

Bluestem Group Inc. Announces Clarification Regarding November 9, 2020 Cash Distribution to Holders of Record as of October 27, 2020

October 26, 2020 07:54 PM Eastern Daylight Time

EDINA, Minn.--([BUSINESS WIRE](#))--As previously announced, on October 7, 2020, the Board of Directors (the "**Board**") of Bluestem Group Inc. ("**Bluestem Group**" or the "**Company**") declared a special cash distribution of \$0.462 per share of the Company's outstanding common stock and Series A Participating Convertible Preferred Stock (the "**Special Distribution**"). The purpose of this press release is to clarify that the Company does not expect the Special Distribution to be paid from current or accumulated earnings and profits. The Special Distribution will be payable on November 9, 2020 to holders of record at the close of business on October 27, 2020.

As a result of the deconsolidation and abandonment of the stock of Bluestem Brands, Inc. earlier in 2020, the Company's current remaining assets, before and after giving effect to the Special Distribution, primarily consist of cash, U.S. real property interests and certain other assets. Accordingly, the Company likely is a U.S. real property holding corporation (a "**USRPHC**"). Non-U.S. stockholders receiving the Special Distribution may be subject to U.S. withholding tax at a rate not less than 15% (or such lower rate as may be specified by an applicable income tax treaty for distributions from a USRPHC) regardless of whether the Special Distribution constitutes a return of capital to such stockholders. In light of the foregoing, on the Special Distribution date, each non-U.S. stockholder of the Company will receive a cash amount, net of U.S. withholding tax at a rate of 15%, unless such holder has presented to American Stock Transfer & Trust Company, LLC (if it is a record holder) or its broker-dealer (if it holds the stock in street name) sufficient evidence of its exemption from U.S. withholding tax in accordance with the requirements of U.S. federal tax law. Any stockholder of the Company should promptly contact their bank, broker, nominee or other institution if they have any questions regarding the mechanics and timing of having the proceeds of the Special Distribution attributable to their shares credited to their account and/or any relevant withholdings. To receive the benefit of a reduced treaty rate on distributions, a non-U.S. holder must provide the withholding agent with an IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate version of IRS Form W-8 certifying qualification for the reduced rate. Any stockholder of the Company who is in doubt as to the application of the relevant tax laws and regulations to his, her or its particular situation is urged to promptly consult its tax advisors for advice.

About Bluestem Group Inc.

Bluestem Group Inc. is a Nevada corporation that currently has limited operations other than operations as the owner and lessor of certain commercial real estate properties.

Forward-Looking Statements

This release contains statements that are "forward-looking statements". Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. All statements contained herein that are not clearly historical in nature are forward-looking. In some cases, you can identify these statements by use of forward-looking words such as "may," "will," "should," "anticipate," "estimate," "expect," "plan," "believe," "predict," "potential," "project," "intend," "could" or similar

expressions. In particular, statements regarding Bluestem Group's plans, strategies, prospects and expectations regarding its business are forward-looking statements. You should be aware that these statements and any other forward-looking statements in this document only reflect Bluestem Group's beliefs, assumptions and expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Many of these risks, uncertainties and assumptions are beyond Bluestem Group's control and may cause actual results and performance to differ materially from Bluestem Group's expectations. Forward-looking statements are based on Bluestem Group's beliefs, assumptions and expectations of its future performance and actions, taking into account all information currently available to Bluestem Group. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to Bluestem Group or are within its control. If a change occurs, Bluestem Group's plans, business, financial condition, and liquidity may vary materially from those expressed in its forward-looking statements. Accordingly, you should not place undue reliance on the forward-looking statements contained in this release. These forward-looking statements are made only as of the date of this release. Bluestem Group undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Contacts

Pete Michielutti, Chief Financial Officer
Email: IR@bluestemgroup.com