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CAPSTONE HOLDING CORP. ANNOUNCES CHANGE OF EQUITY OWNERSHIP IN DIAMOND PRODUCTS HOLDING, LLC

Alsip, IL – November 21, 2023 – Capstone Holding Corp. (OTCQB: CAPS) (“the Company”)

Effective November 16, 2023, the Company reached agreement to revise its accounting treatment for Capstone Beta, LLC’s note investment in Diamond Products Holdings, LLC (“DPH”) based on the following:

-On November 9, 2023, Diamond Products, LLC (a consumer products holding company) entered into a transaction with the net effect of transferring 100% of its ownership in its subsidiaries to a third party.

-As a result of the forementioned transaction, Capstone Beta LLC’s equity value in DPH’s ownership in Diamond Products, LLC is now zero.

-As Capstone Beta LLC consolidates into Company financials for accounting purposes, the Company will write its equity investment in DPH from \$8.0 million to zero with a contra entry writing off \$7.2 million of debt liability to DPH. The remaining \$800,000 of debt liability to DPH plus accrued interest will remain on the Company’s balance sheet with the same maturity at March 31, 2024.

-Terms of the \$800,000 note plus accrued interest were reached through discussions between DPH and the Company on November 16, 2023.

Please see the Company’s Annual Report filed with the OTCQB Markets for further information.

About Capstone Holding Corp.

Capstone Therapeutics was a biotechnology company committed to developing novel therapeutic peptides aimed at helping patients with under-served medical conditions. The drug development business has been discontinued and the Company’s name changed to Capstone Holding Corp. The Company’s primary business activities presently include the operations of TotalStone, LLC, a construction materials company.

Capstone’s corporate headquarters is located in Alsip, Illinois. For more information, please visit the Company’s website: www.capstonethx.com.

Statements in this press release or otherwise attributable to Capstone regarding our business that are not historical facts are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from predicted results. These risks include the factors discussed in our Annual Report for the fiscal year ended December 31, 2022, and other documents we filed with the U.S. Securities and Exchange Commission or OTCQB Markets.

