



Capstone Transitions Away from Legacy Software and Targets “Full Stack AI” Transformation in 2026

Management questions the value of Salesforce, Sage, Atlassian, Asana, Workday, and Adobe.

February 5, 2026 — New York, NY — Capstone Holding Corp. (NASDAQ: CAPS), a tech-enabled building products distribution platform, today announced that **as it accelerates its transformation to a “full stack AI” company over the course of 2026**, it expects to rely less heavily on legacy software vendors such as Salesforce, Sage, Atlassian, Asana, Workday, and Adobe.

Matthew Lipman, Chief Executive Officer of Capstone, said, “As we architect the transformation, what would have been multiple million-dollar IT projects that take 18 months and are a complete distraction for the team **will be done rapidly, with minimal disruption and at a small fraction of the cost.**”

He went on to say, “Our AI software will **be constantly improving itself**. AI will allow Capstone and other middle-market companies to implement capabilities that were unreachable. **These tools are democratizing technology.**”

Capstone believes it can go **“full stack AI”** or **“AI native”** faster than other larger building products distributors. Kevin Grotke, President of Instone, a Capstone operating subsidiary, commented, “Brad Jacobs’ efforts to transform building materials distribution at QXO reflect our own vision for the industry. **But our nimble structure positions us to adopt and scale these capabilities faster than most.**”

About Capstone Holding Corp.

Capstone Holding Corp. (NASDAQ: CAPS) is a national, technology-enabled building products distribution platform optimizing supply chains across 38 U.S. states and Canada. Through its Instone operating platform and inventory portal, the Company aggregates and delivers proprietary stone veneer, hardscape materials, and modular masonry systems. Capstone’s model combines digital infrastructure, owned-inventory logistics, and disciplined acquisitions to drive scalable margin expansion and operating leverage across its growing platform.

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Forward-Looking Statements

This press release contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These statements relate to future events and performance, including guidance regarding revenue and EBITDA targets, M&A strategy, use of capital, and operating outlook. Actual results may differ materially from those projected due to a range of factors, including but not limited to

acquisition timing, macroeconomic conditions, and execution risks. Please review the Company's filings with the SEC for a full discussion of risk factors. Capstone undertakes no obligation to revise forward-looking statements except as required by law.

Source: Capstone Holding Corp.