



1275 WEST WASHINGTON STREET - SUITE 104
TEMPE, AZ 85281
(602) 286-5520
www.capstonethx.com
OTCQB: CAPS

FOR FURTHER INFORMATION:
Investor Relations
(602) 286-5520
investorinquiries@capstonethx.com

CAPSTONE THERAPEUTICS ANNOUNCES TRANSACTION WITH TOTALSTONE LLC

Tempe, AZ – March 27, 2020 – Capstone Therapeutics (OTCQB: CAPS) (“the Company”)

RECAPITALIZATION OF AND MERGER WITH TOTALSTONE LLC

In March 2020, the Company entered into an agreement, which will be effective April 1, 2020, to obtain an interest in materials distribution company (TotalStone, LLC), which distributes masonry stone products for residential and commercial construction in the Midwest and Northeast United States under the trade names Instone and Northeast Masonry Distributors (NMD). The Company will initially own 100% of TotalStone’s outstanding common units and receive certain funding from TotalStone, in exchange for corporate governance and other management expertise. The existing holders of TotalStone’s membership interests (other than its mezzanine lender) will receive preferred units valued at \$20,500,000, with a quarterly dividend, that if not paid, is added to the preferred units’ value, at a rate of between 7% and 20% based on TotalStone’s financial performance. The preferred units are redeemable July 1, 2023, thirty-nine (39) months from issuance.

MODIFICATION OF COMPANY’S SECURED DEBT AND WARRANTS

In March 2020, the Company entered into the Third Amendment to Securities Purchase, Loan and Security Agreement (the “Third Amendment”). The Third Amendment extends the Secured Debt’s maturity to March 31, 2022, which continues the deferral of interest until the maturity date. In consideration for the deferral, the Company has provided an option, for a period ending December 31, 2021, to convert all or part of the aggregate outstanding principal amount of the Loan, together with all accrued and unpaid interest thereon, into shares of the Company’s common stock at a conversion price between \$10.00 and \$30.00 per share, as determined by an independent valuation. Additionally, the Company amended the Warrants to determine the exercise price per share when exercised, at a price between \$10.00 and \$30.00 per share (based on 6,322 shares after the reverse stock split), as determined by an independent valuation.

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

About Capstone Therapeutics

Capstone Therapeutics was a biotechnology company committed to developing novel therapeutic peptides aimed at helping patients with under-served medical conditions. The Company’s primary business activity going forward will be the operations of TotalStone, LLC.

Capstone's corporate headquarters are in Tempe, Arizona. However, effective April 1, 2020, Capstone's corporate headquarters will be 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, 2019, and other documents we filed with the U.S. Securities and Exchange Commission or OTCQB Markets.