Hawthorn BANCSHARES®

Annual Shareholders Meeting
June 4, 2024

www.HawthornBancshares.com

NASDAQ: HWBK

Forward-Looking Statements

FORWARD-LOOKING STATEMENTS. This report contains certain forward-looking statements with respect to the financial condition, results of operations, plans, objectives, strategy, future performance and business of Hawthorn Bancshares, Inc., and its subsidiaries (collectively, the "Company," "we," "our," or "us"), including, without limitation:

- statements that are not historical in nature, and
- statements preceded by, followed by or that include the words believes, expects, may, will, should, could, anticipates, estimates, intends, plans, hopes or similar expressions.

Forward-looking statements are not guarantees of future performance or results. They involve risks, uncertainties and assumptions. Actual results may differ materially from those contemplated by the forward-looking statements due to, among others, the following factors:

- competitive pressures among financial services companies may increase significantly,
- changes in the interest rate environment may reduce interest margins,
- general economic conditions, either nationally or in Missouri, may be less favorable than expected and may adversely affect the quality of our loans and other assets,
- increases in non-performing assets in the Company’s loan portfolios and adverse economic conditions may necessitate increases to our provisions for credit losses,
- costs or difficulties related to any integration of any business of the Company and its acquisition targets may be greater than expected,
- legislative, regulatory or tax law changes may adversely affect the business in which the Company and its subsidiaries are engaged,
- credit and market risks relating to increasing inflation,
- economic or other disruptions caused by acts of terrorism, war or other conflicts, including the Russia-Ukraine conflict, and the Israel-Hamas conflict, natural disasters, such as hurricanes, freezes, flooding and other man-made disasters, such as oil spills or power outages, health emergencies, epidemics or pandemics, climate changes or other catastrophic events,
- changes may occur in the securities markets,
- changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for credit losses, and
- technological changes, including potential cyber-security incidents and other disruptions, or innovations to the financial services industry, including as a result of the increased telework environment.

We have described additional factors that could cause actual results to be materially different from those described in the forward-looking statements under the caption Risk Factors in Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K"), and in other reports filed by us with the Securities and Exchange Commission ("SEC") from time to time. Other factors that have not been identified in this report could also have this effect. You are cautioned not to put undue reliance on any forward-looking statement, which speak only as of the date they were made. Except as required by law, the Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events, or changes in its business, results of operations or financial condition over time.

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.

Board of Directors

DAVID TURNER
Director, Chairman
45 years with Hawthorn, Retired
Director since 1997

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

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

SHAWNA HETTINGER
President, Streetwise, Inc.
Director since 2022

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

BRENT GILES
Director, CEO
1 year with Hawthorn
Director since 2023

GREGG BEXTEN
Director, President
26 years with Hawthorn
Director since 2023

DOUGLAS EDEN
Principal, Eden Capital
Management, LLC
Director since 2023

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

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

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

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

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

Executive Leadership Team

BRENT GILES
Chief Executive Officer
1 year with Hawthorn
Director since 2023

KATHLEEN BRUEGENHEMKE, CPA
Executive Vice President,
Chief Risk Officer & Secretary
32 years with Hawthorn
Director since 2017

GREGG BEXTEN
President
26 years with Hawthorn
Director since 2023

JOHN BOWERS
Executive Vice President
Chief Strategy Officer
1 year with Hawthorn

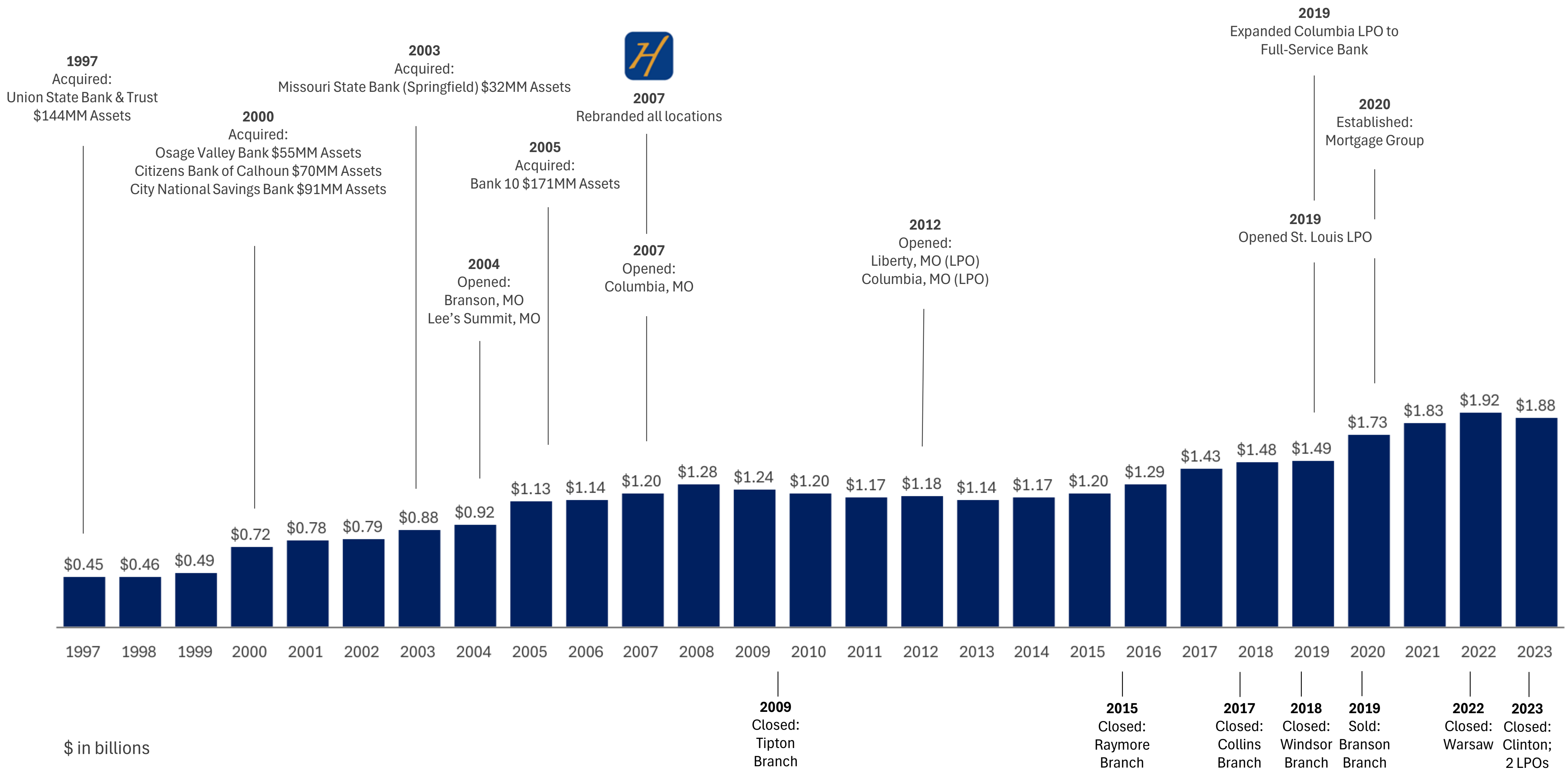
CHRIS HAFNER
Executive Vice President
Chief Financial Officer
1 year with Hawthorn

MARTIN WEISHAAR, JD
Executive Vice President
Chief Legal Counsel
1 year with Hawthorn

JASON SCHWARTZ
Executive Vice President
Chief Credit Officer
24 years with Hawthorn

As of March 31, 2024, approximately 17% of HWBK's common shares were owned by the Board and Executive Leadership.

Franchise History



Strategic Initiatives

Hawthorn BANCSHARES®

1. ONEHAWTHORN
2. LINE OF BUSINESS FOCUS
3. OPERATIONAL EFFICIENCY & EFFECTIVENESS
4. M&A READINESS
5. BRAND IDENTITY
6. CAPITAL MANAGEMENT
7. RISK PROFILE AND CREDIT DISCIPLINE

Franchise Overview and Financial Highlights

- Established in 1865
- Headquartered in Jefferson City, Missouri
- 17 Branches and 1 LPO
- 276 Employees

Financial Highlights ($ in millions)

As of the period ended	2019	2020	2021	2022	2023 (1)	1Q 2024
Balance Sheet						
Total Assets	$ 1,493	$ 1,734	$ 1,832	$ 1,924	$ 1,875	$ 1,834
Total Gross Loans	$ 1,169	$ 1,287	$ 1,302	$ 1,521	$ 1,539	$ 1,519
Allowance for Credit Losses	$ (12)	$ (18)	$ (17)	$ (16)	$ (24)	$ (24)
Total Deposits	$ 1,187	$ 1,384	$ 1,517	$ 1,632	$ 1,571	$ 1,528
% Core Deposits	87.0 %	90.3 %	94.1 %	91.7 %	93.1 %	91.5 %
Loans-to-Deposits	98.5 %	93.4 %	86.0 %	93.2 %	98.2 %	99.6 %
Key Performance Indicators						
Net Income	$ 16.1	$ 14.3	$ 22.5	$ 20.8	$ 1.0	$ 4.5
Return on Assets	1.09 %	0.88 %	1.30 %	1.16 %	0.05 %	0.97 %
Return on Equity	14.77 %	11.74 %	16.46 %	15.94 %	0.76 %	13.12 %
Cost of Deposits	0.88 %	0.45 %	0.22 %	0.47 %	1.62 %	1.96 %
Net Interest Margin	3.51 %	3.48 %	3.62 %	3.53 %	3.29 %	3.39 %
Yield on Loans	5.09 %	4.71 %	4.67 %	4.51 %	5.47 %	5.75 %
Efficiency Ratio	67.2 %	66.0 %	65.0 %	66.7 %	78.5 %	70.8 %
Credit & Capital						
NCOs / Loans	0.03 %	0.01 %	(0.04) %	— %	0.02 %	— %
ALLL / Loans & ACL / Loans (1)	1.07 %	1.41 %	1.30 %	1.02 %	1.54 %	1.56 %
NPLs / Gross Loans	0.43 %	2.69 %	1.96 %	1.23 %	0.42 %	0.56 %
NPAs / Gross Loans	1.53 %	3.64 %	2.76 %	1.81 %	0.53 %	0.69 %
Stockholders' Equity / Assets	7.71 %	7.53 %	8.13 %	6.62 %	7.26 %	7.45 %

(1) Includes the impact of the January 1, 2023 adoption of ASU 2016-13

Shareholder Vote

Hawthorn BANCSHARES®

- Elect four Class II directors to hold office for a term expiring at our 2027 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 FORVIS 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

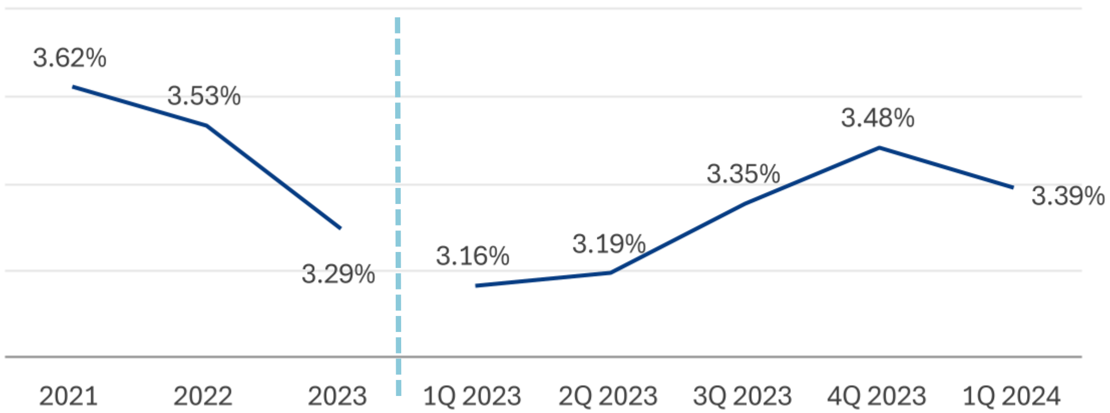
- Consider and act upon any other matters that properly may come before the meeting.

Supplemental Information

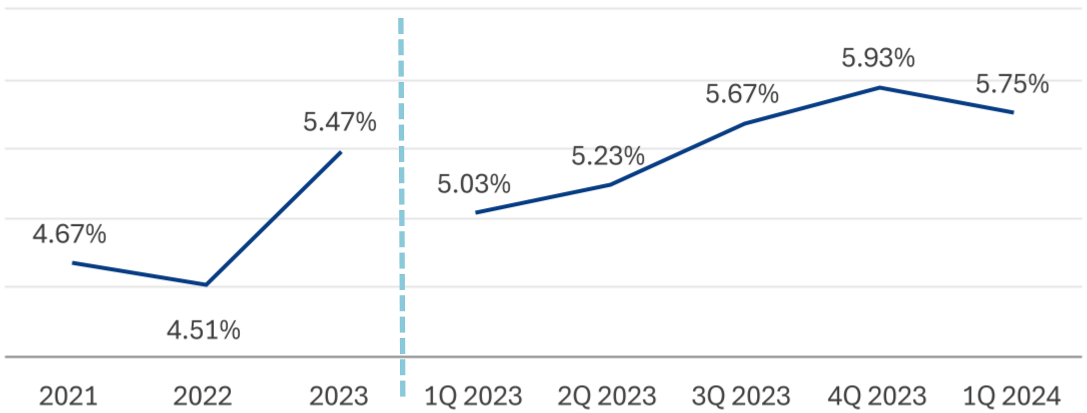
Net Interest Margin (NIM) and Key Drivers

Hawthorn BANCSHARES®

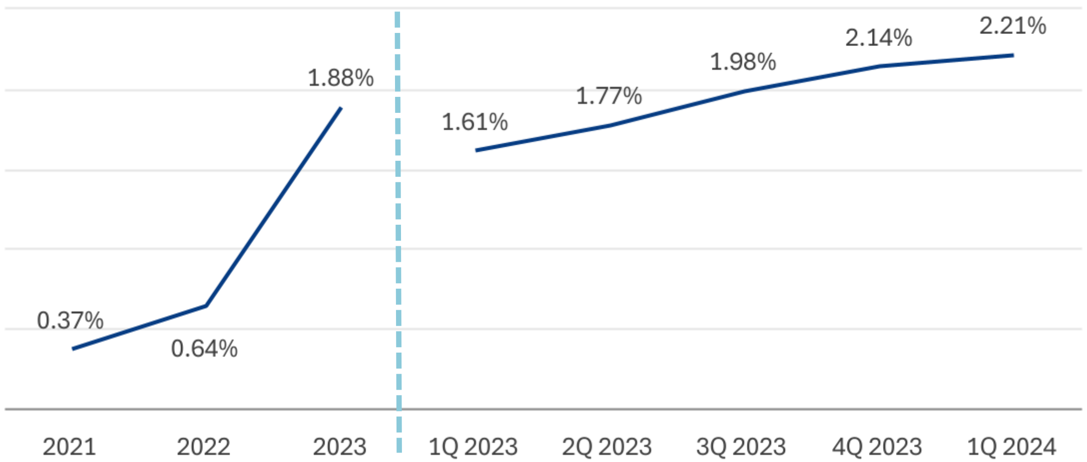
NIM (Tax Equivalent Yield)



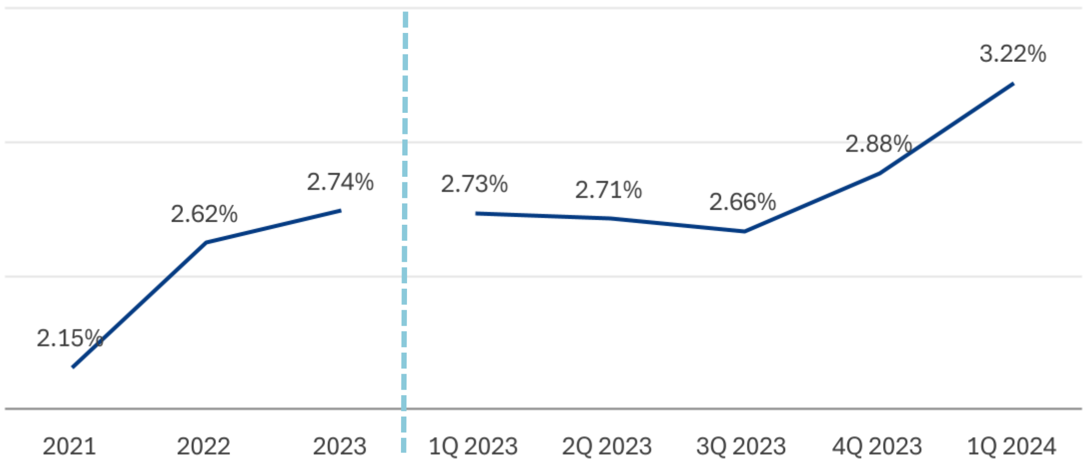
YIELD ON LOANS



COST OF FUNDS



YIELD ON INVESTMENTS AVAILABLE-FOR-SALE

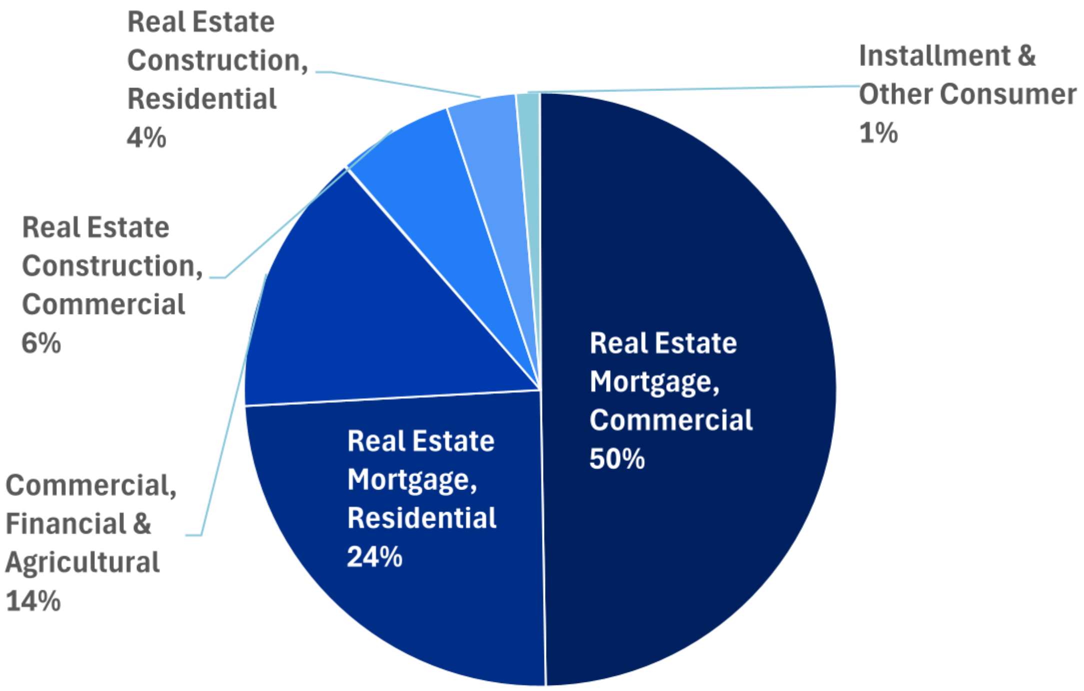


Comparative Income Statement

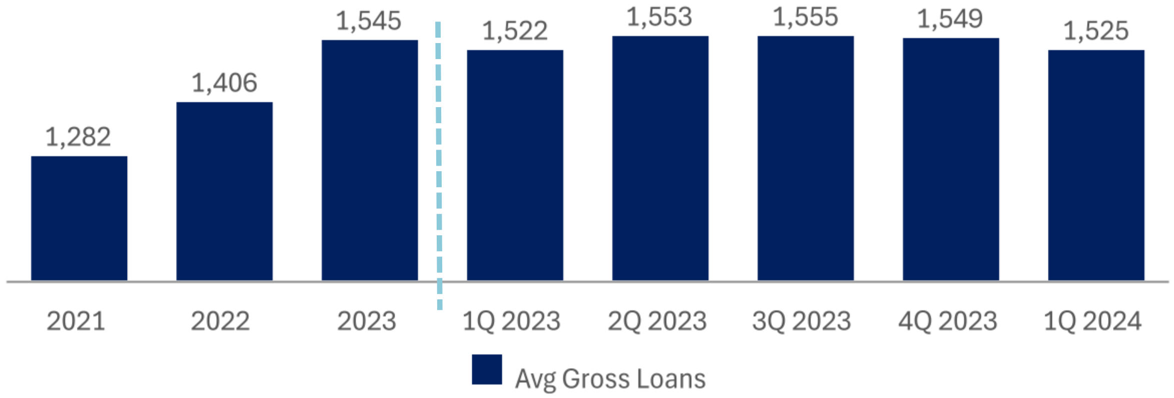
(dollars in thousands)	Years Ended December 31, 2023	2022	Change	Three Months Ended March 31, 2024	2023	Change
Net Interest Income	$59,142	$58,763	$379	$14,748	$13,948	$800
Provision for Credit Losses	2,340	(900)	3,240	(230)	680	(910)
Non-Interest Income	7,536	13,978	(6,442)	3,019	3,182	(163)
Investment Securities (Losses) Gains, net	(11,547)	(14)	(11,533)	—	8	(8)
Non-Interest Expense	52,359	48,538	3,821	12,575	12,478	97
Income Before Taxes	432	25,089	(24,657)	5,422	3,980	1,442
Income Taxes	(524)	4,338	(4,862)	966	709	257
Net Income	$956	$20,751	$(19,795)	$4,456	$3,271	$1,185

Loan Portfolio Composition

LOAN PORTFOLIO COMPOSITION Q1 2024 (Avg)



LOAN BALANCES

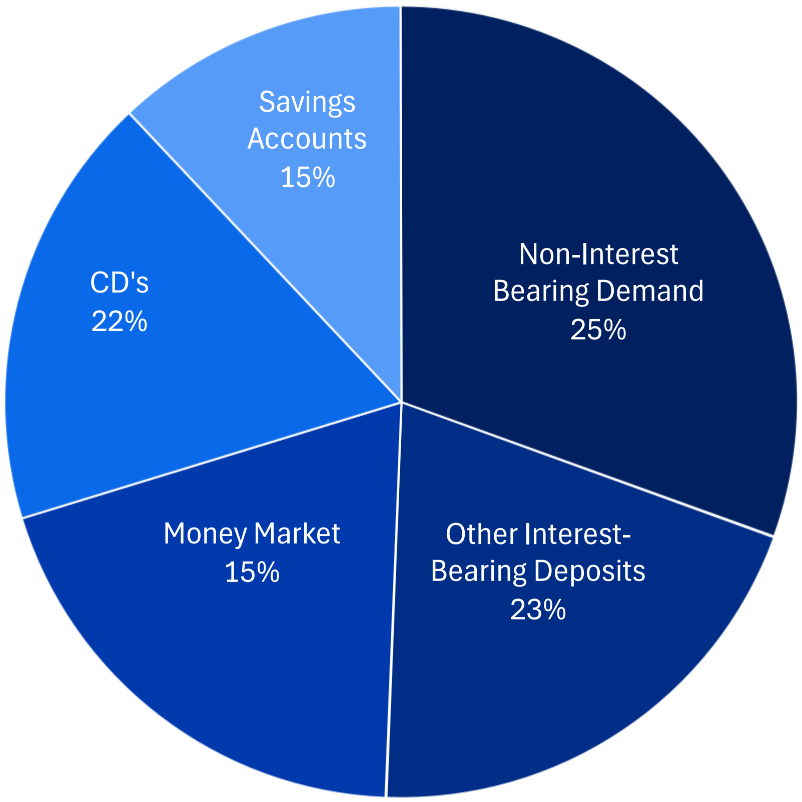


- Loan composition is predominantly commercial real estate (50%) followed by residential real estate (24%).
- 0.2% growth in average loans for 1Q 2024 compared to 1Q 2023.
- Loan yields have continued to increase due to repricing opportunities as a result of market rate increases.

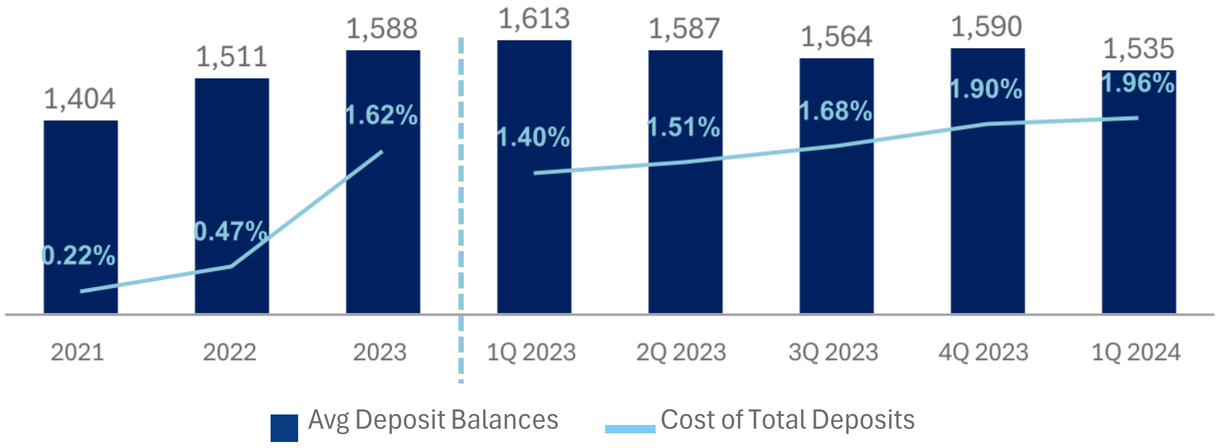
$ in millions

Deposit Composition

DEPOSIT COMPOSITION Q1 2024



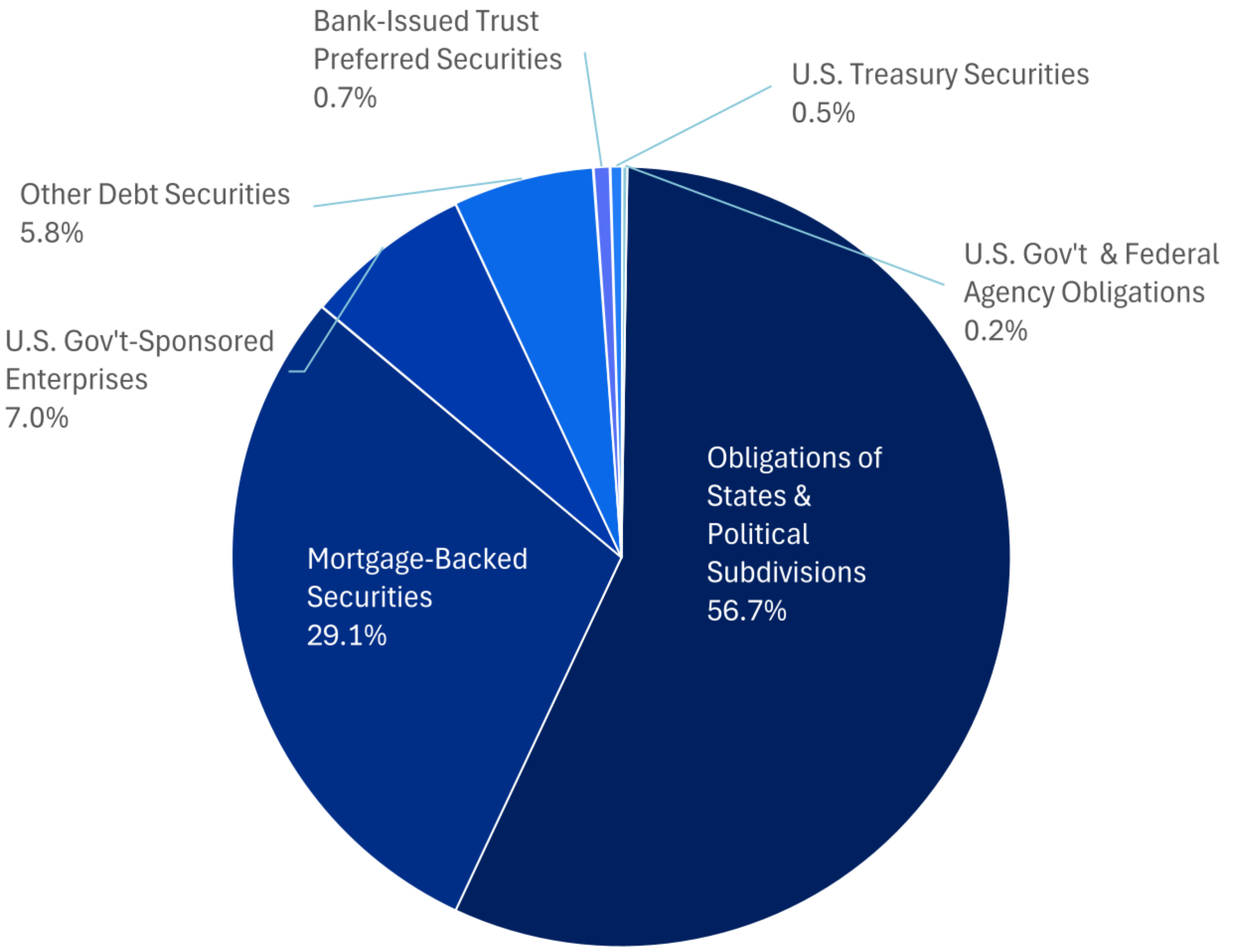
DEPOSIT BALANCES AND COST OF TOTAL DEPOSITS



- Deposit composition has changed between non-interest bearing and interest bearing accounts due to market rate increases.
- Recent increase in cost of total deposits reflects rise in interest rates and competitive environment for bank funding.
- Overall deposit balances decreased in Q1 2024, consistent with industry trends.

$ in millions

Investment Portfolio Composition



OVERVIEW AS OF MARCH 31, 2024

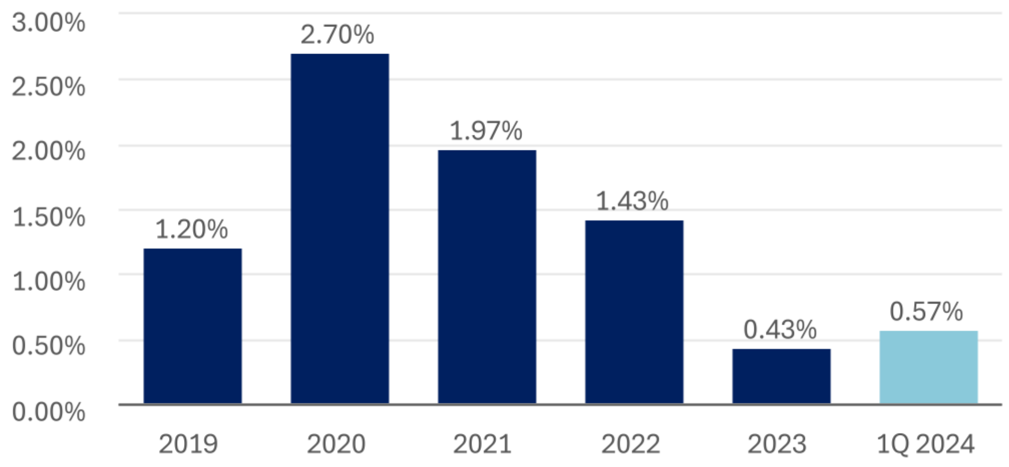
- $183.5 million total investments
  - 100% available-for-sale
- Average Tax Effective Yield of 3.2%
- Effective duration of 5.5 years
- Scheduled principal cash flows over the next 36 months projected to be 24% of portfolio
- As a % of Total Assets: 10.0% at March 31, 2024, compared to 13.7% at March 31, 2023
- At March 31, 2024, $30.0 million aggregate unrealized loss included in accumulated other comprehensive loss caused by interest rate fluctuations. As of March 31, 2024, there were no allowance for credit losses related to credit issues on the Company's available-for-sale securities.

Asset Quality and Reserve Level

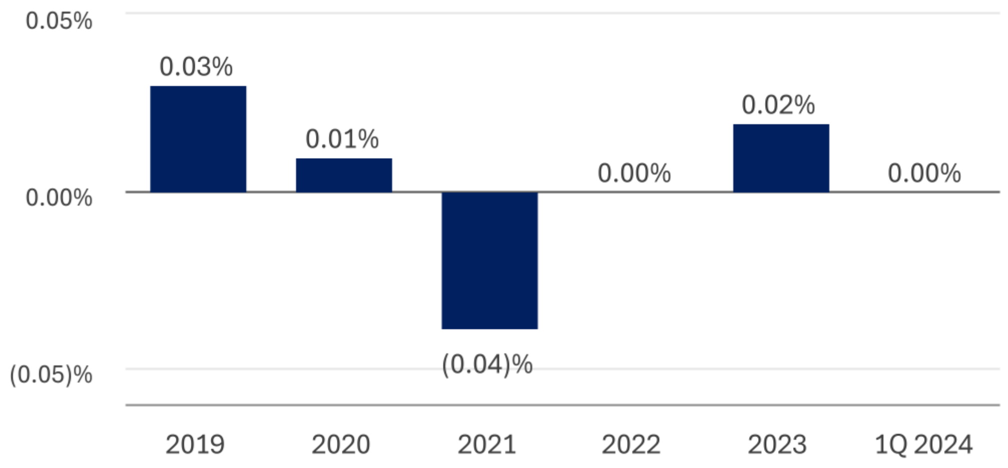
OVERVIEW

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

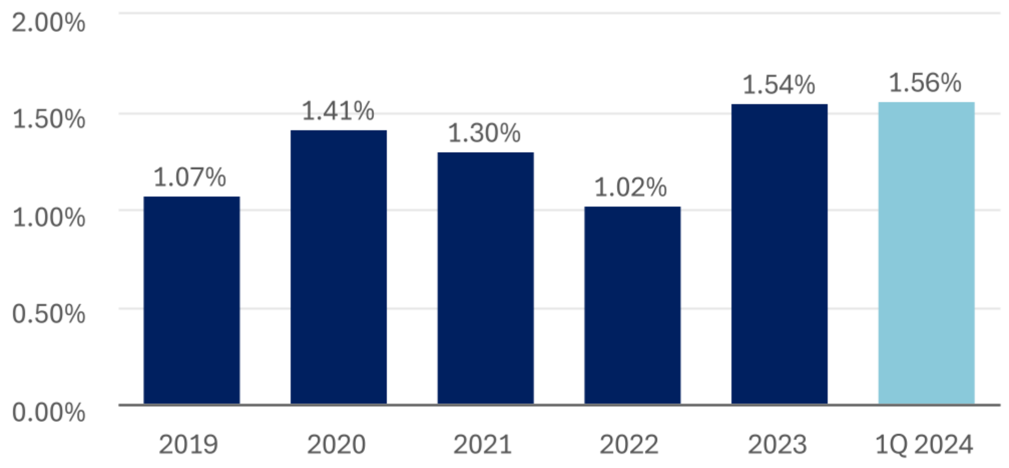
NPAS + ORE / ASSETS



NET CHARGE-OFF's / AVERAGE LOANS

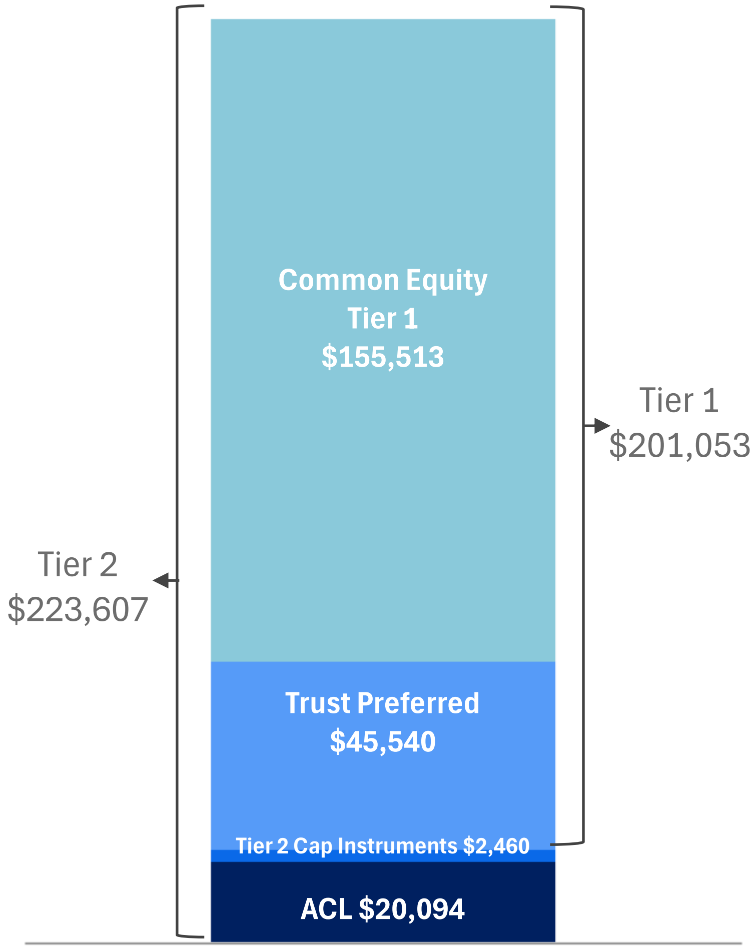


RESERVES / LOANS



Capital Position

REGULATORY CAPITAL AS OF MARCH 31, 2024



$ in thousands

CAPITAL HIGHLIGHTS

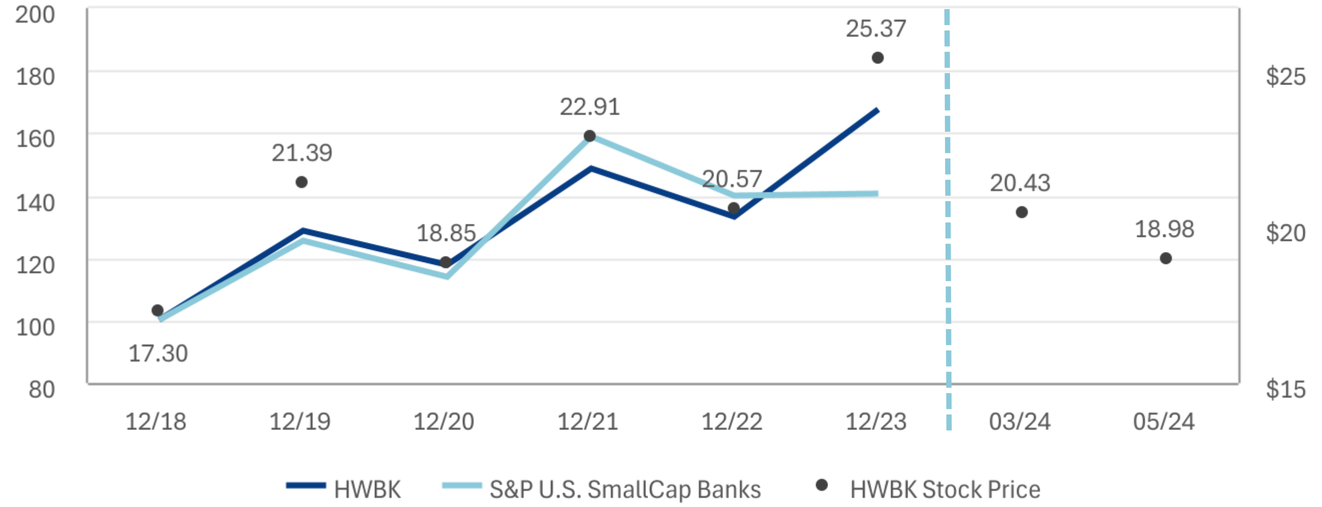
- Consistent payment history of quarterly cash dividend.
- Repositioning of the balance sheet in 2023 did not significantly impact capital.
- Hawthorn Bank's capital ratios continue to exceed the regulatory definition for being "well capitalized."

Risk-based Capital Ratios:	2021	2022	2023	1Q 2024
Total capital ratio	14.79 %	13.85 %	13.99 %	13.92 %
Tier 1 capital ratio	13.59 %	12.52 %	12.59 %	12.51 %
Common Equity Tier 1 capital ratio	10.22 %	9.89 %	9.73 %	9.68 %
Tier 1 leverage ratio	11.01 %	10.76 %	10.29 %	10.71 %

Total Shareholder Return

STOCK SUMMARY (As of MARCH 31, 2024)	
Ticker	HWBK
Exchange	NASDAQ
Stock Price	$20.43
Market capitalization (in millions)	$143.4
Dividend Yield	3.4 %
Average Daily Volume (3 months)	
Average daily volume (shares)	18,447
Average daily volume	$419,669
52-Week High and Low Price	
52-week High (1/29/24)	$26.00
52-week Low (10/23/23)	$15.02
Earnings Per Share	
2022	$2.94
2023	$0.14
1Q 2024	$0.63

TOTAL RETURN



CASH DIVIDENDS PER SHARE PAID (*Declared)