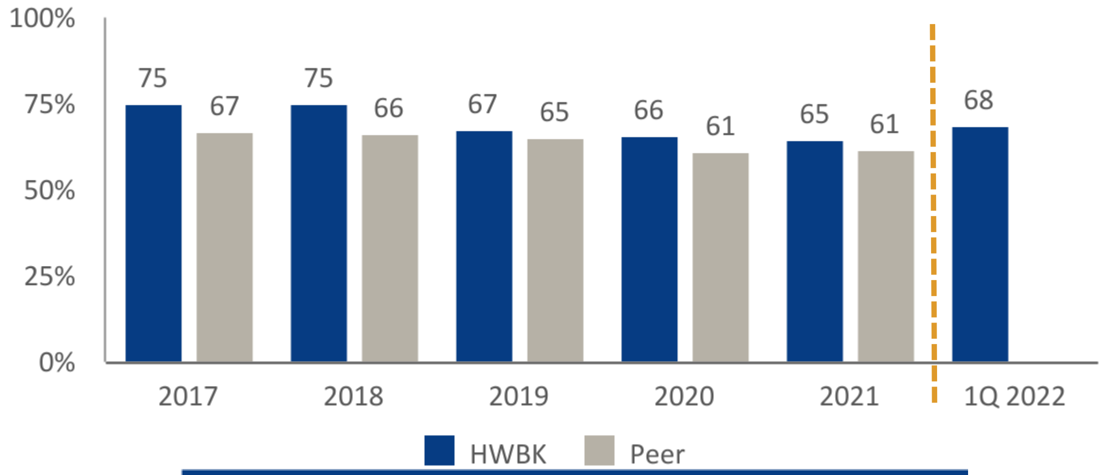
Financial Performance Comparison to Peer

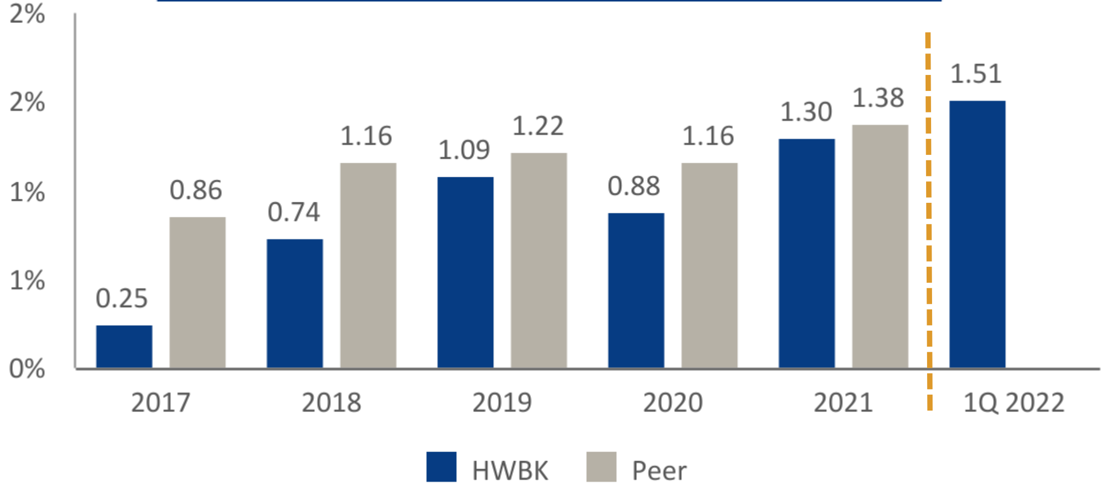
OVERVIEW

- ROA and ROE continue to trend positively.
- ROE has consistently outpaced Peer due to improved earnings and what has been historically, a more leveraged capital base.
- Negative ALLL reserve provisions have positively impacted financial return ratios in the last two quarters.

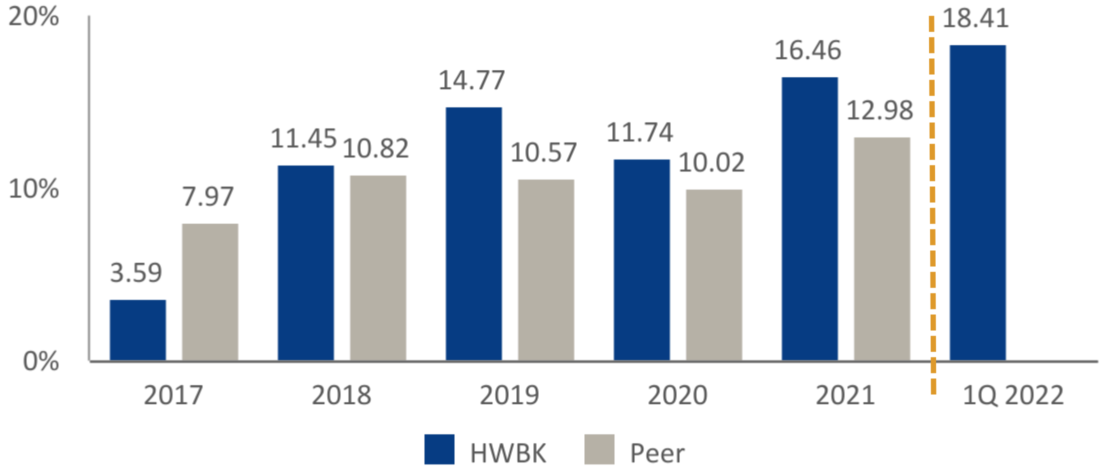
EFFICIENCY RATIO (YTD)



RETURN ON ASSETS (YTD)



RETURN ON EQUITY (YTD)

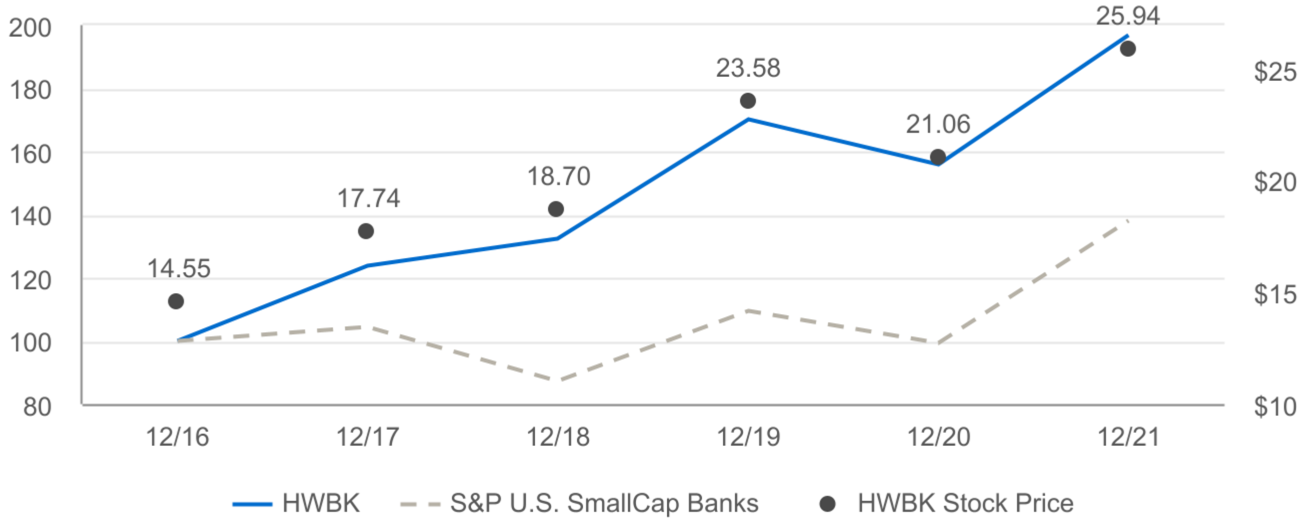


Peer information sourced from FFIEC. 1Q 2022 Peer information unavailable at this time.

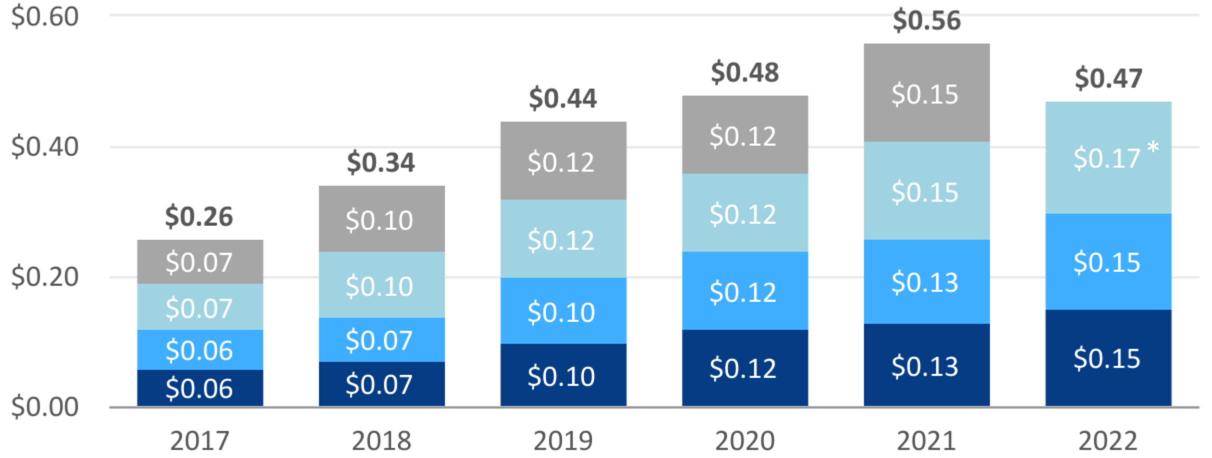
Total Shareholder Return

STOCK SUMMARY (As of March 31, 2022)	
Ticker	HWBK
Exchange	NASDAQ
Stock Price	$25.28
Market capitalization (in millions)	$167.0
Dividend Yield	2.4 %
Average Daily Volume (3 months)	
Average daily volume (shares)	6,342
Average daily volume	$163,877
52-Week High and Low Price	
52-week high (2/25/2022)	$27.46
52-week low (4/7/2021)	$20.05
Earnings Per Share	
2020	$2.12
2021	$3.40
1Q 2022	$1.00
Valuation Ratios	
Price / Tangible book value	124.2 %
Price / 2020 EPS	9.9x
Price / 2021 EPS	7.6X

TOTAL RETURN



CASH DIVIDENDS PER SHARE PAID (*Declared)



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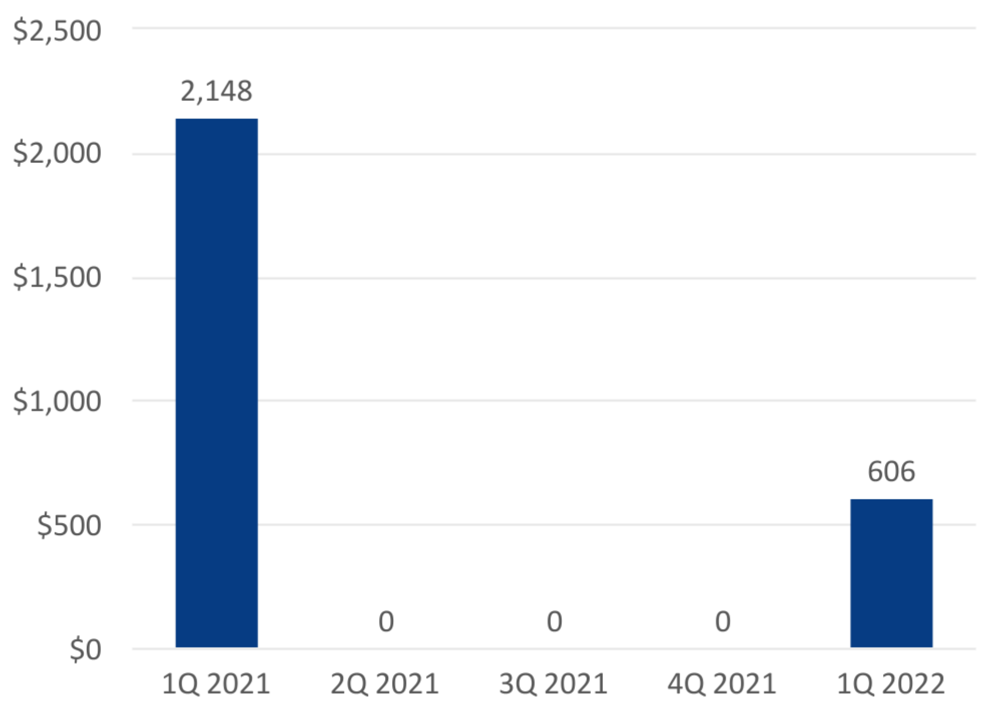
Stock Repurchase Program

- The Board of Directors has granted authorization for HWBK shares to be repurchased when favorable market opportunities present.

- In the 1Q 2022, $0.6 million of shares were repurchased, in addition to $2.1 million shares repurchased in 1Q 2021.

- As of March 31, 2022, $4.4 million remained available for share repurchase pursuant to that authorization.

REPURCHASE BY QUARTER



$ in thousands

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QUESTIONS

Shareholder Vote

- Elect two Class III directors to hold office for a term expiring at our 2025 annual meeting of shareholders and until such director's successor is duly elected and qualified or until such director's earlier resignation or removal;

- Ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the current year;

- Take a non-binding, advisory vote on the compensation of our executives disclosed in the proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission; and

- Consider and act upon any other matters that properly may come before the meeting.