Hawthorn BANCSHARES®

Annual Shareholders Meeting
June 6, 2023

www.HawthornBancshares.com

NASDAQ: HWBK

Officers and Directors

SENIOR EXECUTIVE TEAM

DAVID TURNER
Director, Executive Chairman
44 years with Hawthorn
Director since 1997

BRENT GILES
Director, CEO
34 years of banking experience

GREGG BEXTEN
Director, President
25 years with Hawthorn

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

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

JASON SCHWARTZ
Senior Vice President
Chief Credit Officer
23 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

SHAWNA HETTINGER
President, Streetwise, Inc.
Director since 2022

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

JOHN STATES
Member/Owner, Little Dixie Construction
Director since 2022

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

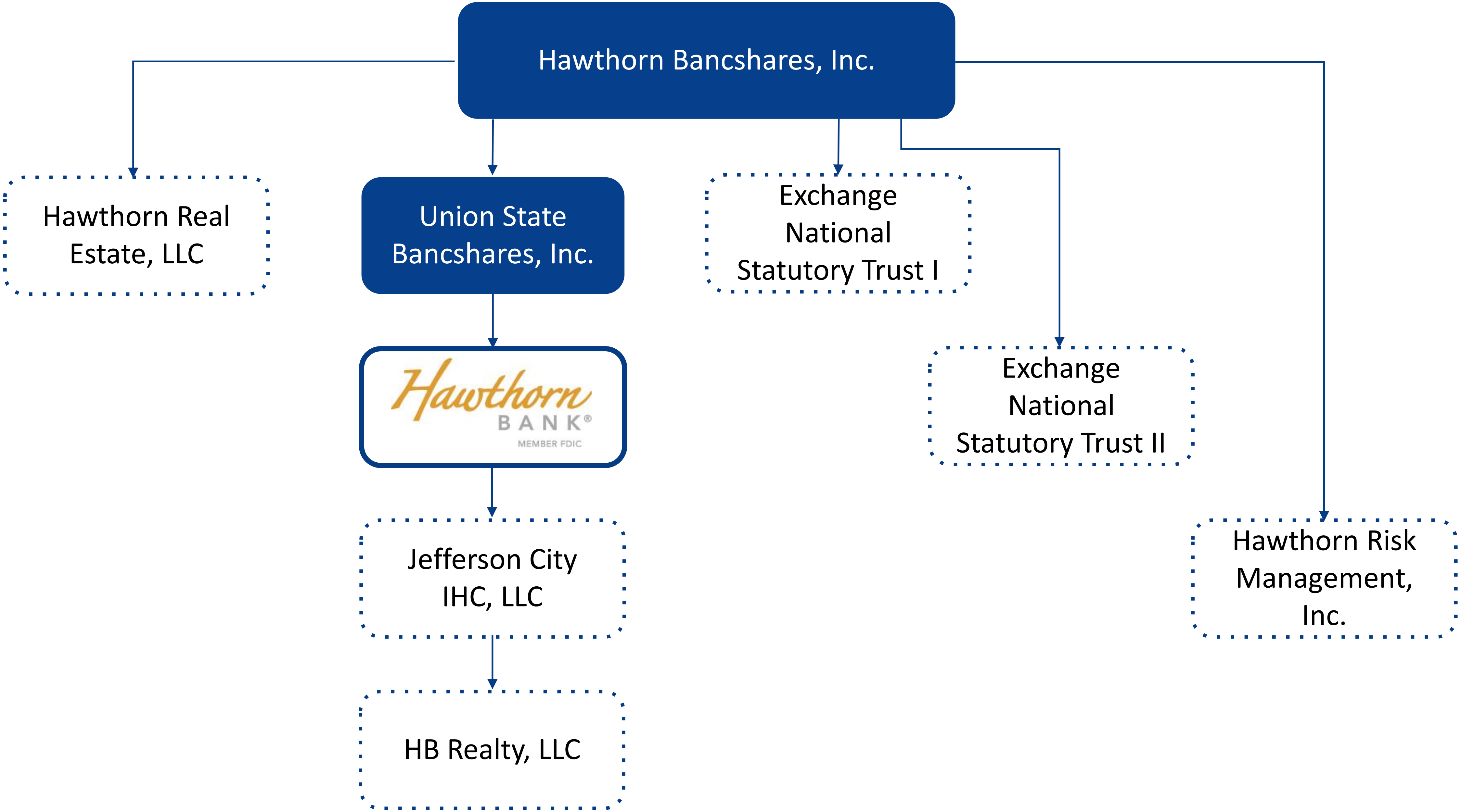
DR. GUS WETZEL, III
Physician/Surgeon
Advisory Director since 1974

Forward-Looking Statements

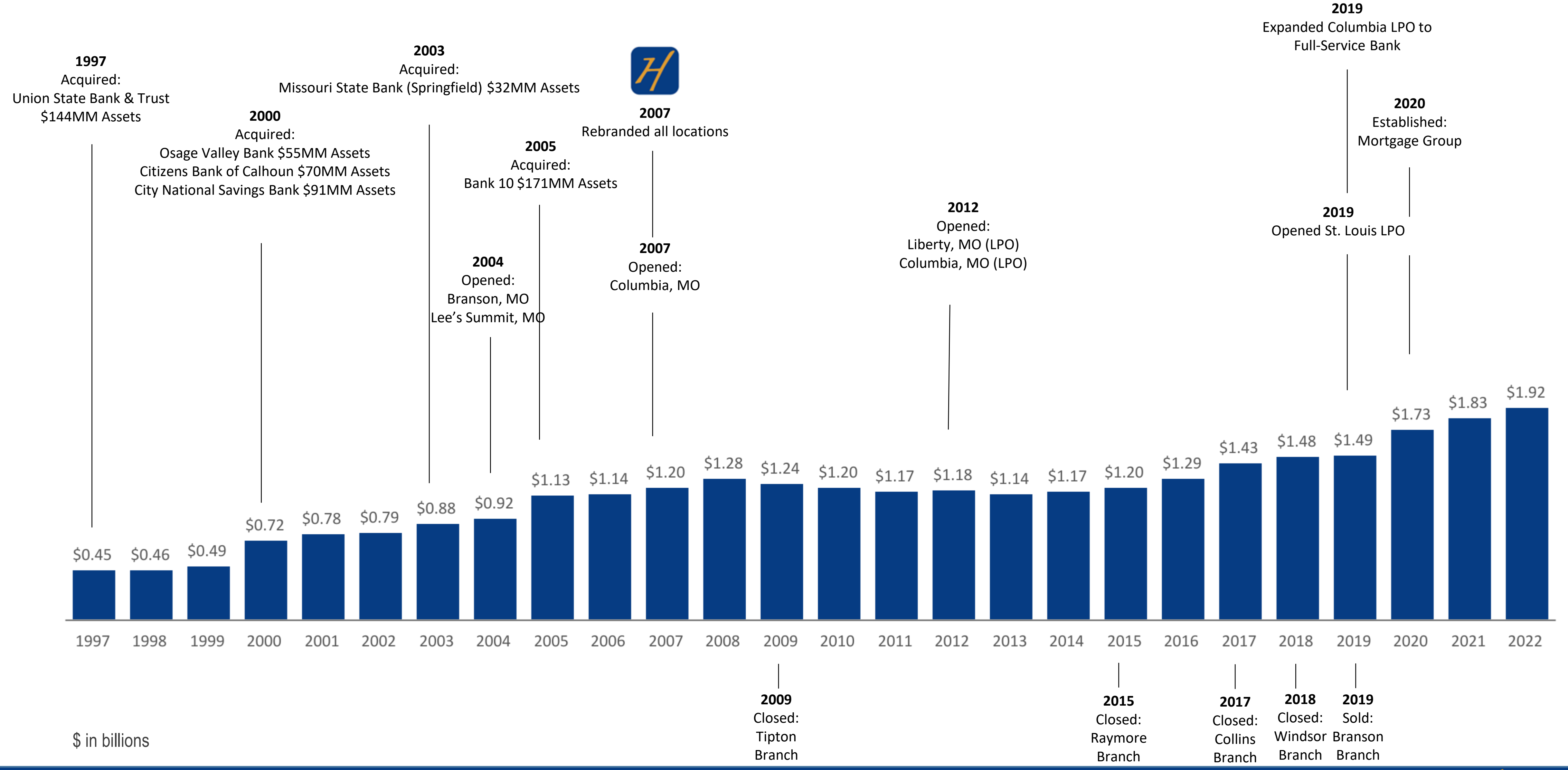
FORWARD-LOOKING STATEMENTS. This presentation and oral statements made during this meeting contain forward looking statements. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not 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; credit and market risks relating to increasing inflation; our ability to raise or maintain sufficient capital; our ability to maintain sufficient liquidity, primarily through deposits, in light of recent events in the banking industry; increases in non-performing assets in our loan portfolios and adverse economic conditions may necessitate increases to our provisions for credit losses; 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.

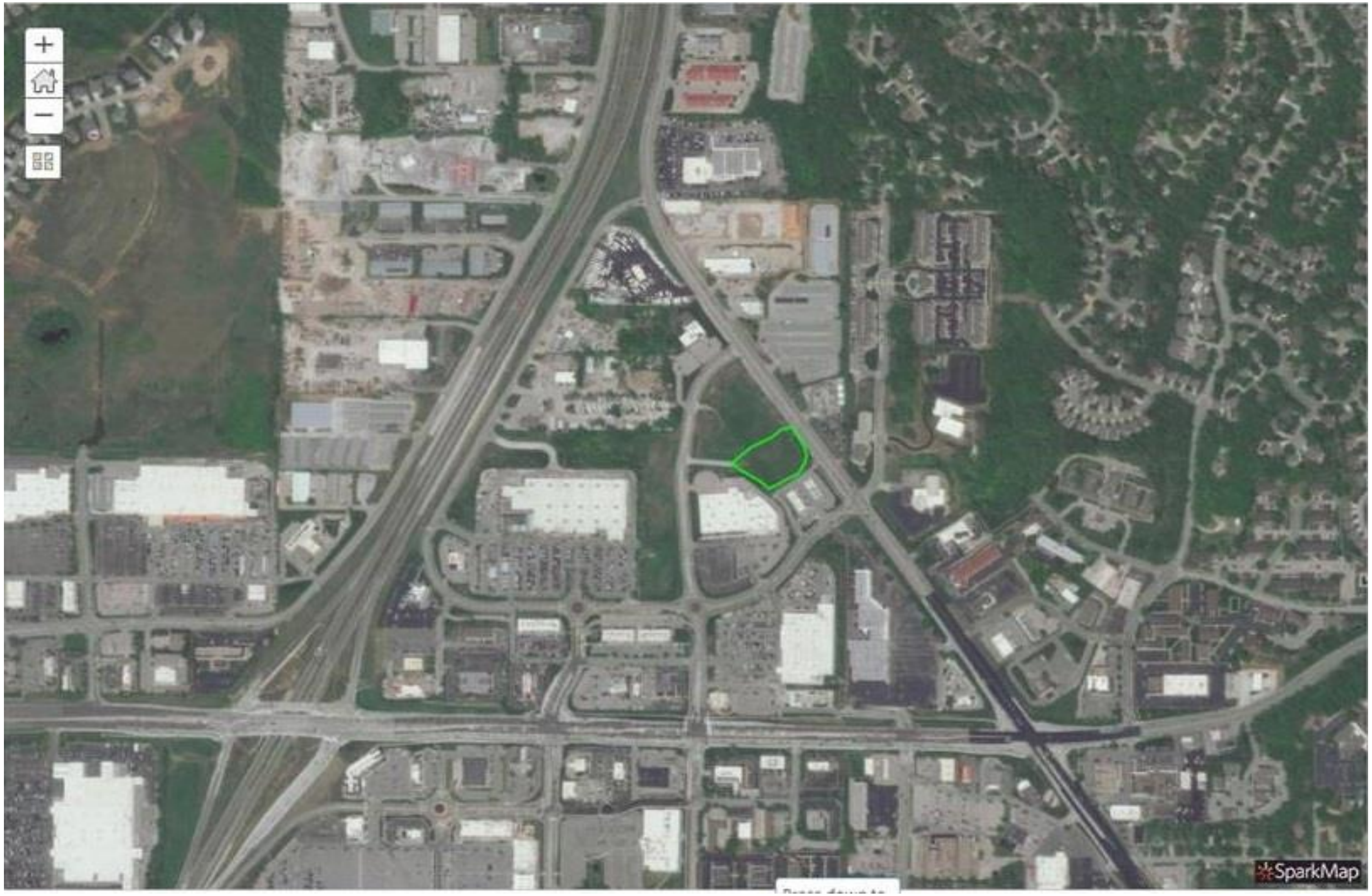

Hawthorn Bancshares, Inc.
Hawthorn Real Estate, LLC
Union State Bancshares, Inc.
Hawthorn BANK® MEMBER FDIC
Jefferson City IHC, LLC
HB Realty, LLC
Exchange National Statutory Trust I
Exchange National Statutory Trust II
Hawthorn Risk Management, Inc.

History of Asset Growth



Liberty, MO Expansion

Liberty, MO Expansion



Snapshot

- NASDAQ Ticker Symbol: HWBK
- Established in 1865
- Headquartered in Jefferson City, Missouri
- 20 Branches and 3 LPO's
- 315 Employees

Financial Highlights

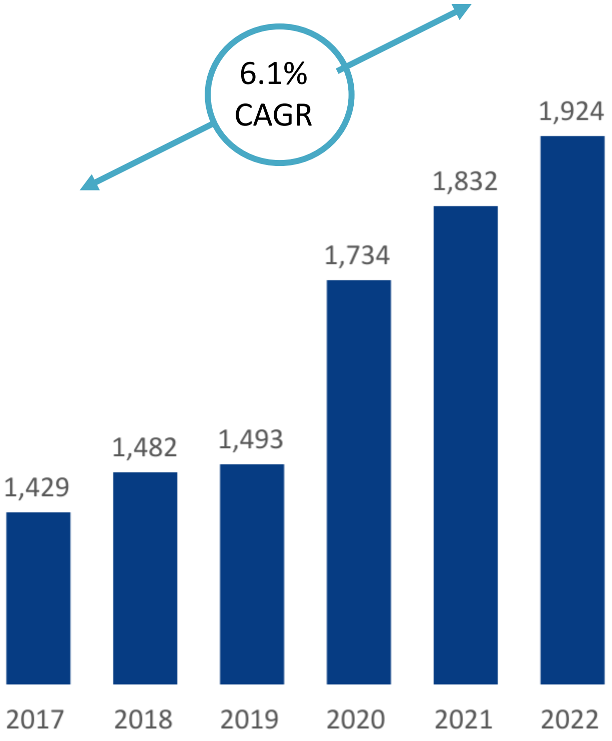
	As of the period ended	2018	2019	2020	2021	2022	1Q 2023	
Balance Sheet	Total Assets	$ 1,482	$ 1,493	$ 1,734	$ 1,832	$ 1,924	$ 1,896	(1)
	Total Gross Loans	$ 1,146	$ 1,169	$ 1,287	$ 1,302	$ 1,521	$ 1,542	
	Allowance for Credit Losses	$ (12)	$ (12)	$ (18)	$ (17)	$ (16)	$ (22)	(1)
	Total Deposits	$ 1,198	$ 1,187	$ 1,384	$ 1,517	$ 1,632	$ 1,608	
	% Core Deposits	89.2 %	87.0 %	90.3 %	94.1 %	91.7 %	86.6 %	
	Loans-to-Deposits	95.7 %	98.5 %	93.4 %	86.0 %	93.2 %	96.0 %	
Key Performance Indicators	Net Income	$ 10.7	$ 16.1	$ 14.3	$ 22.5	$ 20.8	$ 3.3	
	Return on Assets	0.74 %	1.09 %	0.88 %	1.30 %	1.16 %	0.70 %	
	Return on Equity	11.45 %	14.77 %	11.74 %	16.46 %	15.94 %	10.14 %	
	Cost of Deposits	0.76 %	0.88 %	0.45 %	0.22 %	0.47 %	1.40 %	
	Net Interest Margin	3.31 %	3.51 %	3.48 %	3.62 %	3.53 %	3.16 %	
	Yield on Loans	4.79 %	5.09 %	4.71 %	4.67 %	4.51 %	5.03 %	
	Efficiency Ratio	74.8 %	67.2 %	66.0 %	65.0 %	66.7 %	72.8 %	
Credit & Capital	NCOs / Loans	0.06 %	0.03 %	0.01 %	(0.04) %	— %	— %	
	ALLL / Loans & ACL / Loans (1)	1.02 %	1.07 %	1.41 %	1.30 %	1.02 %	1.43 %	(1)
	NPLs / Gross Loans	0.49 %	0.43 %	2.69 %	1.96 %	1.23 %	1.27 %	
	NPAs / Gross Loans	1.68 %	1.53 %	3.64 %	2.76 %	1.81 %	1.81 %	
	Stockholders' Equity / Assets	6.71 %	7.71 %	7.53 %	8.13 %	6.62 %	6.77 %	

$ in millions

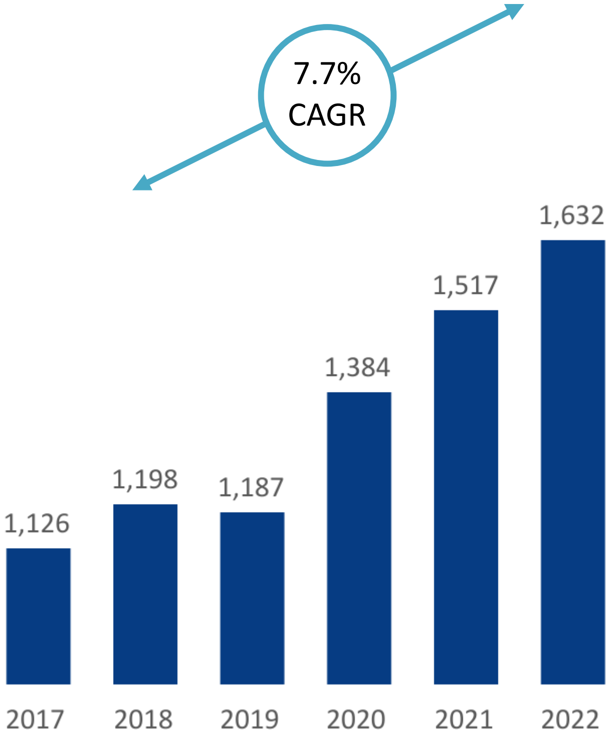
(1) March 31, 2023 amounts include the impacts of the January 1, 2023 adoption of ASU 2016-13

Historical Growth Rates

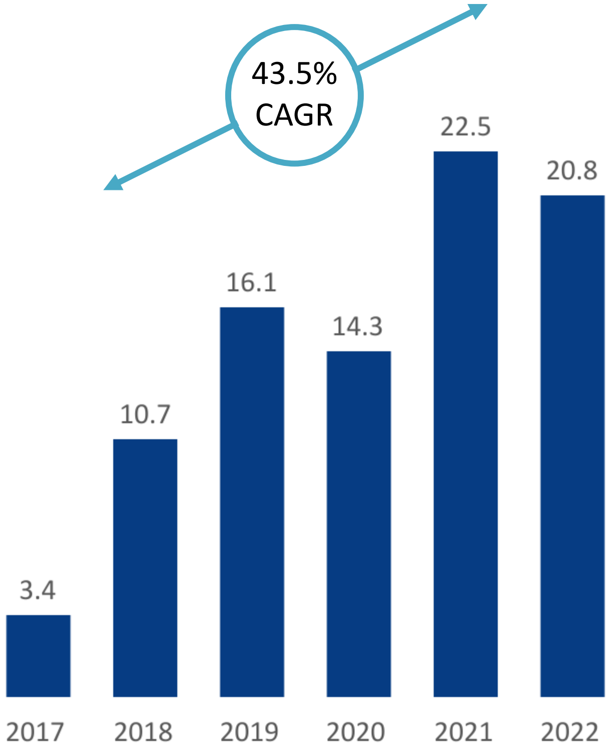
TOTAL ASSETS



TOTAL DEPOSITS



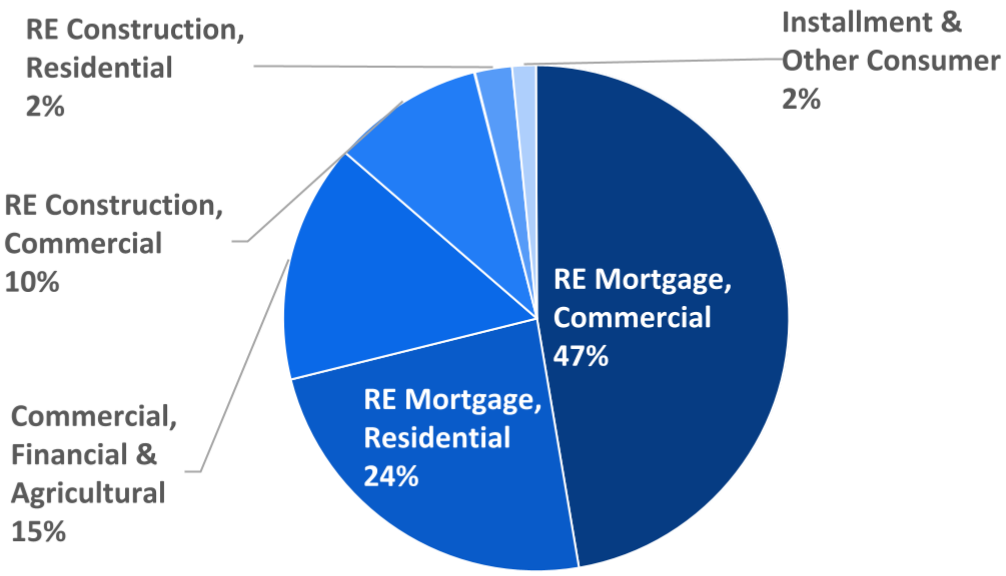
NET INCOME



$ in millions
CAGR: Compound Annual Growth Rate Over 5 years (2018-2022)

Loan Portfolio

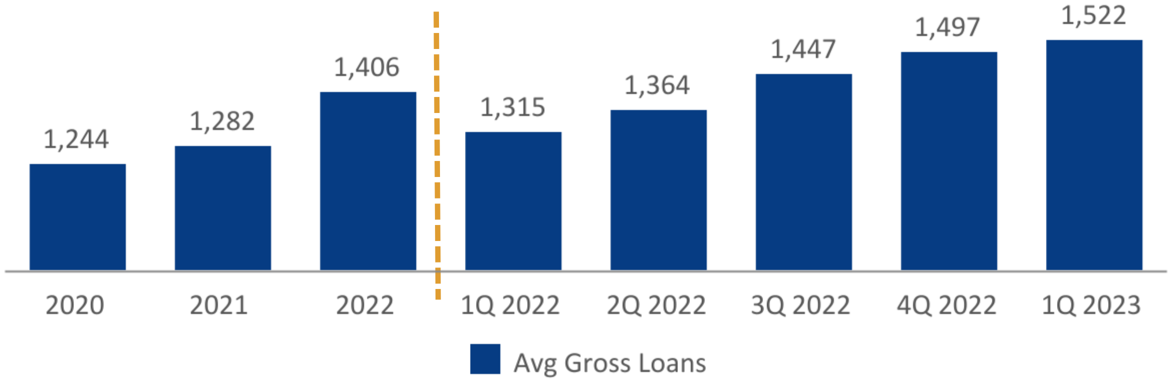
LOAN PORTFOLIO COMPOSITION Q1 2023 (Avg)



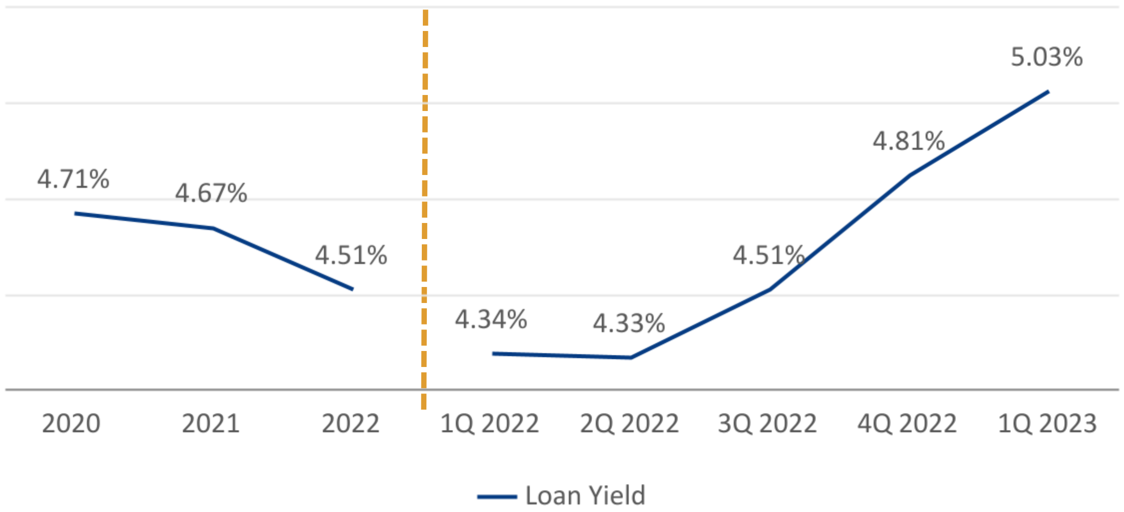
- Loan composition is predominantly commercial real estate (47%) followed by residential real estate (24%).
- 15.6% growth in loans for 1Q 2023 as compared to 1Q 2022.
- Loan yields have increased substantially during a time in which market rates of interest have also increased in response to actions taken by the Federal Reserve to contain inflation.

$ in millions

LOAN BALANCES



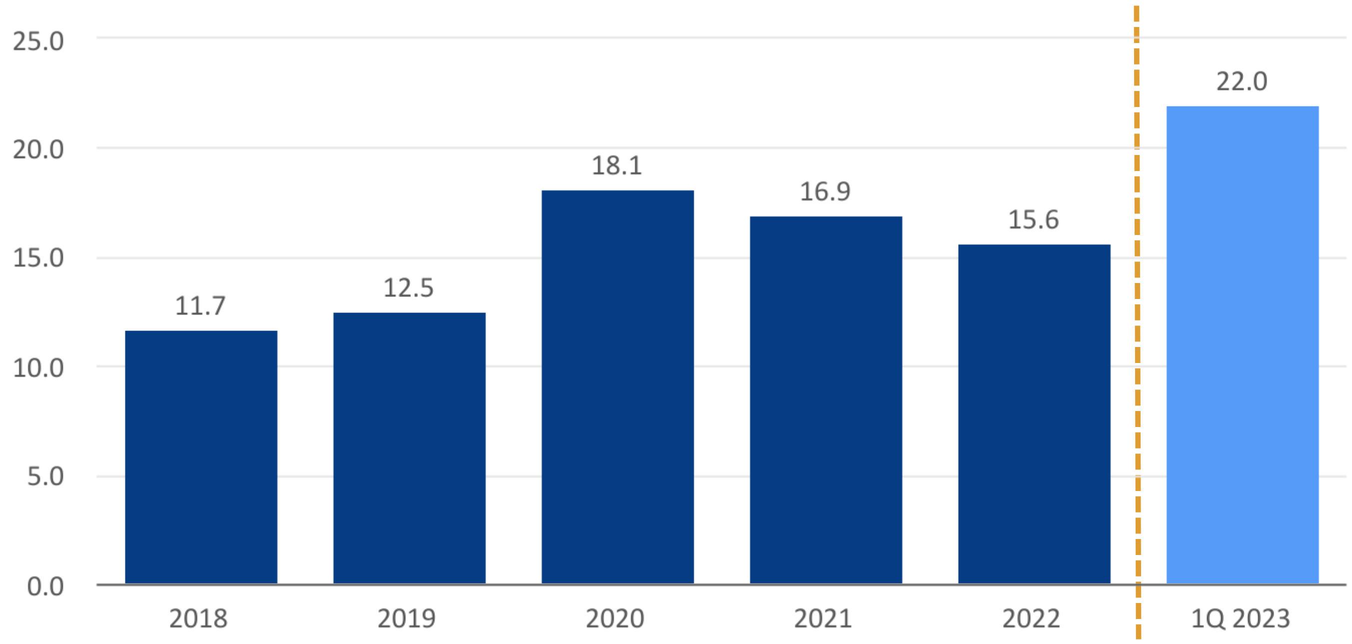
LOAN YIELD



Allowance for Credit Losses

On January 1, 2023, the Company adopted ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)* which provides for the current expected credit losses methodology (CECL) for estimating allowances for credit losses. The adoption of this standard resulted in an increase to the allowance for credit losses of $5.8 million and establishing a liability for unfunded commitments totaling $1.3 million. These one-time cumulative adjustments resulted in a $5.6 million tax-effected decrease to retained earnings.

ALLOWANCE FOR LOAN LOSSES AND CREDIT LOSSES BY YEAR

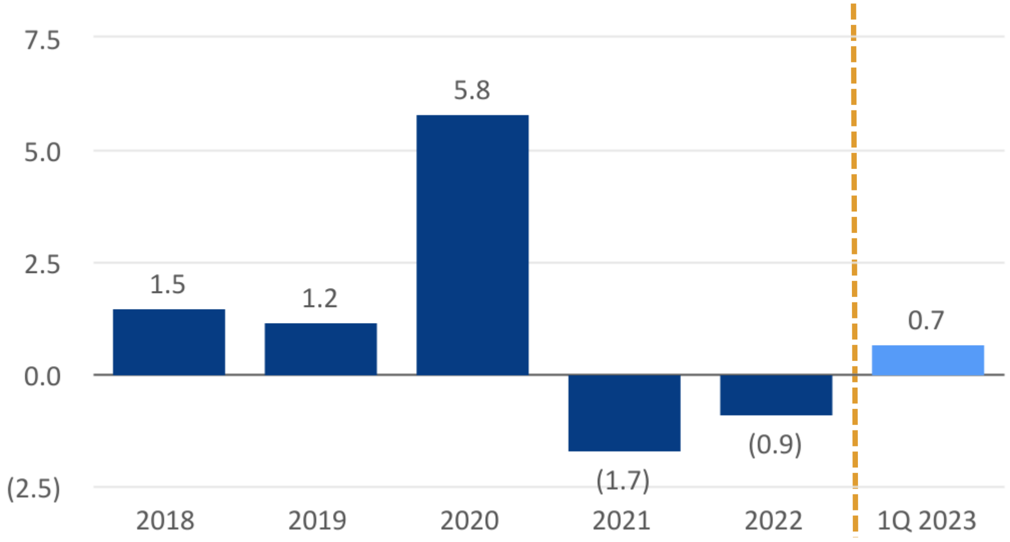


$ in millions
Beginning January 1, 2023, calculation is based on CECL methodology. Prior to January 1, 2023, calculation was based on probable incurred loss methodology.

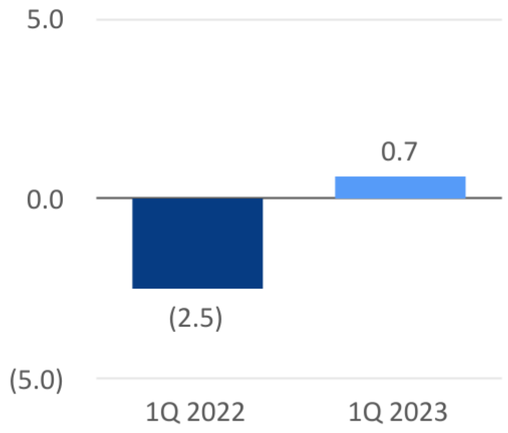
Provision for Credit Losses

The Company recognized a provision for credit losses of $0.7 million for the three months ended March 31, 2023, compared to a release of provision for loan losses of $2.5 million for the three months ended March 31, 2022. The release of provision expense in 1Q 2022 primarily resulted from the release of specific reserves totaling $2.8 million related to returning the loan balances for one major customer relationship to accrual from non-accrual status.

PROVISION BY YEAR



1Q PROVISION



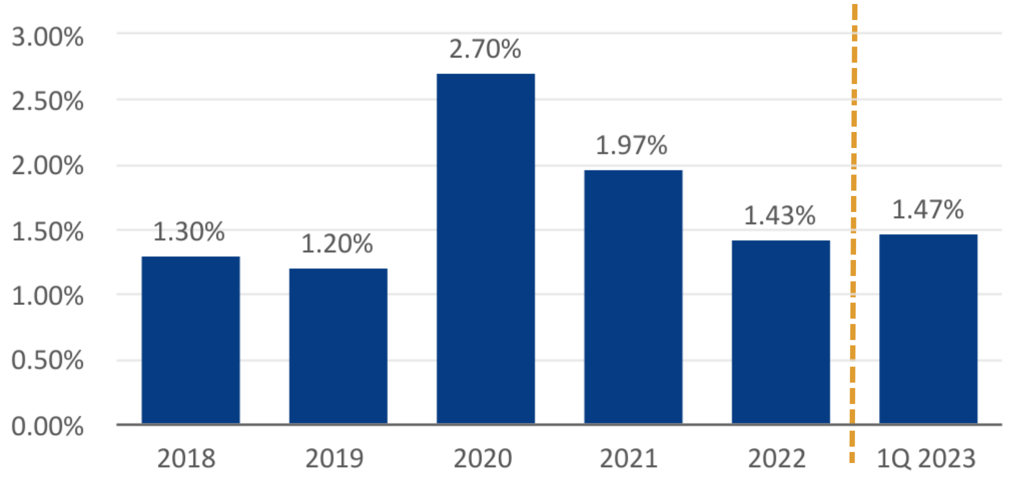
$ in millions

Asset Quality and Reserve Level

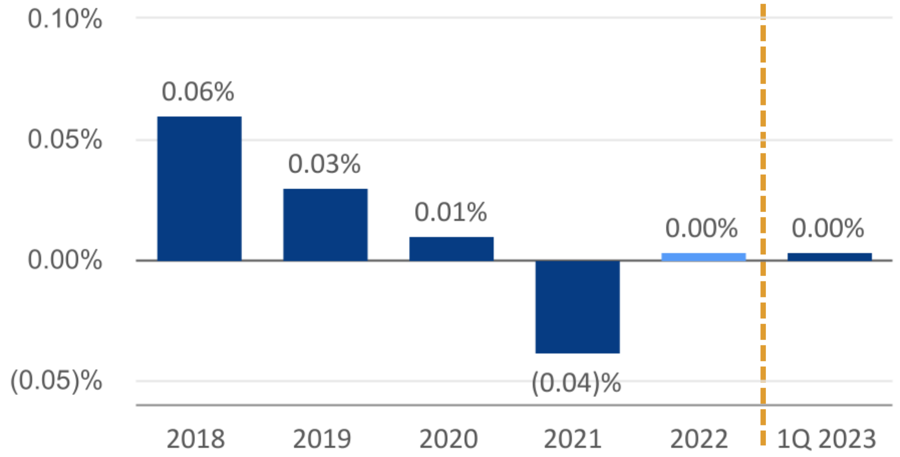
OVERVIEW

- Historically solid asset quality and a 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.
- The increase in the reserve for credit losses in 1Q 2023 resulted from the adoption of the CECL methodology.

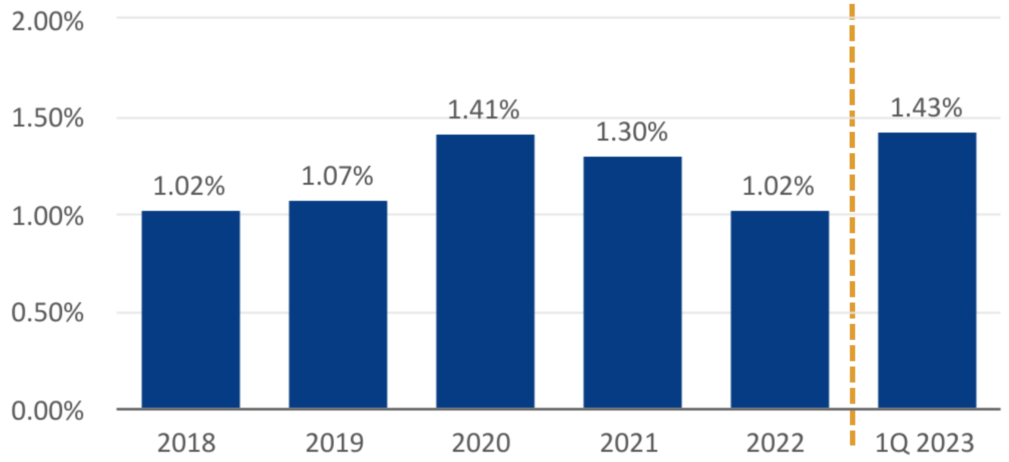
NPAS + ORE / ASSETS



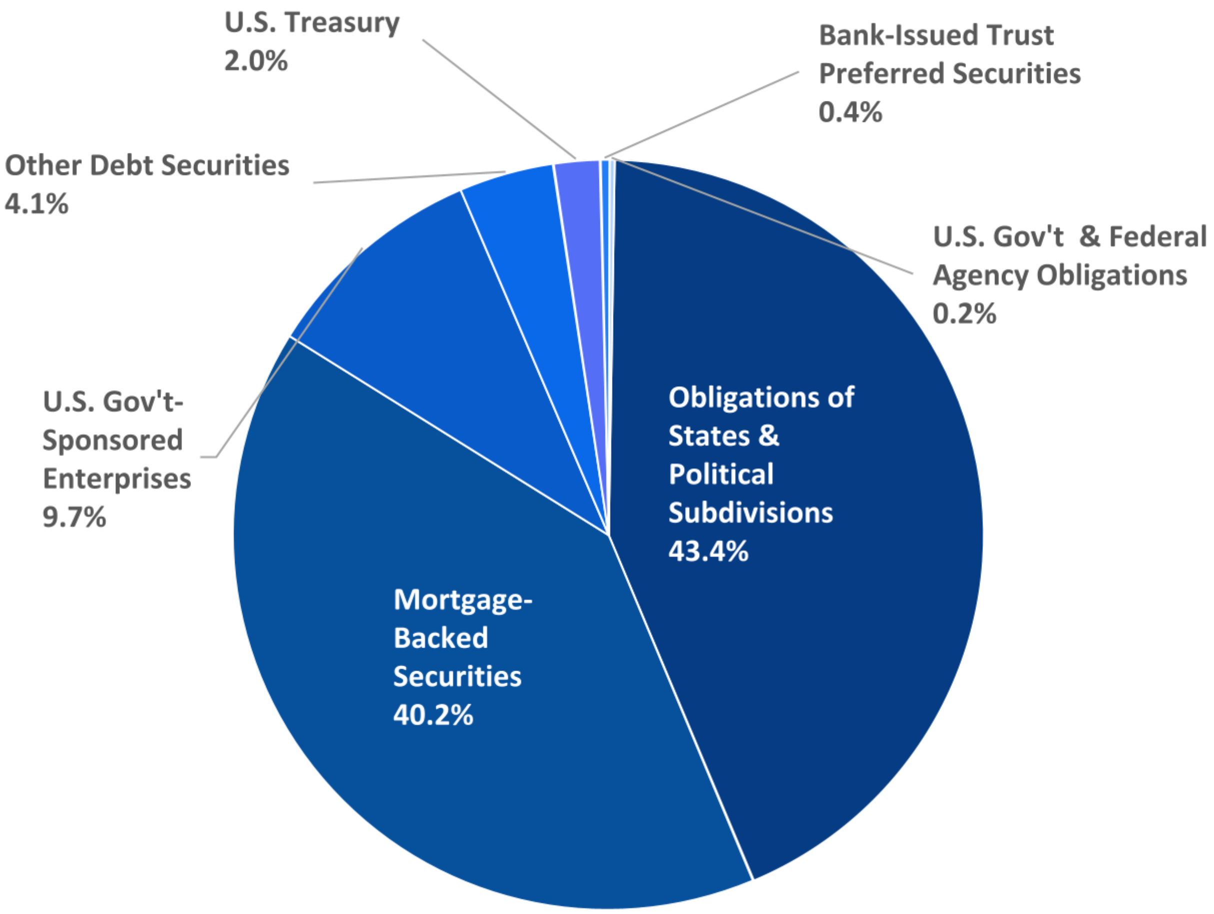
NET CHARGE-OFF's / AVERAGE LOANS



RESERVES / LOANS



Investment Portfolio Composition

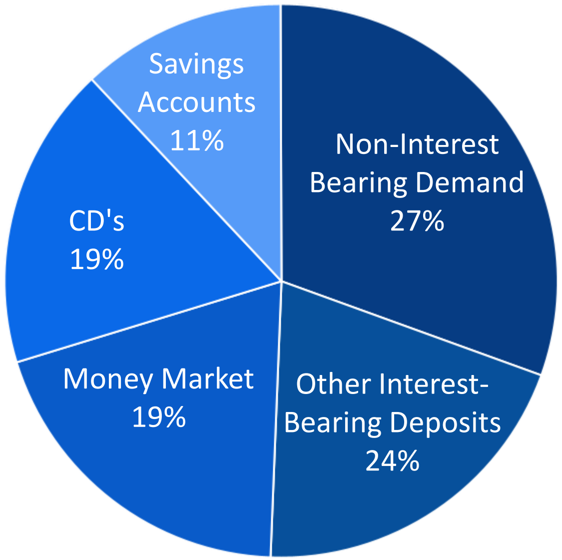


OVERVIEW AS OF MARCH 31, 2023

- $259.7 million total investments
  - 100% available-for-sale
- Average Tax Effective Yield of 2.7%
- Effective duration of 5.3 years
- Scheduled principal cash flows over the next 36 months projected to be 24% of portfolio
- As a % of Total Assets: 13.7% at March 31, 2023, compared to 16.5% at March 31, 2022
- At March 31, 2023, $40.8 million aggregate unrealized loss included in accumulated other comprehensive loss caused by interest rate fluctuations. As of March 31, 2023, there was no allowance for credit loss related to the Company's available-for-sale securities as the decline in fair value did not result from credit issues.

Deposits

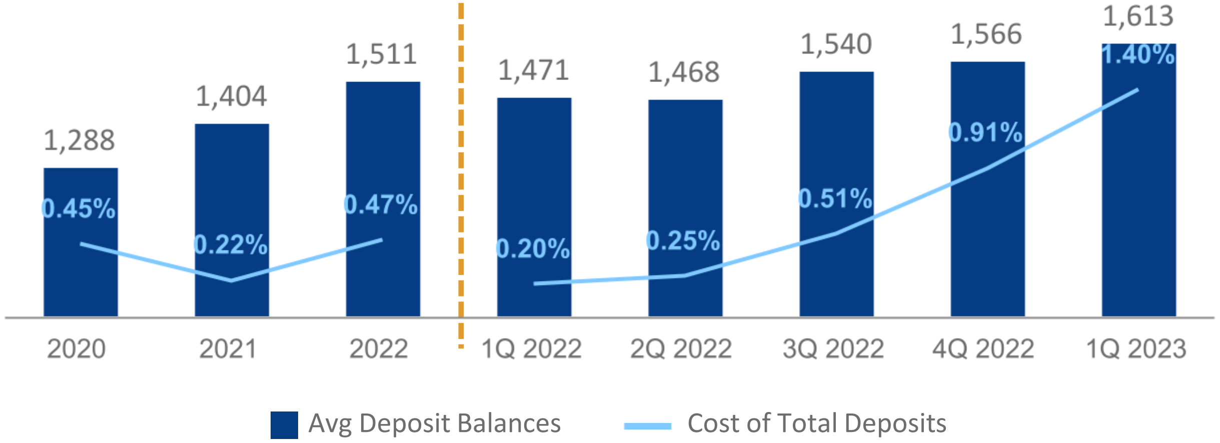
DEPOSIT COMPOSITION Q1 2023 (Avg)



- Steady growth in year-over-year average deposits.
- Recent increase in cost of total deposits reflects rise in interest rates and competitive environment for bank funding.
- Overall deposit balances decreased in Q1 2023, consistent with industry trends.

$ in millions

DEPOSIT BALANCES AND COST OF TOTAL DEPOSITS



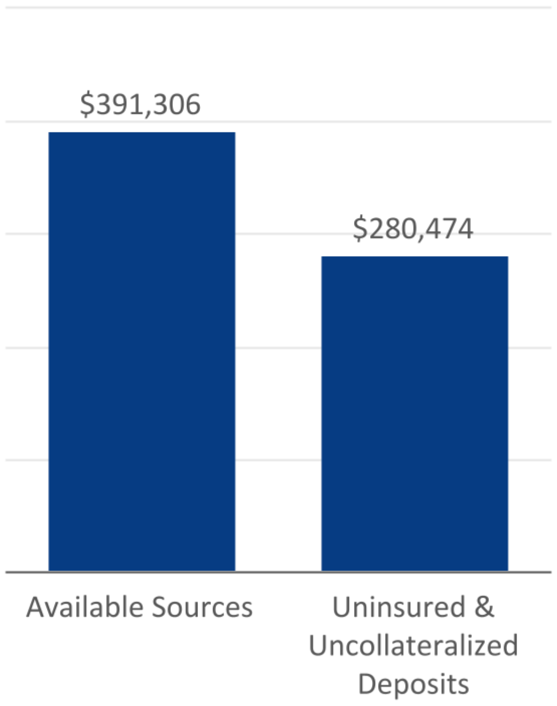
DEPOSITS BY SOURCE AS OF (actual)

	12/31/2022	03/31/23	Change
Commercial	$ 422	$ 422	0.03 %
Consumer	851	847	(0.48)
Public funds	318	297	(6.73)
Brokered deposits	40	40	(0.03)
Other	1	2	192.04
Total	$ 1,632	$ 1,608	(1.47)%

Hawthorn BANCSHARES®

Available Liquidity and Uninsured Deposits

DEPOSIT COMPOSITION
MARCH 31, 2023



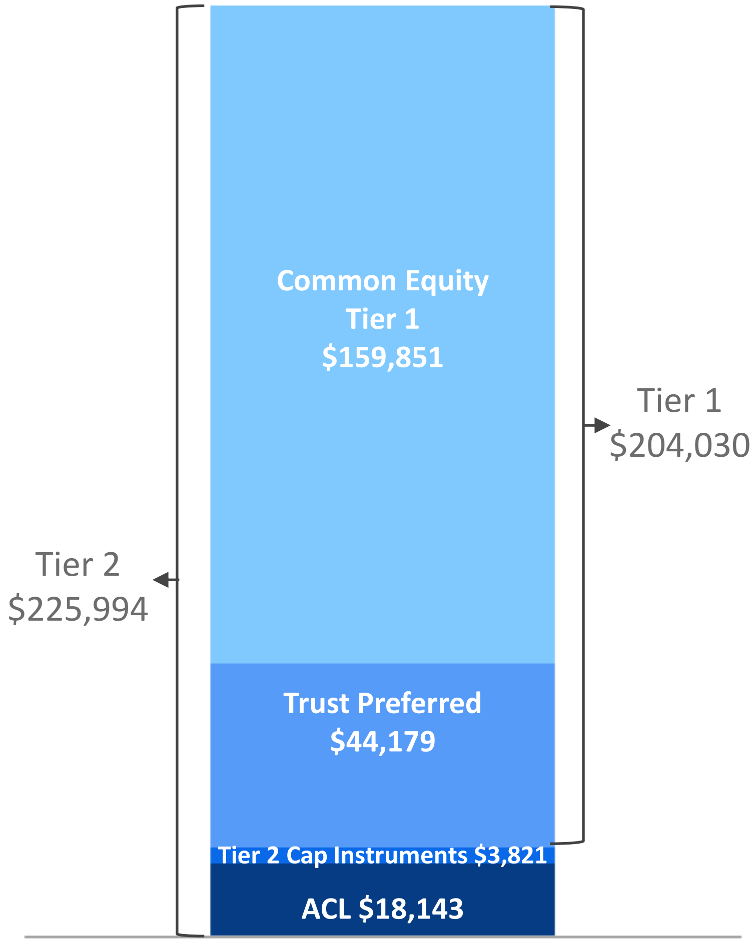
Liquidity Sources		
Internal:		
Cash and cash equivalents	$	18,301
Federal funds sold		47
Other interest-bearing deposits		15,425
Certificates of deposit in other banks		2,215
Unencumbered securities		54,359
External:		
FHLB borrowing capacity		257,625
Federal Reserve Bank		8,334
Federal funds purchase lines		35,000
Total	$	391,306

		Uninsured Deposits	Uninsured to Total Deposits
Uncollateralized		280,474	17.4 %
Collateralized public funds		183,252	11.4 %
Total	$	463,726	28.8 %

$ in thousands

CAPITAL POSITION

REGULATORY CAPITAL AS OF MARCH 31, 2023



$ in thousands

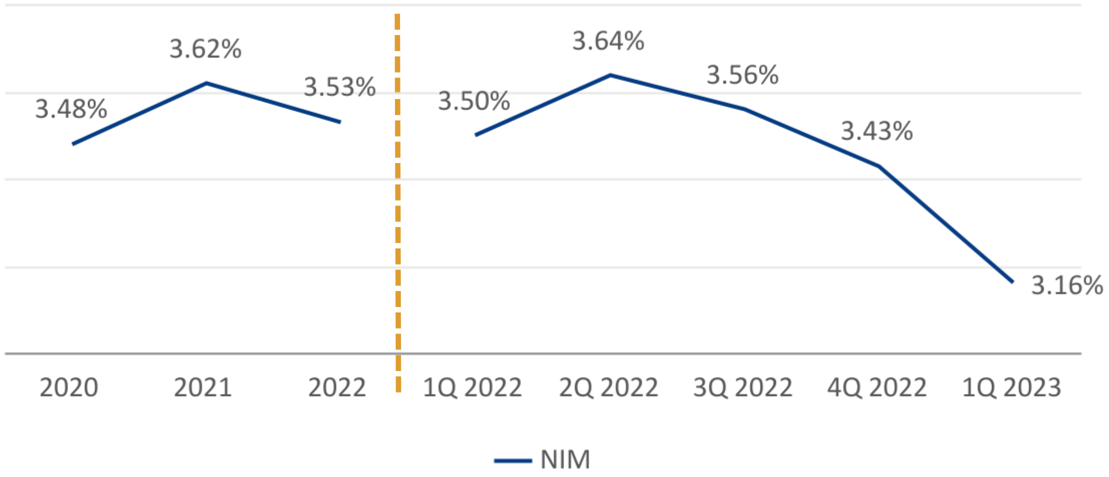
CAPITAL HIGHLIGHTS

- Consistent payment history of quarterly cash dividend and annual stock dividend.
- The Company recorded an after-tax decrease to retained earnings of $5.6 million as of January 1, 2023 for the cumulative effect of adopting ASU 2016-13 (CECL)
- The Company has elected the 3-year CECL transitional period for purposes of calculating regulatory capital ratios.
- Hawthorn Bank's capital ratios continue to exceed the regulatory definition for being "well capitalized."

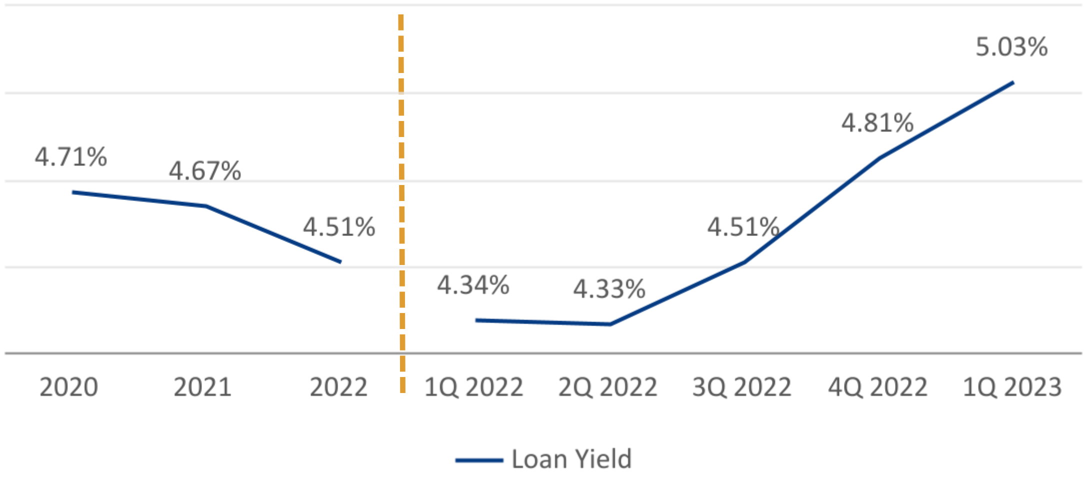
Risk-based Capital Ratios:	2020	2021	2022	1Q 2023
Total capital ratio	14.97 %	14.79 %	13.85 %	13.81 %
Tier 1 capital ratio	13.37 %	13.59 %	12.52 %	12.47 %
Common Equity Tier 1 capital ratio	10.00 %	10.22 %	9.89 %	9.77 %
Tier 1 leverage ratio	10.19 %	11.01 %	10.76 %	10.43 %

Net Interest Margin (NIM) and Key Drivers

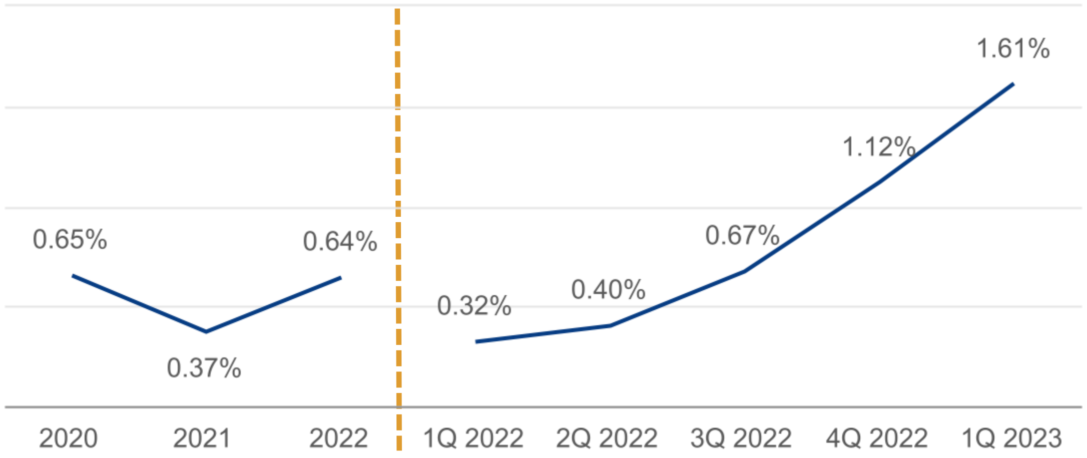
NIM (Tax Equivalent Yield)



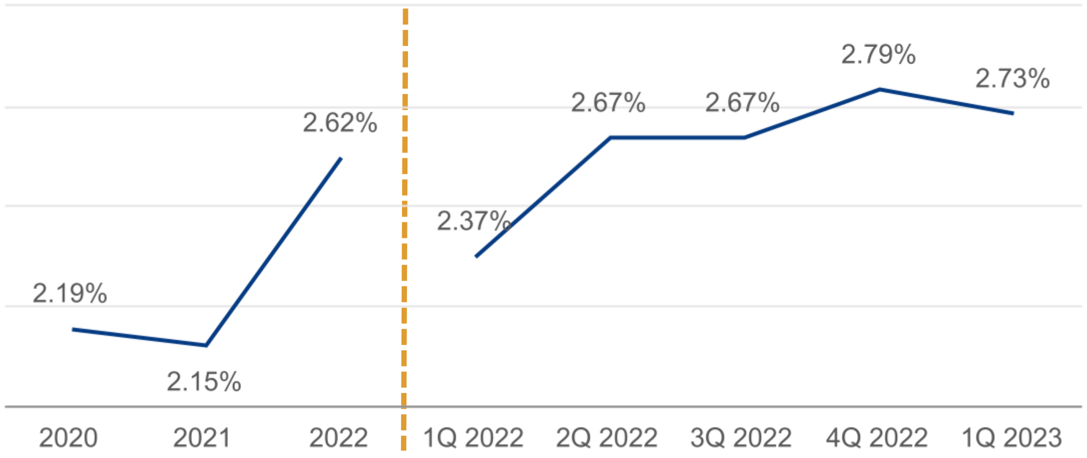
YIELD ON LOANS



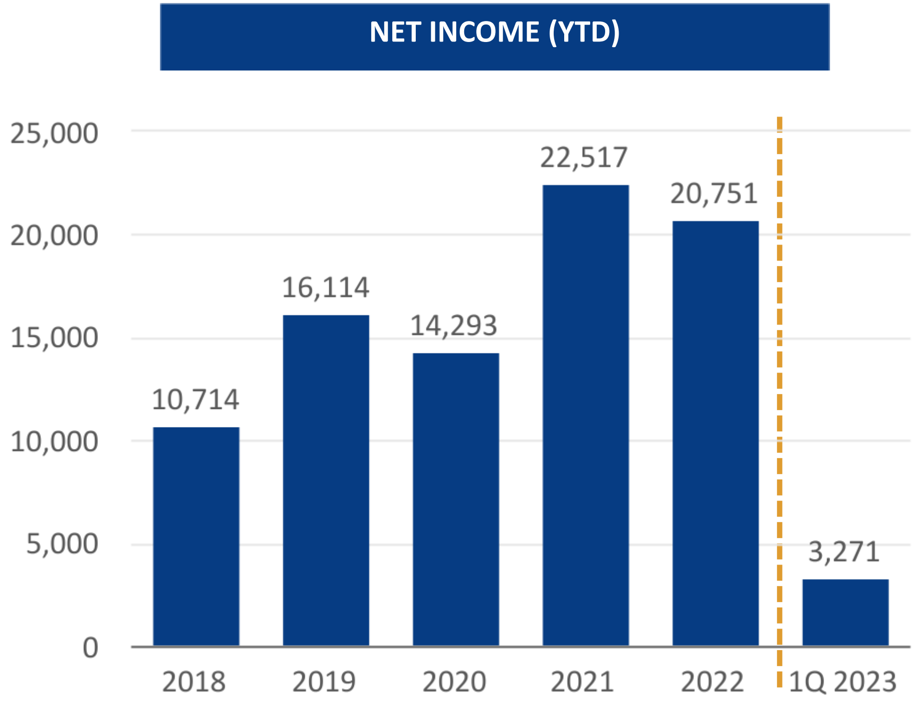
COST OF FUNDS

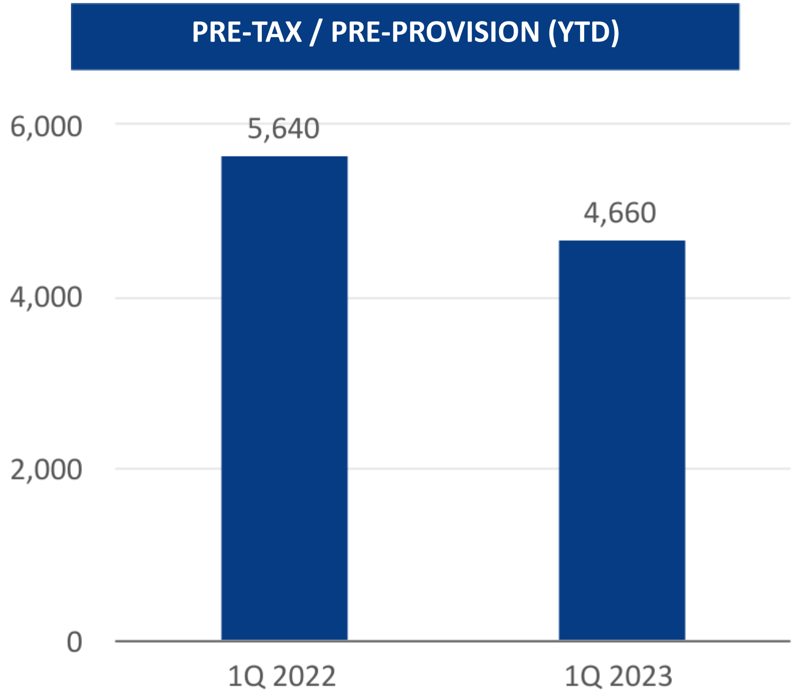


YIELD ON INVESTMENTS AVAILABLE-FOR-SALE



Net Income (As Reported)





$ in thousands

Comparative Income Statement

(dollars in thousands)	The Years Ended December 31,			Three Months Ended March 31,		
	2022	**2021**	**Change**	**2023**	**2022**	**Change**
Net Interest Income	$58,763	$58,545	$218	$13,948	$14,145	$(197)
Provision for Credit Losses	(900)	(1,700)	800	680	(2,500)	3,180
Non-Interest Income	13,964	16,531	(2,567)	3,190	3,722	(532)
Non-Interest Expense	48,538	48,562	(24)	12,478	12,227	251
Income Before Taxes	25,089	28,214	(3,125)	3,980	8,140	(4,160)
Income Taxes	4,338	5,697	(1,359)	709	1,531	(822)
Net Income	$20,751	$22,517	$(1,766)	$3,271	$6,609	$(3,338)

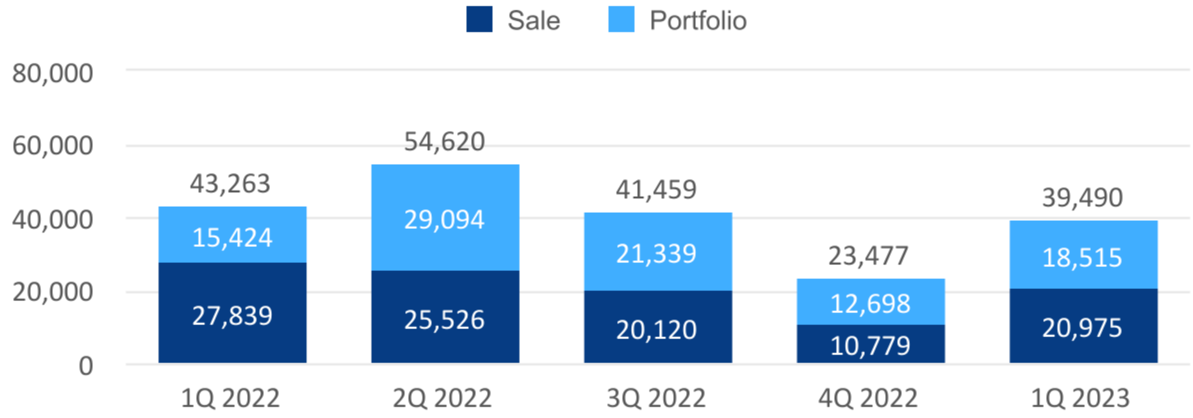
$ in thousands

Mortgage Banking Performance

OVERVIEW OF SERVICES

- Growth in mortgage loan originations occurred in 1Q 2023 as compared to recent declines in 3Q 2022 through 4Q 2022.
- Mortgage Banking revenue has remained strong over the past year as recurring interest income from growth in portfolio loans has more than offset the reduction in fee income from lower mortgage loan sales.

MORTGAGE ORIGINATIONS



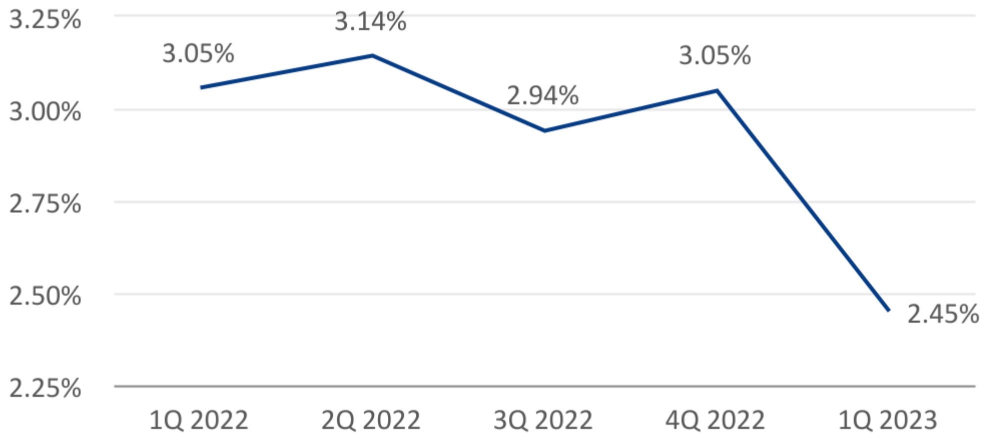
	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Purchase	54 %	86 %	83 %	88 %	74 %
Refinance	46 %	14 %	17 %	12 %	26 %

MORTGAGE BANKING REVENUE

	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Interest Income	$491	$635	$859	$1,059	$1,197
Origination and sale	881	720	601	256	426
Total	$1,372	$1,355	$1,460	$1,315	$1,623

$ in thousands

GAIN ON SALE MARGIN

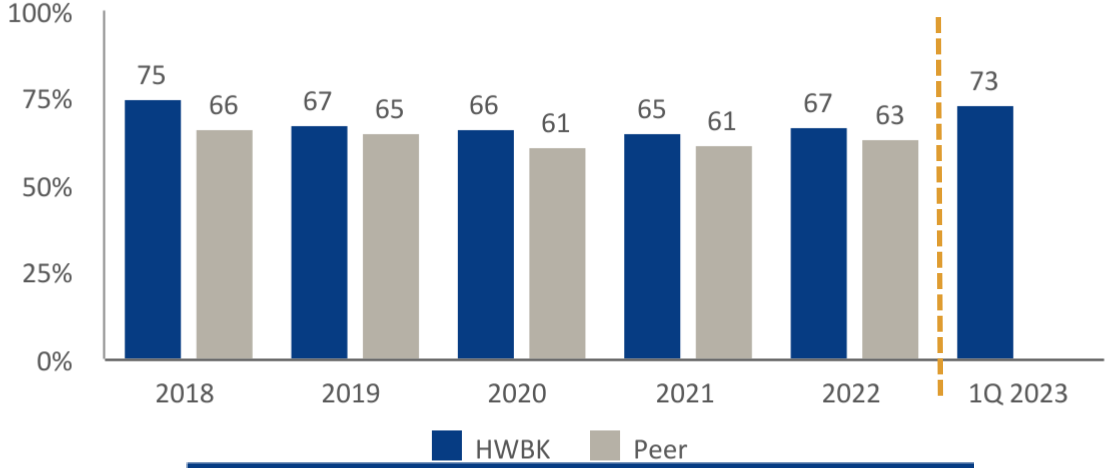


Financial Performance Comparison to Peer

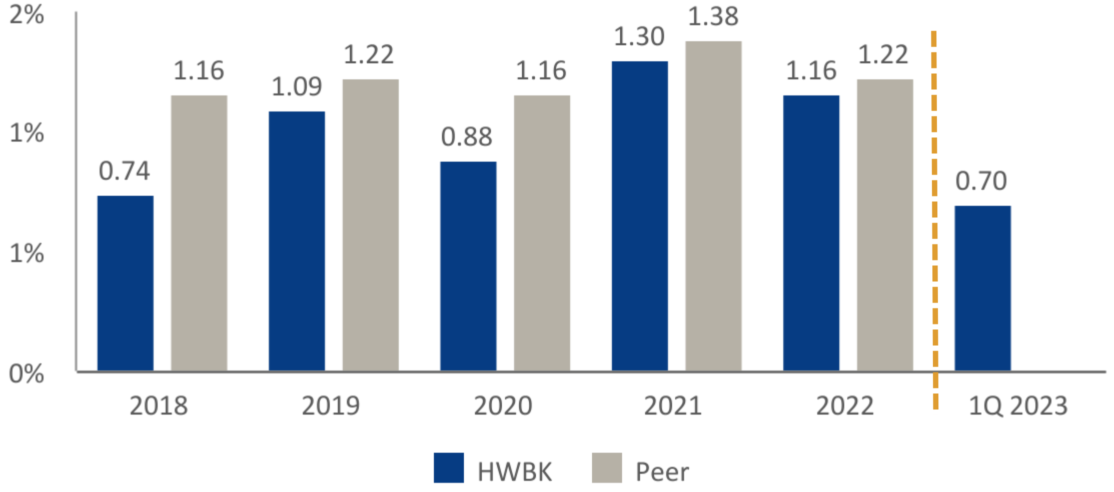
OVERVIEW

- 1Q 2023 ROA and ROE reflects lower earnings driven principally from lower non-interest income, and higher expense for both provision and non-interest expense.
- ROE has consistently outpaced Peer due to improved earnings and what has been historically, a more leveraged capital base.

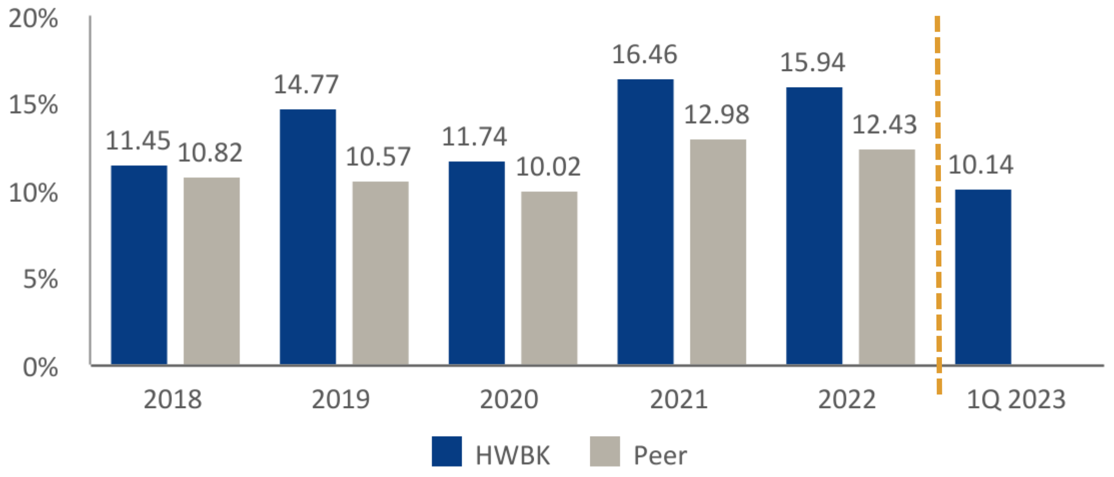
EFFICIENCY RATIO (YTD)



RETURN ON ASSETS (YTD)



RETURN ON EQUITY (YTD)

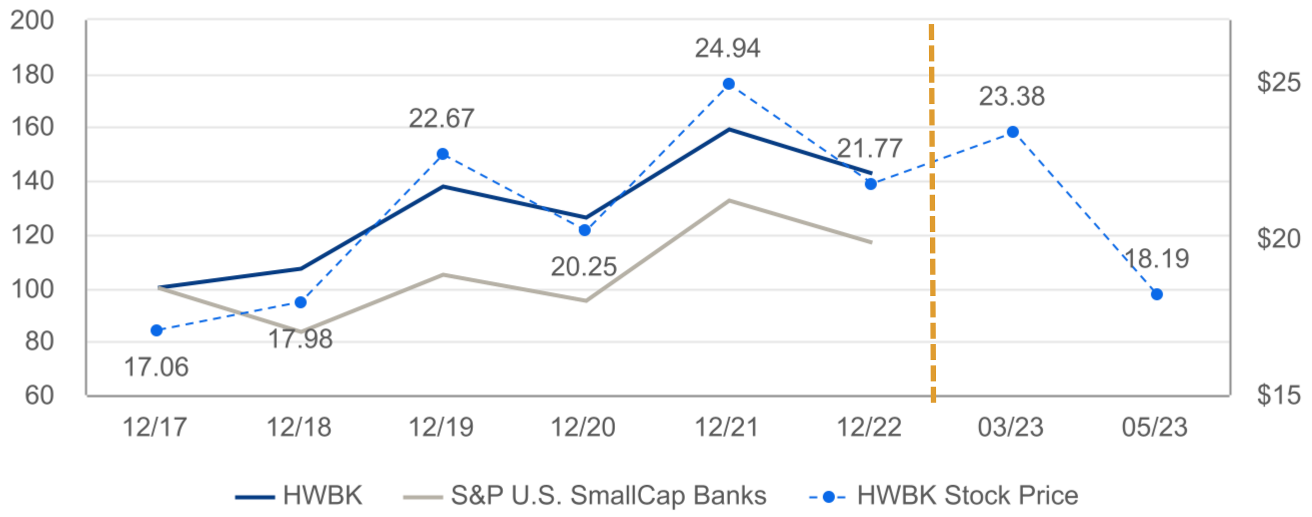


Peer information sourced from FFIEC. 1Q 2023 Peer information unavailable at this time.

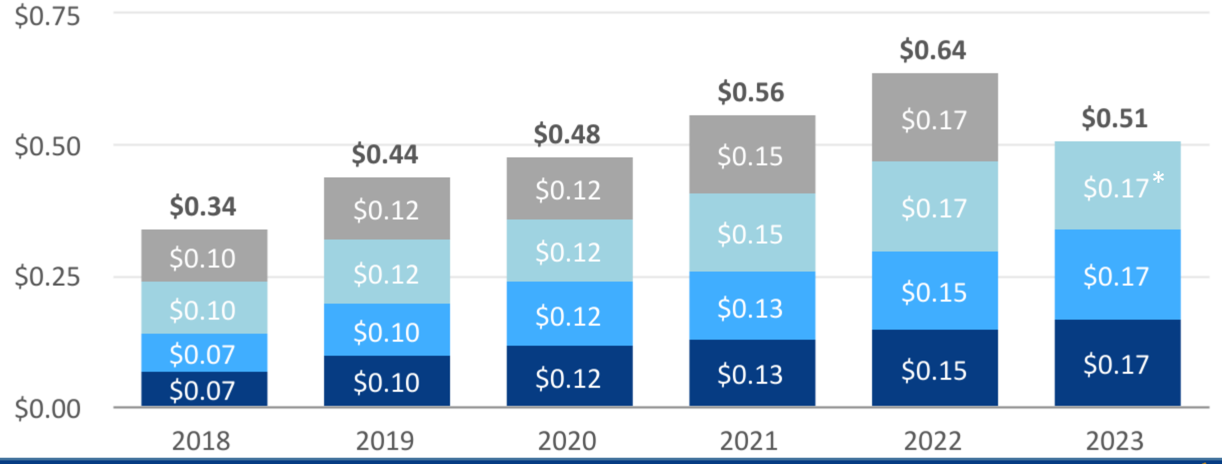
Total Shareholder Return

STOCK SUMMARY (As of MARCH 31, 2023)	
Ticker	HWBK
Exchange	NASDAQ
Stock Price	$23.38
Market capitalization (in millions)	$158.2
Dividend Yield	2.9 %
Average Daily Volume (3 months)	
Average daily volume (shares)	5,974
Average daily volume	$143,914
52-Week High and Low Price	
52-week High (7/25/22)	$26.60
52-week Low (12/23/22)	$21.06
Earnings Per Share	
2021	$3.27
2022	$3.06
1Q 2023	$0.48
Valuation Ratios	
Price / Tangible book value	123.3 %
Price / 2021 EPS	7.6x
Price / 2022 EPS	7.1X

TOTAL RETURN



CASH DIVIDENDS PER SHARE PAID (*Declared)



Hawthorn BANCSHARES®


QUESTIONS

Shareholder Vote

- Elect three Class I directors to hold office for a term expiring at our 2026 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 a proposal to approve the Hawthorn Bancshares, Inc. Equity Incentive Plan;

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