



Capstone Targets Growth in Southeast, Identifies Key Acquisition Candidates

Management has identified 1500+ targets to bolster operations

ALSIP, IL, April 9, 2025 – Capstone Holding Corp. (the “Company” or “Capstone”), (NASDAQ: CAPS), a national building products distribution company with a track record of both organic growth and well-timed acquisitions is pursuing opportunities in the Southeast U.S – a region with over 1,500 acquisition candidates.

In today’s uncertain economic climate-marked by persistent inflation, high interest rates, and shifting policy-Capstone sees a unique window to accelerate growth through strategic M&A.

Matt Lipman, CEO of Capstone, stated, "Navigating this environment requires scale, infrastructure, and operational discipline. Our Instone platform offers exactly that. Owners and operators increasingly recognize that partnering with Capstone provides the foundation to grow, adapt, and preserve their legacy."

Lipman continued, "We are focused on acquiring building products distribution companies in the Southeast, where our team is already on the ground and actively engaged in discussions."

Companies interested in exploring a partnership are encouraged to contact Matt Lipman to schedule a confidential meeting.

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “confident” and similar statements. Capstone Holding Corp. may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials, and in oral statements made by its officers, directors, or employees to third parties. Statements that are not historical facts, including but not limited to statements about Capstone’s beliefs and expectations about: (i) possible future acquisitions including, but not limited to, acquisition multiples and the percentage of acquisition consideration that will be non-cash; (ii) revenue run rate; and (iii) Adjusted Instone EBITDA run rate are forward-looking statements. Forward-

looking statements involve inherent risks and uncertainties, further information regarding which is included in the Company's filings with the Securities and Exchange Commission, available for review at www.sec.gov. All information provided in this press release is as of the date of the press release, and Capstone Holding Corp. undertakes no duty to update such information, except as required under applicable law.

In addition to figures prepared in accordance with GAAP, Capstone from time to time presents alternative non-GAAP performance measures, e.g., EBITDA, adjusted EBITDA, adjusted net profit/loss, adjusted earnings per share, free cash flow. These measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. Alternative performance measures are not subject to GAAP or any other generally accepted accounting principle. Other companies may define these terms in different ways.

About Capstone Holding Corp. (CAPS)

Capstone Holding Corp. is a building products distribution company that has successfully grown its business organically and through well-timed acquisitions. We intend to use the distribution backbone of our operating subsidiary, that currently services 31 US states, to provide a value-added platform to make acquisitions. A key differentiator of the Company's strategy is that it maintains over half of its revenue from brands it owns or controls. Current products include stone veneer, landscape stone, and modular masonry fireplaces. Capstone's corporate headquarters is located in Alsip, Illinois. For more information, please visit the Company's website: www.capstoneholdingcorp.com.

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