



Star Equity Holdings Announces Reverse Stock Split

June 12, 2024

1-for-5 Reverse Split to Become Effective on June 14, 2024 for Trading on June 17, 2024

OLD GREENWICH, Conn., June 12, 2024 (GLOBE NEWSWIRE) -- Star Equity Holdings, Inc. (Nasdaq: STRR; STRRP) ("Star" or the "Company"), a diversified holding company, announced today a reverse stock split of its outstanding shares of common stock at a ratio of 1-for-5 (the "Reverse Split") and that it has filed a Certificate of Amendment of the Company's Restated Certificate of Incorporation in order to effect the Reverse Split. The Reverse Split will take effect after market close on June 14, 2024, and common shares will begin trading on a post-split basis on the Nasdaq Global Market ("Nasdaq") under a new CUSIP number (85513Q301) at the open of trading on June 17, 2024. The Company's common stock will continue to trade under the symbol "STRR".

The Reverse Split, which was approved by an affirmative vote of the Company's common stockholders on June 20, 2023 and subsequently approved by the Board of Directors on May 24, 2024, is intended to increase the per-share trading price of the Company's common stock to enable the Company to regain compliance with the minimum bid price requirement for continued listing on Nasdaq.

As a result of the Reverse Split, every five pre-split shares of common stock outstanding will automatically combine into one new share of common stock without any action on the part of the holders and with no change in the par value per share of \$0.0001. Additionally, the Reverse Split will proportionately reduce the number of shares of common stock available for issuance under the Company's equity incentive plans and proportionately reduce the number of shares of restricted stock units outstanding.

The Reverse Split reduces the number of shares of the Company's outstanding common stock (from 15,848,202 shares outstanding on June 14, 2024, to approximately 3,169,640 shares outstanding post-Reverse Split). No fractional shares or cash will be issued as a result of the Reverse Split. Owners of fractional shares outstanding after the Reverse Split will receive one full share of post-Reverse Split common stock. All stock options and warrants of the Company outstanding immediately prior to the Reverse Split will be proportionally adjusted.

Equiniti Trust Company, LLC is acting as the exchange agent for the Reverse Split. Additional information about the Reverse Split can be found in the Company's definitive proxy statement filed with the Securities and Exchange Commission on May 18, 2023, a copy of which is available at www.sec.gov and on the Company's website.

About Star Equity Holdings, Inc.

Star Equity Holdings, Inc. is a diversified holding company currently composed of two divisions: Building Solutions and Investments.

Building Solutions

Our Building Solutions division operates in three businesses: (i) modular building manufacturing; (ii) structural wall panel and wood foundation manufacturing, including building supply distribution operations; and (iii) glue-laminated timber (glulam) column, beam, and truss manufacturing.

Investments

Our Investments division manages and finances the Company's real estate assets as well as its investment positions in private and public companies.

Forward-Looking Statements

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements in this release that are not statements of historical fact are hereby identified as "forward-looking statements" for the purpose of the safe harbor provided by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking Statements include, without limitation, statements regarding (i) the plans and objectives of management for future operations, including plans or objectives relating to acquisitions and related integration, development of commercially viable products, novel technologies, and modern applicable services, (ii) projections of income (including income/loss), EBITDA, earnings (including earnings/loss) per share, free cash flow (FCF), capital expenditures, cost reductions, capital structure or other financial items, (iii) the future financial performance of the Company or acquisition targets and (iv) the assumptions underlying or relating to any statement described above. Moreover, forward-looking statements necessarily involve assumptions on the Company's part. These forward-looking statements generally are identified by the words "believe", "expect", "anticipate", "estimate", "project", "intend", "plan", "should", "may", "will", "would", "will be", "will continue" or similar expressions. Such forward-looking statements are not meant to predict or guarantee actual results, performance, events, or circumstances and may not be realized because they are based upon the Company's current projections, plans, objectives, beliefs, expectations, estimates and assumptions and are subject to a number of risks and uncertainties and other influences, many of which the Company has no control over. Actual results and the timing of certain events and circumstances may differ materially from those described above as a result of these risks and uncertainties. Factors that may influence or contribute to the inaccuracy of forward-looking statements or cause actual results to differ materially from expected or desired results may include, without limitation, the substantial amount of debt of the Company and the Company's ability to repay or refinance it or incur additional debt in the future; the Company's need for a significant amount of cash to service and repay the debt and to pay dividends on the Company's preferred stock; the restrictions contained in the debt agreements that limit the discretion of management in operating the business; legal, regulatory, political and economic risks in markets and public health crises that reduce economic activity and cause restrictions on operations (including the recent coronavirus COVID-19 outbreak); the length of time associated with servicing customers; losses of significant contracts or failure to get potential contracts being discussed; disruptions in the relationship with third party vendors; accounts receivable turnover; insufficient cash flows and resulting lack of liquidity; the Company's inability to expand the Company's business; unfavorable changes in the extensive

governmental legislation and regulations governing healthcare providers and the provision of healthcare services and the competitive impact of such changes (including unfavorable changes to reimbursement policies); high costs of regulatory compliance; the liability and compliance costs regarding environmental regulations; the underlying condition of the technology support industry; the lack of product diversification; development and introduction of new technologies and intense competition in the healthcare industry; existing or increased competition; risks to the price and volatility of the Company's common stock and preferred stock; stock volatility and in liquidity; risks to preferred stockholders of not receiving dividends and risks to the Company's ability to pursue growth opportunities if the Company continues to pay dividends according to the terms of the Company's preferred stock; the Company's ability to execute on its business strategy (including any cost reduction plans); the Company's failure to realize expected benefits of restructuring and cost-cutting actions; the Company's ability to preserve and monetize its net operating losses; risks associated with the Company's possible pursuit of acquisitions; the Company's ability to consummate successful acquisitions and execute related integration, as well as factors related to the Company's business including economic and financial market conditions generally and economic conditions in the Company's markets; failure to keep pace with evolving technologies and difficulties integrating technologies; system failures; losses of key management personnel and the inability to attract and retain highly qualified management and personnel in the future; and the continued demand for and market acceptance of the Company's services. For a detailed discussion of cautionary statements and risks that may affect the Company's future results of operations and financial results, please refer to the Company's filings with the Securities and Exchange Commission, including, but not limited to, the risk factors in the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. This release reflects management's views as of the date presented.

All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

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Source: Star Equity Holdings, Inc.