

NEWS RELEASE

Whitestone REIT Announces Tax Characteristics of 2021 Distributions

HOUSTON, Texas, January 28, 2022 / GLOBE NEWSWIRE / – Whitestone REIT (NYSE: WSR)

(“Whitestone” or the “Company”) released the federal income tax treatment of 2021 cash distributions to holders of common shares (CUSIP 966084204). The final classifications of the distributions for 2021, which will be reported on Form 1099-DIV, are as follows:

Ex-Dividend Date	Record Date	Payable Date	Total Distribution Per Share	Ordinary Dividends	Total Capital Gain Distribution	Unrecaptured Sec 1250 Gain ⁽¹⁾	Return of Capital (Nontaxable Distribution)	Section 199A Dividends ⁽²⁾
1/4/2021	1/5/2021	1/14/2021	\$ 0.035000	\$ 0.028240	\$ -	\$ -	\$ 0.006760	\$ 0.028240
2/1/2021	2/2/2021	2/11/2021	\$ 0.035000	\$ 0.028240	\$ -	\$ -	\$ 0.006760	\$ 0.028240
3/1/2021	3/2/2021	3/11/2021	\$ 0.035833	\$ 0.028912	\$ -	\$ -	\$ 0.006921	\$ 0.028912
4/1/2021	4/5/2021	4/14/2021	\$ 0.035833	\$ 0.028912	\$ -	\$ -	\$ 0.006921	\$ 0.028912
5/3/2021	5/4/2021	5/13/2021	\$ 0.035833	\$ 0.028912	\$ -	\$ -	\$ 0.006921	\$ 0.028912
6/1/2021	6/2/2021	6/10/2021	\$ 0.035833	\$ 0.028912	\$ -	\$ -	\$ 0.006921	\$ 0.028912
7/1/2021	7/2/2021	7/14/2021	\$ 0.035833	\$ 0.028912	\$ -	\$ -	\$ 0.006921	\$ 0.028912
8/2/2021	8/3/2021	8/12/2021	\$ 0.035833	\$ 0.028912	\$ -	\$ -	\$ 0.006921	\$ 0.028912
9/1/2021	9/2/2021	9/14/2021	\$ 0.035833	\$ 0.028912	\$ -	\$ -	\$ 0.006921	\$ 0.028912
10/1/2021	10/4/2021	10/14/2021	\$ 0.035833	\$ 0.028912	\$ -	\$ -	\$ 0.006921	\$ 0.028912
11/1/2021	11/2/2021	11/12/2021	\$ 0.035833	\$ 0.028912	\$ -	\$ -	\$ 0.006921	\$ 0.028912
12/1/2021	12/2/2021	12/13/2021	\$ 0.035833	\$ 0.028912	\$ -	\$ -	\$ 0.006921	\$ 0.028912
		2021 Total	\$ 0.428330	\$ 0.345600	\$ -	\$ -	\$ 0.082730	\$ 0.345600
				80.685%	0.000%	0.000%	19.315%	80.685%

⁽¹⁾ Represents additional characterization of, and is included in, "Total Capital Gain Distribution."

⁽²⁾ Represents dividends eligible for the 20% qualified business income deduction under Section 199A, and is included in "Ordinary Dividends."

Shareholders are encouraged to consult with their personal tax advisors as to their specific tax treatment of Whitestone REIT cash distributions. For additional information, contact Whitestone REIT's Investor Relations Department.

About Whitestone REIT

Whitestone is a community-centered shopping center REIT that acquires, owns, manages, develops, and redevelops high-quality neighborhood centers primarily in the largest, fastest-growing and most affluent markets in the Sunbelt.

Whitestone seeks to Create Communities in Our Properties through Creating Local Connections between consumers in the surrounding communities and a well-crafted mix of local, regional and national tenants that provide daily necessities, needed services, entertainment, and experiences.

Whitestone (NYSE: WSR) pays monthly dividends to its shareholders and it has consistently done so for more than 15 years. Whitestone's strong balanced and managed capital structure provides stability and flexibility for growth and positions Whitestone to perform well through economic cycles. For additional information, please visit www.whitestonereit.com and www.linkedin.com/company/whitestone-reit.

Contact Whitestone REIT:

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Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name WHITESTONE REIT		2 Issuer's employer identification number (EIN) 76-0594970	
3 Name of contact for additional information DAVID K. HOLEMAN	4 Telephone No. of contact 713.827.9595	5 Email address of contact DHOLEMAN@WHITESTONEREIT.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2600 S. GESSNER ROAD, SUITE 500		7 City, town, or post office, state, and ZIP code of contact HOUSTON, TX 77063	
8 Date of action 12/31/21		9 Classification and description COMMON STOCK DIVIDENDS	
10 CUSIP number 966084204	11 Serial number(s) N/A	12 Ticker symbol WSR	13 Account number(s) N/A

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 ► Whitestone REIT is organized and operates as a Real Estate Investment Trust (REIT) as defined under Section 856(a) of the Code. Pursuant to Section 857(a)(1) of the Code, Whitestone REIT is required to distribute 90% of its REIT taxable income during each taxable year for which it has elected to be a REIT. As of December 31, 2021, Whitestone REIT had elected to be taxed as a REIT in accordance with Section 856(c)(1) of the Code. As of December 31, 2021, Whitestone REIT had one class of common stock for which distributions of cash were made that resulted in an adjustment to the basis of that stock in the hands of its respective shareholders. Distributions of cash, a portion of which are treated as a return of capital, were made on the payment dates outlined in the attached schedule. The total distributions made by Whitestone REIT to its shareholders exceeded the amount of its current year and accumulated earnings and profits as determined under Section 312 of the Code. The excess amount of these distributions is treated as a return of capital to the shareholders and, as a result, they are required to reduce their tax basis in their stock as provided in Section 301(c)(2). The dates upon which shareholders of record were measured are also identified on the attached schedule.

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 attached table for quantitative effect of the distributions reported as a return of capital on a per share basis. The percentage of the distributions that was a return of capital is reported to the Corporation's shareholders on their 2021 Forms 1099-DIV.

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 ► The calculation for the return of capital portion of distributions made to common stock shareholders of Whitestone REIT during 2021 represents the total distributions made to Whitestone REIT common shareholders less the amount attributed to ordinary income and capital gain.

Part II **Organizational Action** (continued)

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

Section 301(c)(2)

Section 312

Section 316

Section 857

Section 6042

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Reportable tax year ended December 31, 2021.

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 ▶

Print your name ▶ David K. Holeman

Title ▶ Chief Financial Officer

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Mark C. Sutton

01-28-2022

P00711710

Firm's name ▶ Plante & Moran, PLLC

Firm's EIN ▶ 38-1357951

Firm's address ▶ 2601 Cambridge Court, Suite 500, Auburn Hills, MI

Phone no. 248.375.7100

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Whitestone REIT Class B Common Shares
FEIN: 76-0594970
Form 8937 - Part II, Lines 14 and 15 Supplemental Schedule
FYE December 31, 2021

<u>Record Date</u>	<u>Payable Date</u>	<u>Total Dividend Per Share</u>		<u>Return of Capital Per Share</u>	
1/5/2021	1/14/2021	\$	0.035	\$	0.0068
2/2/2021	2/11/2021	\$	0.035	\$	0.0068
3/2/2021	3/11/2021	\$	0.035	\$	0.0068
4/5/2021	4/14/2021	\$	0.036	\$	0.0069
5/4/2021	5/13/2021	\$	0.036	\$	0.0069
6/2/2021	6/10/2021	\$	0.036	\$	0.0069
7/2/2021	7/14/2021	\$	0.036	\$	0.0069
8/3/2021	8/12/2021	\$	0.036	\$	0.0069
9/2/2021	9/14/2021	\$	0.036	\$	0.0069
9/2/2021	9/14/2021	\$	0.036	\$	0.0069
10/4/2021	10/14/2021	\$	0.036	\$	0.0069
11/2/2021	11/12/2021	\$	0.036	\$	0.0069
12/2/2021	12/13/2021	\$	0.036	\$	0.0069