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CAPSTONE THERAPEUTICS ANNOUNCES RESULTS OF SPECIAL SHAREHOLDER MEETING, AND A LICENSE TRANSFER/ROYALTY AGREEMENT AND EXIT FROM THE PHARMACEUTICAL DEVELOPMENT BUSINESS

Alsip, IL – FEBRUARY 18, 2021 – Capstone Therapeutics (OTCQB: CAPS) (“the Company”)

On February 5, 2021, the Company held a special shareholder meeting following notice and distribution of a proxy statement setting forth four proposals for shareholder vote. The meeting was held virtually by video conference due to Covid restrictions with the members of the Company’s Board of Directors and a Computershare representative, serving as Inspector of the Election, present. The proposals are summarized as follows:

- 1- Election of Matthew E. Lipman and John M. Holliman to new three-year director terms;
- 2- Amendment of the Company’s certificate of incorporation to decrease the number of authorized common and preferred shares;
- 3- Amendment of the Company’s certificate of incorporation to allow shareholder consent votes and to authorize the board to act on such votes; and
- 4- Appointment of GBQ Partners, LLC, CPAs, as auditor for the Company’s fiscal year 2020 annual report.

Shareholders approved all proposals and the Inspector certified the election.

Please see the Company’s Notice and Proxy on the Company’s website, www.capstonethx.com for further information.

In addition, LipimetiX Development, Inc. (“LipimetiX”), an approximately 62%-owned subsidiary of the Company, recently entered into a License Transfer and Royalty Agreement (the “Agreement”) with Anji Pharmaceuticals, Inc. (“Anji Pharma”). The Agreement transfers all rights to the technology for AEM-28 and certain of its analogs licensed by LipimetiX under an Exclusive License Agreement (the “License”) with the University of Alabama at Birmingham Research Foundation. Anji Pharma previously sublicensed the same technology for the Territory of China, Hong Kong and Taiwan. This Agreement conveys worldwide rights to the technology to Anji Pharma, which will conduct all development activities and assume all development obligations under the License. In return, LipimetiX will receive upfront cash payments and a royalty on future commercial sales. Any cash and future royalty consideration received will first pay off remaining LipimetiX liabilities, and amounts owed to the Company; and then, as described below, be paid directly to LipimetiX shareholders.

On August 23, 2019 the Company adopted a Contingent Value Rights Agreement, filed on Form 8-K with the SEC on August 26, 2019, and under that agreement, the net proceeds, if any, from the Company’s investment in LipimetiX, will be distributed to the Company’s July 10, 2019 shareholders of record. Accordingly, the Company effectively has no financial interest in LipimetiX, other than the possible collection of amounts owed to the Company, which currently consists of the loan, accrued interest and accounting fees of approximately \$2,420,000, which have been fully reserved for in the Company’s financial statements. LipimetiX’s operations are shown as discontinued operations in the Company’s financial statements. This transaction will have no effect on the Company’s financial position

except to the extent funds are received in excess of LipimetiX liabilities that are available to pay amounts owed to the Company.

LipimetiX has commenced dissolution under Delaware state law, and upon dissolution, the Agreement provides that any funds received will be disbursed as stated above.

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. This Agreement results in the Company's exit from the pharmaceutical development business. In March 2020 the Company entered into a transaction, which was effective April 1, 2020, whereby it has obtained an interest in a materials distribution company (Totalstone, LLC) that 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), which going forward will be the Company's primary business activity.

Capstone's corporate headquarters are 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.