



Capstone Extends Credit Facilities with Beacon Bank and Stream Finance on Identical Terms

Extensions eliminate significant near-term debt maturities and strengthen financial flexibility as Capstone progresses toward 26.0% gross margin and positive Adjusted EBITDA in Q2 2026.

NEW YORK — (BUSINESS WIRE) — Capstone Holding Corp. (NASDAQ: CAPS), a tech-enabled building products distribution platform, today announced **the extension of its credit facilities with both Beacon Bank (formerly Berkshire Bank) and Stream Finance on existing terms.**

Beacon Bank has extended Capstone's \$11.5 million revolving credit facility through December 31, 2026, and Stream Finance has extended the maturity of its mezzanine credit facility through September 30, 2028. **Together, the extensions eliminate significant near-term debt maturities and strengthen the Company's financial flexibility as it executes its growth and margin expansion strategy.**

Beacon Bank is the new name of Berkshire Bank, adopted following the September 2025 merger of its parent company, Berkshire Hills Bancorp, with Brookline Bancorp. Capstone's lending relationship, facility, and terms are unchanged. **Details of both extensions are available in the Company's Form 8-K filed today.**

"Extending both facilities keeps our liquidity runway strong as we continue executing our growth strategy and work toward sustained profitability," said Matthew Lipman, Chief Executive Officer. "We remain very confident in our financial health and capital structure as Capstone scales toward positive Adjusted EBITDA in the second quarter."

The extensions follow a [first quarter](#) in which Capstone delivered **60% year-over-year revenue growth, 124% gross profit growth, and gross margin expansion of 670 basis points to 23.5%**—the highest first-quarter gross margin in four years—and a series of [commercial wins](#) that have driven order volume to its strongest level in two years.

Key Highlights

- **\$11.5 Million Facility Extended Through December 31, 2026:** The extension removes near-term refinancing pressure while preserving the facility's existing working-capital terms.
- **Mezzanine Facility Extended Through September 30, 2028:** The extension further strengthens Capstone's liquidity runway and aligns its debt maturity profile with the Company's operating plan and growth timeline.
- **Lender Support:** The extensions underscore the confidence of both lending partners in Capstone's financial position, operating performance, and long-term growth trajectory.
- **Balance Sheet Progress:** The extensions build on recent capital-structure initiatives, including the conversion of approximately 72% of original convertible note principal to equity, reducing debt outstanding and strengthening the Company's financial position.

- **Operating Momentum:** The Company’s lending facilities now extend through the period in which Capstone expects positive Adjusted EBITDA (beginning Q2 2026) and continued progress toward its 26.0% FY2026 gross margin target, supported by order volume at a two-year high.

“With the facilities extended and our first-quarter execution on the board, our focus stays on converting record order volume into revenue and margin,” Lipman added. “We continue to see strong activity across our markets and look forward to updating shareholders on our progress in the months ahead.”

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.

Non-GAAP Financial Measures

This press release references Adjusted EBITDA, a non-GAAP financial measure. Adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered an alternative to net income (loss) or any other performance measure derived in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures used by other companies.

The Company defines “Adjusted EBITDA” as earnings (loss) before interest expense, income taxes, depreciation and amortization expense, management fees incurred by Instone payable to Capstone and Brookstone, Instone board fees, share-based compensation, change in fair value of contingent consideration, loss on extinguishment of debt, and transaction costs.

A reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP measure, for the three months ended March 31, 2026 and 2025 is included in the Company’s first quarter 2026 investor presentation, available in the Investor Relations section of www.capstoneholdingcorp.com.

The Company has not provided a quantitative reconciliation of forward-looking Adjusted EBITDA guidance to forward-looking GAAP net income (loss) because the individual reconciling items — including interest expense, income taxes, depreciation and amortization, share-based compensation, change in fair value of contingent consideration, loss on extinguishment of debt, and transaction costs — cannot be predicted with reasonable certainty without unreasonable effort. The unavailable reconciling items could have a significant impact on the Company’s GAAP results.

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 Adjusted 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 the Company’s liquidity and access to capital; its ability to comply with, or obtain waivers of,

financial covenants; the refinancing or repayment of indebtedness as it matures; conditions that may raise substantial doubt about the Company's ability to continue as a going concern; acquisition timing and integration; macroeconomic conditions; and other execution risks. Please review the Company's filings with the SEC, including the Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, for a full discussion of these and other risk factors. Capstone undertakes no obligation to revise forward-looking statements except as required by law.

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