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BRIDGEWATER BANK

Press Release

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For Immediate Release
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Bridgewater Bancshares, Inc. Closes Private Placement of $25 Million Subordinated Notes

Bloomington, MN – Bridgewater Bancshares, Inc. (the "Company"), parent company of Bridgewater Bank, announced today it has completed a $25 million private placement of subordinated notes due July 15, 2027. Bridgewater Bank, founded in 2005, has a solid history of proactively raising capital to support its successful, growth model. Bridgewater is among a handful of banks in the Midwest market to use this type of financial instrument to fund growth.

The subordinated debt is structured as a 10-year unsecured fixed-to-floating rate note, with a fixed rate of 5.875% for the initial five years, payable semi-annually. Unless redeemed earlier, the note will mature on July 15, 2027. From July 15, 2022 to maturity, the interest rate will reset quarterly to the then current three-month LIBOR rate plus 388 basis points, payable quarterly. Prior to marketing the note, the Company received an investment grade rating from Kroll Bond Rating Agency (KBRA), a Nationally Recognized Statistical Rating Organization registered with the SEC.

"We are very pleased with the overwhelming response to this offering," said Bridgewater Bank President and CEO, Jerry Baack. "We believe it is truly a testament to the Bank's unique platform. The new capital positions us well for continued strategic growth and the historic low interest rate environment makes the overall cost of capital quite attractive."

The Company intends to use the net proceeds for general corporate purposes and to provide capital to support the growth of Bridgewater Bank. Proceeds from the issuance of the subordinated debt will qualify as Tier 2 capital for regulatory purposes and the portion that the Company contributes to Bridgewater Bank qualifies as Tier 1 capital for the Bank.

Sandler O'Neill + Partners, L.P. acted as sole placement agent, and Barack Ferrazzano, Kirschbaum & Nagelberg LLP provided legal counsel to the Company. Vedder Price P.C. served as Sandler O'Neill's legal counsel in the offering.

About Bridgewater Bank
Bridgewater Bank is a full-service bank committed to serving the diverse needs of successful entrepreneurs. Providing responsive service and simple solutions for real estate investors and small business entrepreneurs has been the focus of the Bank since its inception in 2005. The leaders are entrepreneurs themselves and understand that creative, flexible solutions are what set them apart as market leaders.

The Bank's six locations serving clients across the Twin Cities Metropolitan area offer a full range of both consumer and commercial lending products; state of the art business services options; commercial and consumer deposit accounts. Bridgewater Bank has been consistently profitable since January 2006. The Bank has been recognized as one of the Top Performing Banks in the Nation by SNL Financial and holds a 5 Star client rating from Bauer Financial.

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