

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

CAPSTONE TECHNOLOGIES GROUP, INC.

4539 Hedgemore Drive

Charlotte, NC 28209

(704) 578-2238

www.capstonetechnologiesgroupinc.com

mp@avenelfinancial.com

SIC CODE 8200

Annual Report

For the Year Ending: August 31, 2023 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

5,466,570

as of August 31, 2023

5,466,570

as of August 31, 2022

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

OTC Markets Group Inc.

OTC Pink Basic Disclosure Guidelines (v4.0 January 1, 2023)

Yes: No:

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

The Company was originally incorporated in the State of Nevada on March 31, 2009, under the name Designer Export, Inc. On July 1, 2010, the Company changed its name to China Bilingual Technology & Education Group Inc. and on April 24, 2017 the Company changed its name to Capstone Technologies Group, Inc. its current name.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The Company was originally incorporated in the State of Nevada on March 31, 2009, under the name Designer Export, Inc. On July 1, 2010, the Company changed its name to China Bilingual Technology & Education Group Inc. and on April 24, 2017 the Company changed its name to Capstone Technologies Group, Inc. its current name.

Issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

During the quarter ended August 31, 2023 the Company has entered into security purchase agreements to raise a net amount of \$2.2 million. Two-year convertible notes with warrants attached accounted for \$2.2 million. Please see the Notes to the financial statements for a more detailed explanation.

The address(es) of the issuer's principal executive office:

4539 Hedgemore DriveCharlotte, NC 28209

The address(es) of the issuer's principal place of business:

X Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Securities Transfer Corporation
Phone: 469-633-0101
Email: SZhang@stcttransfer.com
Address: 2901 Dallas Parkway
Suite 380
Plano, TX 75093

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	CATG
Exact title and class of securities outstanding:	Common stock
CUSIP:	14070V206
Par or stated value:	\$0.001
Total shares authorized:	500,000,000 as of date: August 31, 2023
Total shares outstanding:	5,466,570 as of date: August 31, 2023
Total number of shareholders of record:	<u>68</u> as of date: August 31, 2023

All additional class(es) of publicly quoted or traded securities (if any): None

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	Convertible Preferred Stock – Series B
CUSIP (if applicable):	NA
Par or stated value:	\$1.00
Total shares authorized:	10,750,000 as of date: August 31, 2023
Total shares outstanding (if applicable):	5,375,000 as of date: August 31, 2023
Total number of shareholders of record (if applicable):	1 as of date: August 31, 2023

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Each share of common stock has one vote.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Dividend: The Series B Preferred is paid a quarterly dividend of 7.5% per annum.

Redemption: There are triggering events, as defined, that can cause the Series B Preferred to be redeemable at the option of the holder, some of which are outside the control of the Company.

Conversion: At option of holder, the Series B Preferred is convertible into common stock at a rate of one share for each share of Series B Preferred converted. Conversion is subject to a beneficial ownership limitation of 9.99% that can be adjusted upwards by the holder with a 60 day notice.

Liquidation preference: Upon any liquidation, dissolution or winding-up of the Company, the holder is entitled to receive out of the assets, whether capital or surplus, an amount equal to 150% of the stated value plus then be entitled to receive the same amount that a holder of common stock would receive if the preferred stock were fully converted.

Voting rights: The holder of Series B Preferred does not have rights to vote. In addition, the approval of the holder of Series B Preferred, is required for certain events and transactions that would change the rights of the Series B Preferred.

Anti-dilution: The Series B Preferred provides for customary adjustments in the event of dividends or stock splits and anti-dilution protection.

3. Describe any other material rights of common or preferred stockholders.

Each share of preferred stock has a warrant to purchase one half of one share of common stock for \$1.00 per share until May 27, 2027.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
Opening Balance									
Date <u>9/1/21</u>	Common: <u>4,466,570</u>								
	Preferred: <u>NA</u>								
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
18-Feb-22	<u>New Issuance</u>	<u>1 million</u>	<u>Common</u>	<u>\$.001 / Share</u>	<u>No</u>	<u>Avenel Financial Group, Inc. (Controlled by Michael D. Pruitt)</u>	<u>Issuance of stock that was agreed when Michael Pruitt became President of the Company</u>	_____	_____
1-Mar-22	<u>Warrant Issue (See Note Below)</u>	<u>1.075 million</u>	<u>Warrant</u>	<u>\$1.00 / Share</u>	<u>No</u>	<u>NY Farms, LLC (Controlled by Stephen E. Apolant)</u>	<u>5 year Common Stock Warrants issued in conjunction</u>		

							<u>with Note Agreements</u>		
3-Mar-22	<u>Warrant Issue (See Note Below)</u>	<u>1.075 million</u>	<u>Warrant</u>	<u>\$1.00 / Share</u>	<u>No</u>	<u>Seacor Capital Inc. (Controlled by Lisa Ficarra)</u>	<u>5 year Common Stock Warrants issued in conjunction with Note Agreements</u>		
4-Apr-22	<u>Warrant Issue (See Note Below)</u>	<u>134,375</u>	<u>Warrant</u>	<u>\$1.00 / Share</u>	<u>No</u>	<u>EROP Enterprises, LLC (Controlled by Vince Sbarra)</u>	<u>5 year Common Stock Warrants issued in conjunction with Note Agreements</u>		
27-May-22	<u>Warrant Issue (See Note Below)</u>	<u>2.688 million</u>	<u>Warrant</u>	<u>\$1.00 / Share</u>	<u>No</u>	<u>Arena Investors, LP (Controlled by Lawrence Cutler)</u>	<u>5 year Common Stock Warrants issued in conjunction with Note Agreements</u>		
27-May-22	<u>Preferred Stock Issue</u>	<u>5.375 million</u>	<u>Preferred</u>	<u>\$1.00 / Share</u>	<u>No</u>	<u>Arena Investors, LP (Controlled by Lawrence Cutler)</u>	<u>Conversion</u>		
27-May-22	<u>Warrant Issue</u>	<u>2.688 million</u>	<u>Warrant</u>	<u>\$1.00 / Share</u>	<u>No</u>	<u>Arena Investors, LP (Controlled by Lawrence Cutler)</u>	<u>5 year Common Stock Warrants issued in conjunction with Preferred Stock</u>		
29-June-23	<u>Warrant Issue (See Note Below)</u>	<u>268,750</u>	<u>Warrant</u>	<u>\$1.00 / Share</u>	<u>No</u>	<u>NY Farms, LLC (Controlled by Stephen E. Apolant)</u>	<u>5 year Common Stock Warrants issued in conjunction</u>		

							with Note Agreements		
3-July-23	<u>Warrant Issue (See Note Below)</u>	<u>268,750</u>	<u>Warrant</u>	<u>\$1.00 / Share</u>	<u>No</u>	<u>Seacor Capital Inc. (Controlled by Lisa Ficarra)</u>	<u>5 year Common Stock Warrants issued in conjunction with Note Agreements</u>		
10-Aug-23	<u>Warrant Issue (See Note Below)</u>	<u>268,750</u>	<u>Warrant</u>	<u>\$1.00 / Share</u>	<u>No</u>	<u>NY Farms, LLC (Controlled by Stephen E. Apolant)</u>	<u>5 year Common Stock Warrants issued in conjunction with Note Agreements</u>		
15-Aug-23	<u>Warrant Issue (See Note Below)</u>	<u>268,750</u>	<u>Warrant</u>	<u>\$1.00 / Share</u>	<u>No</u>	<u>Seacor Capital Inc. (Controlled by Lisa Ficarra)</u>	<u>5 year Common Stock Warrants issued in conjunction with Note Agreements</u>		
17-Aug-23	<u>Warrant Issue (See Note Below)</u>	<u>107,500</u>	<u>Warrant</u>	<u>\$1.00 / Share</u>	<u>No</u>	<u>EROP Enterprises, LLC (Controlled by Vince Sbarra)</u>	<u>5 year Common Stock Warrants issued in conjunction with Note Agreements</u>		
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date <u>8/31/23</u>									
Common: <u>5,466,570</u>									
Preferred: <u>5,375,000</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>3/1/21 – 10/4/21</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$165,030</u>	<u>2/26/2024</u>	Principal Amount plus all accrued but unpaid Interest into Common Stock at a fixed conversion price per share equal to \$0.225	<u>Sky Direct, LLC</u> (Controlled by <u>Stephen E. Apolant</u>)	<u>Loan</u>
<u>10/5/21</u>	<u>\$550,000</u>	<u>\$550,000</u>	<u>\$83,781</u>	<u>10/5/2024</u>	Principal Amount plus all accrued but unpaid Interest into Common Stock at a fixed conversion price per share equal to \$0.225	<u>Seacor Capital Inc. (Controlled by Lisa Ficarra)</u>	<u>Loan</u>
<u>1-Mar-22</u>	<u>\$2,150,000</u>	<u>\$2,150,000</u>	<u>\$245,458</u>	<u>1-Mar-24</u>	Principal Amount plus all accrued but unpaid Interest into Common Stock at a fixed conversion price per share equal to \$1.00	<u>NY Farms, LLC</u> (Controlled by <u>Stephen E. Apolant</u>)	<u>Loan</u>
<u>3-Mar-22</u>	<u>\$2,150,000</u>	<u>\$2,150,000</u>	<u>\$244,608</u>	<u>3-Mar-24</u>	Principal Amount plus all accrued but unpaid Interest into Common Stock at a fixed conversion price per share equal to \$1.00	<u>Seacor Capital Inc. (Controlled by Lisa Ficarra)</u>	<u>Loan</u>
<u>4-Apr-22</u>	<u>\$268,750</u>	<u>\$268,750</u>	<u>\$28,779</u>	<u>4-Apr-24</u>	Principal Amount plus all accrued but unpaid Interest into Common Stock at a fixed conversion price per share equal to \$1.00	<u>EROP Enterprises, LLC</u> (Controlled by <u>Vince Sbarra</u>)	<u>Loan</u>

27-May-22	<u>\$5,350,000</u>	<u>\$5,350,000</u>	<u>\$174,688</u>	27-May-24	<u>Principal Amount plus all accrued but unpaid Interest into Common Stock at a fixed conversion price per share equal to \$1.00</u>	<u>Arena Investors, LP</u> <u>(Controlled by Lawrence Cutler)</u>	<u>Loan</u>
29-June-23	<u>\$537,500</u>	<u>\$537,500</u>	<u>\$6,958</u>	29-June-25	<u>Principal Amount plus all accrued but unpaid Interest into Common Stock at a fixed conversion price per share equal to \$1.00</u>	<u>NY Farms, LLC</u> <u>(Controlled by Stephen E. Apolant)</u>	<u>Loan</u>
3-July-23	<u>\$537,500</u>	<u>\$537,500</u>	<u>\$6,516</u>	3-July-25	<u>Principal Amount plus all accrued but unpaid Interest into Common Stock at a fixed conversion price per share equal to \$1.00</u>	<u>Seacor Capital Inc. (Controlled by Lisa Ficarra)</u>	<u>Loan</u>
10-Aug-23	<u>\$537,500</u>	<u>\$537,500</u>	<u>\$2,448</u>	10-Aug-25	<u>Principal Amount plus all accrued but unpaid Interest into Common Stock at a fixed conversion price per share equal to \$1.00</u>	<u>NY Farms, LLC</u> <u>(Controlled by Stephen E. Apolant)</u>	<u>Loan</u>
15-Aug-23	<u>\$537,500</u>	<u>\$537,500</u>	<u>\$1,826</u>	15-Aug-25	<u>Principal Amount plus all accrued but unpaid Interest into Common Stock at a fixed conversion price per share equal to \$1.00</u>	<u>Seacor Capital Inc. (Controlled by Lisa Ficarra)</u>	<u>Loan</u>
17-Aug-23	<u>\$215,000</u>	<u>\$215,000</u>	<u>\$627</u>	17-Aug-25	<u>Principal Amount plus all accrued but unpaid Interest into Common Stock at a fixed conversion price per share equal to \$1.00</u>	<u>EROP Enterprises, LLC</u> <u>(Controlled by Vince Sbarra)</u>	<u>Loan</u>

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company was originally incorporated in the State of Nevada on March 31, 2009, under the name Designer Export, Inc. On July 1, 2010, the Company changed its name to China Bilingual Technology & Education Group Inc. and on April 24, 2017 the Company changed its name to Capstone Technologies Group, Inc. its current name. The Company is a developmental stage company.

B. List any subsidiaries, parent company, or affiliated companies.

None

Describe the issuers' principal products or services.

Target Market

Our initial target market for strategic acquisitions is the Customer Data Platform Market. While this market typically consists of first, second- and third-party data, the Company is aggregating multiple sources of first party data and utilizing sophisticated proprietary algorithms to enhance the customer experience.

Acquisition of an Interest in DrivenIQ Corporation

Our first transaction in the Customer Data Platform Market space was our acquisition of a minority interest in DrivenIQ on October 12, 2021. As of this date, as a minority shareholder owning 45% of the outstanding equity in DrivenIQ, the Company does not have a controlling interest in DrivenIQ. DrivenIQ was an operating company when the Company purchased its 45% stake and continues to operate as a marketing data company.

On March 9, 2022, we provided DrivenIQ's management with strategic advice and capital for their acquisition of Visitor Data, The Company supported DrivenIQ in its acquisition of Visitor Data with additional capital, valuation modeling, due diligence and deal structuring advice.

Since the Company's acquisition of a minority interest in DrivenIQ, the Company has been involved with further software design, development and buildout of DrivenIQ's business model and capabilities.

From March of 2022 through August 2023, the Company has invested an additional \$12.7 million dollars into DrivenIQ through convertible preferred stock

C.

5) Issuer's Facilities

The Company has no facilities to list.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or**

controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding(1)	Names of control person(s) if a corporate entity
Sky Direct LLC	Owner of more than 5%	Brookeville, NY	3,333,333	Common	60.98%	Stephen E. Apolant
Michael D Pruitt	President, and Secretary/Treasurer	Charlotte, NC	1,000,000	Common	18.29%	
Clinton Stokes	Owner of more than 5%	Newberry Park, CA	491,333	Common	8.99%	
Arena Investors, LP	Owner of more than 5%	New York, New York	5,375,000	Preferred	100.00%	Lawrence Cutler

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Ruba Qashu
Firm: Barton LLP
Address 1: 100 Wilshire Boulevard. Suite 1300
Address 2: Santa Monica, CA 90401
Phone: 949-355-5405
Email: rqashu@bartonesq.com

Accountant or Auditor

Name: Ben Borgers
Firm: BF Borgers CPA PC
Address 1: 5400 W Cedar Ave
Address 2: Lakewood, CO 80226
Phone: 303-953-1454 Ext 100
Email: Ben@bfbcpa.us

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

Twitter: _____
Discord: _____
LinkedIn: _____
Facebook: _____
[Other] _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Financial Statements

A. The following financial statements were prepared in accordance with:

IFRS

U.S. GAAP

B. The following financial statements were prepared by (name of individual)²:

Name: Michael D Pruitt
Title: Treasurer (Principal Financial Officer)
Relationship to Issuer: Treasurer (Principal Financial Officer)

Describe the qualifications of the person or persons who prepared the financial statements: More than 30 years in business and on the Audit Committee of other public companies.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

Important Notes:

- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- All financial statements for a fiscal period must be published together with the disclosure statement in one Annual or Quarterly Report.

² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

C. Balance Sheet;

CAPSTONE TECHNOLOGIES GROUP, INC.						
BALANCE SHEETS						
(Audited)						
					31-Aug-23	31-Aug-22
ASSETS						
Current Assets						
Cash					\$ 506,089	\$ 5,442,607
Restricted Cash					188,835	-
Interest Receivable					63,957	9,870
Prepaid Expenses					3,000	-
Due from related parties					15,447	3,973
Total Current Assets					<u>777,328</u>	<u>5,456,450</u>
Investments						
Notes Receivable					2,297,083	1,340,051
Equity Investments					13,689,695	8,485,000
Total Investments					<u>15,986,778</u>	<u>9,825,051</u>
Fixed Assets						
Office Furniture					31,518	-
Less Accumulated Depreciation					1,991	-
Total Fixed Assets					<u>29,527</u>	<u>-</u>
TOTAL ASSETS					<u>\$ 16,793,633</u>	<u>\$ 15,281,501</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT						
LIABILITIES						
Current Liabilities						
Accounts payable and Other Accrued Liabilities					\$ 535,225	\$ 135,015
Accrued Payroll					11,288	2,722
Accrued Interest					960,719	364,548
Current Portion -Convertible Notes Payable					8,983,900	1,550,000
Total Current Liabilities					<u>10,491,132</u>	<u>2,052,285</u>
Long Term Liabilities						
Non-Current Portion -Convertible Notes Payable					2,915,000	7,070,627
Total Liabilities					<u>13,406,132</u>	<u>9,122,912</u>
STOCKHOLDERS' DEFICIT						
Convertible Preferred Stock, Series B: \$1.00 stated value; authorized 10,750,000 shares; 5,375,000 issued and outstanding at August 31, 2023 and at August 31, 2022					5,375,000	5,375,000
Common stock, \$.001 par value; 500,000,000 shares authorized; 5,466,570 shares issued and outstanding at August 31, 2023 and at August 31, 2022, respectively					5,466	5,466
Additional paid-in capital					4,631,218	2,942,738
Accumulated deficit					(6,624,183)	(2,164,615)
Total Stockholders' Equity					<u>3,387,501</u>	<u>6,158,589</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT					<u>\$ 16,793,633</u>	<u>\$ 15,281,501</u>

The accompanying notes are an integral part of these audited financial statements

D. Statement of Income;

CAPSTONE TECHNOLOGIES GROUP, INC.							
STATEMENT OF OPERATIONS							
(Audited)							
						For the year ended 8/31/23	For the year ended 8/31/22
Revenue						\$ -	\$ -
Total Revenue						-	-
Expenses							
Professional fees						258,118	278,610
Payroll related						224,051	87,018
Office Expenses						193,020	26,437
Total Operating Expenses						675,189	392,065
Depreciation						(1,991)	-
Investment Distribution						-	1,106
Interest Expense						(3,665,269)	(1,294,706)
Interest Income						291,605	38,288
Series B Preferred Stock Dividend						(408,724)	(107,500)
Net Loss Attributable to Common Stockholders						\$ (4,459,568)	\$ (1,754,877)
PER SHARE AMOUNTS							
Basic and diluted earnings per share						\$ (0.82)	(0.35)
Weighted average number of common shares outstanding - basic and diluted						5,466,570	5,000,817
The accompanying notes are an integral part of these audited financial statements							

E. Statement of Cash Flows;

CAPSTONE TECHNOLOGIES GROUP, INC.							
STATEMENT OF CASH FLOWS							
(Audited)							
						For the year ended 8/31/23	For the year ended 8/31/22
Cash flow from operating activities							
Net loss						\$ (4,459,568)	\$ (1,754,877)
Adjustments to reconcile net loss to net cash used in operating activities:							
Increase (decrease) in operating assets and liabilities:							
(Increase) decrease in fixed assets						(31,518)	-
Depreciation expense						1,991	-
Increase (decrease) in accrued liabilities						604,737	355,608
(Increase) decrease in prepaid expenses						(3,000)	-
Increase (decrease) in accounts payable						400,210	118,770
Net cash used in operating activities						(3,487,148)	(1,280,499)
Cash flow from investing activities							
Net cash provided by (used in) investing activities						(6,215,814)	(9,834,921)
Cash flows from financing activities							
Increase in notes payable						2,365,000	11,243,750
Original issue discount on notes payable						(893,323)	(3,521,636)
Sale of preferred stock						-	5,375,000
Original issue discount on preferred stock						-	(1,920,314)
Valuation of warrants granted						728,323	4,326,479
Amortization of original issue discount						2,766,753	901,047
Decrease in advance to related party						(11,474)	26,079
Received from related parties for common stock						-	1,000
Net cash provided by financing activities						4,955,279	16,431,405
Net increase (decrease) in cash, cash equivalents, and restricted cash						(4,747,683)	5,315,985
Cash, cash equivalents, and restricted cash at beginning of the year						5,442,607	126,622
Cash, cash equivalents, and restricted cash at end of the period						\$ 694,924	\$ 5,442,607
Supplemental disclosure of interest and income taxes paid:							
Interest paid during the period						\$ 302,344	\$ -
Income taxes paid during the period						\$ -	\$ -
Non-cash financing and investing activities:							
Conversion of related party payable						\$ -	\$ -
Forgiveness of related party payable						\$ -	\$ -

The accompanying notes are an integral part of these audited financial statements

F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)

CAPSTONE TECHNOLOGIES GROUP, INC.								
STATEMENT OF STOCKHOLDERS' EQUITY								
(Audited)								
	Preferred Stock		Common Stock		Additional	Accumulated	Total	
	Shares	Amount	Shares	Amount	Paid-in	Deficit	Stockholders'	
					Capital		Equity	
Balance at August 31, 2021	-	-	4,466,570	\$ 4,466	\$ 284,039	\$ (409,738)	\$ (121,233)	
Stock Issuance	-	-	1,000,000	1,000	-	-	1,000	
Issuance of Preferred Stock	5,375,000	5,375,000	-	-	(1,667,780)	-	3,707,220	
Issuance of warrants	-	-	-	-	4,326,479	-	4,326,479	
Net loss for the year ended August 31, 2022	-	-	-	-	-	(1,754,877)	(1,754,877)	
Balance at August 31, 2022	5,375,000	\$ 5,375,000	5,466,570	\$ 5,466	\$ 2,942,738	\$ (2,164,615)	\$ 6,158,589	
Issuance of Preferred Stock	-	-	-	-	960,157	-	960,157	
Issuance of warrants	-	-	-	-	728,323	-	728,323	
Net loss for the year ended August 31, 2023	-	-	-	-	-	(4,459,568)	(4,459,568)	
Balance at August 31, 2023	5,375,000	\$ 5,375,000	5,466,570	\$ 5,466	\$ 4,631,218	\$ (6,624,183)	\$ 3,387,501	

The accompanying notes are an integral part of these audited financial statements

G. Financial notes;

CAPSTONE TECHNOLOGIES GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2023
(Audited)

NOTE 1 - ORGANIZATION AND OPERATIONS

The Company was originally incorporated in the State of Nevada on March 31, 2009, under the name Designer Export, Inc. On July 1, 2010, the Company changed its name to China Bilingual Technology & Education Group Inc. and on April 24, 2017 the Company changed its name to Capstone Technologies Group, Inc. its current name.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system

of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates include valuing warrants using Black-Scholes models.

Income Taxes

The Company follows FASB ASC Subtopic 740, Income Taxes, for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled.

Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized.

Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Stock-based Compensation

The Company follows FASB ASC Subtopic 718, Stock Compensation, for accounting for stock-based compensation. The guidance requires that new, modified and unvested share-based payment transactions with employees, such as grants of stock options and restricted stock, be recognized in the consolidated financial statements based on their fair value at the grant date and recognized as compensation expense over their vesting periods. The Company also follows the guidance for equity instruments issued to consultants.

Basic Loss Per Share

FASB ASC Subtopic 260, Earnings Per Share, provides for the calculation of "Basic" and "Diluted" earnings per share. Basic earnings per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding for the period. All potentially dilutive securities have been excluded from the computations since they would be antidilutive. However, these dilutive securities could potentially dilute earnings per share in the future.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with maturities of three months or less when purchased. Cash and cash equivalents are on deposit with financial institutions without any restrictions. At August 31, 2023, cash equivalents amounted to \$694,924. Of that amount, \$506,089 is not restricted and can be used for general corporate purposes. The remaining \$188,835 is classified as restricted and is held in an interest bearing account. This amount has been deposited as part of an investment partnership called Hedgemore Investors, LLC. Details of that partnership will be discussed in Note 6.

NOTE 3 – GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As reflected in the accompanying financial statements, the Company had an accumulated deficit at August 31, 2023 of \$6,624,183. This factor among others raise substantial doubt about the Company's ability to continue as a going concern.

While the Company is attempting to commence operations and generate revenues, the Company's cash position may not be significant enough to support the Company's daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate revenues.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 – STOCKHOLDERS' EQUITY

Capital Stock Issued

Authorized Capital Stock

Common Stock

The Company has issued 1,000,000 shares of common stock during the previous fiscal year to a company controlled by the Company's CEO. This stock grant was agreed to when the CEO accepted the position.

During the 3rd quarter of 2022, the Company issued 5,375,000 shares of Series B Convertible Preferred stock.

The Company is authorized to issue 500,000,000 shares of common stock with a par value of \$0.001 per share. As of August 31, 2023, 5,466,570 shares were issued and outstanding. On August 5, 2021 a 75 to 1 reverse stock split was effectuated that reduced the number of issued and outstanding shares by 330,514,160.

Series B Convertible Preferred Stock

The Company is authorized to issue 10,750,000 shares of Series B Convertible Preferred stock. As of August 31, 2023, 5,375,000 shares were issued and outstanding. On August 31, 2022 there were 5,375,000 outstanding preferred shares.

Designations, rights and preferences of Series B Preferred:

Stated value: Each share of Series B Preferred had a stated value of \$1.00.

Dividend: The Series B Preferred is paid a quarterly dividend of 7.5% per annum.

Redemption: There are triggering events, as defined, that can cause the Series B Preferred to be redeemable at the option of the holder, some of which are outside the control of the Company.

Conversion: At option of holder, the Series B Preferred is convertible into common stock at a rate of one share for each share of Series B Preferred converted. Conversion is subject to a beneficial ownership limitation of 9.99% that can be adjusted upwards by the holder with a 60 day notice.

Liquidation preference: Upon any liquidation, dissolution or winding-up of the Company, the holder is entitled to receive out of the assets, whether capital or surplus, an amount equal to 150% of the stated value plus then be entitled to receive the same amount that a holder of common stock would receive if the preferred stock were fully converted.

Voting rights: The holder of Series B Preferred does not have rights to vote. In addition, the approval of the holder of Series B Preferred, is required for certain events and transactions that would change the rights of the Series B Preferred.

Anti-dilution: The Series B Preferred provides for customary adjustments in the event of dividends or stock splits and anti-dilution protection.

Warrants

At August 31, 2023, the outstanding warrants consisted of the following:

Date Issued	Number of Warrants	Exercise Price	Expiration Date
1-Mar-22	1,075,000	\$ 1.00	1-Mar-27
4-Mar-22	1,075,000	\$ 1.00	4-Mar-27
4-Apr-22	134,375	\$ 1.00	4-Apr-27
27-May-22	5,375,000	\$ 1.00	27-May-27
29-Jun-23	268,750	\$ 1.00	29-Jun-28
10-Aug-23	268,750	\$ 1.00	10-Aug-28
3-Jul-23	268,750	\$ 1.00	3-Jul-28
15-Aug-23	268,750	\$ 1.00	15-Aug-28
17-Aug-23	107,500	\$ 1.00	17-Aug-28
	<u>8,841,875</u>		

As discussed in this Note 4, and in Note 7, 7,659,375 warrants were granted between March and May of 2022 in connection with the issuance of 7.5% Convertible Notes and the Series B Preferred Stock. Between June and August 2023, there were 1,182,500 warrants granted in connection with the issuance of the 2023 Notes. These warrants are equity-classified in the condensed financial statements. Assumptions used in calculating the fair value of the warrants at the issuance date include the following:

	2022 Warrants	2023 Warrants
Stock price per share	\$ 1.00	\$ 1.00
Term	5 Years	5 Years
Expected Volatility	108%	137%
Dividend Yield	-	-
Risk-free interest rate	1.55% - 2.72%	4.14% - 4.44%

NOTE 5 – INCOME TAXES

The provision for Federal income tax consists of the following for the years ended August 31, 2023 and 2022:

	For the twelve months ended 8/31/23	For the twelve months ended 8/31/22
Income tax expense (benefit) at statutory rate	(936,509)	(368,524)
Change in valuation allowance	936,509	368,524
Income tax expense	-	-

The cumulative tax effect at the expected rate of 21% and 21% respectively of significant items comprising our net deferred tax amount is as follows as of August 31, 2023 and August 31, 2022:

	31-Aug-23	31-Aug-22
Gross deferred tax asset	1,391,078	454,569
Valuation allowance	(1,391,078)	(454,569)
Net deferred tax asset	-	-

The Company has not recognized a deferred tax asset in these financial statements as it is not more-likely-than-not that the future taxable profit against which loss can be utilized will be realized. Accordingly, a 100% valuation allowance has been made.

The expected tax expense (benefit) based on the U.S. federal statutory rate is reconciled with actual tax expense (benefit) as follows:

	31-Aug-23	31-Aug-22
Income tax at U.S. statutory rate	21%	21%
Valuation allowance	-21%	-21%

NOTE 6 – INVESTMENTS

Investments consist of the following:

Investments:					31-Aug-23	31-Aug-22
Notes Receivable:						
DrivenIQ (1)					\$ 790,000	\$ 790,000
Amergent (2)					\$ 624,950	\$ 300,000
NFTIQ Note (3)					\$ 567,133	\$ 195,051
Kaya Holding Corp (4)					\$ 250,000	\$ -
F&B Social LLC (5)					\$ 65,000	\$ 55,000
Branded Hospitality Venture Fund 1 (6)					\$ -	\$ -
Total Notes Receivable					\$ 2,297,083	\$ 1,340,051
Equity Investments:						
DrivenIQ (1)					\$ 460,000	\$ 460,000
Branded Hospitality Venture Fund 1 (6)					\$ 143,400	\$ 25,000
Hedgemore Investors, LLC (7)					\$ 281,295	\$ -
Issuance Inc. Preferred Stock (8)					\$ 100,000	\$ -
Market Masher (9)					\$ 25,000	\$ -
Driven IQ Preferred Stock (10)					\$ 12,680,000	\$ 8,000,000
Total Equity Investments					\$ 13,689,695	\$ 8,485,000
Total Investments					\$ 15,986,778	\$ 9,825,051

- 1.) The Company entered into a Note with DrivenIQ during October of 2021. The Note is accruing interest at a rate of 5%. The Company plans on converting this Note to equity of DrivenIQ during 2023. The Company also purchased common shares, equivalent to 45% of the outstanding equity, from one of the founders of the company at the same time that the company entered into the Note.
- 2.) In August and November 2022, the Company advanced these funds to Amergent. The terms of the note require payment at October 31, 2023 and 1% interest. The Company's Chief Executive Officer has an ownership interest and serves as the Chairman and Chief Executive Officer of Amergent.
- 3.) The Company entered into a note agreement with NFTIQ on July 1, 2022. The note matures on October 1, 2024 and has an interest rate of 5%. The Company advanced a net additional \$372,082 during the year ended August 31, 2023.
- 4.) On September 19, 2022, the company has entered into a 9 month note with Kaya Holding Corp. The interest rate on the Note is 8% and the Company was granted a 3 year warrant to purchase 5.0 million common shares of Kaya for \$.20 per share. In addition, the Company has a security interest in all of Kaya's assets.
- 5.) The Company has loaned F&B Social LLC money to initiate that company's operations. At this time, the Company has not decided whether it will convert this note to equity. Interest is being charged at 5%.
- 6.) Branded Hospitality Venture Fund is a managed fund that specializes in investments related to the hospitality industry. The total fund had 19 portfolio companies and \$6.2 million invested at December 31, 2021. The fund is not publicly traded and the investment is shown at the Company's original cost. In December 2022, the Company advanced Branded Hospitality \$250,000 via a Promissory Note. The Note accrued interest at 12% per annum and was repaid during April of 2023 including interest and fees of \$45,000. In addition, Branded Hospitality granted Capstone 20,000 additional units valued at \$118,400 as a fee for extending the note.
- 7.) The Company made an investment into Hedgemore Investors, LLC on October 28, 2022. Hedgemore purchased a building in Charlotte, NC and the Company plans to relocate to the purchased building. The Company owns 36.27% of Hedgemore. In addition to the cash invested to purchase the Hedgemore equity, the company has guaranteed \$1,391,195 of the mortgage for the building. In addition, the Company has entered into an agreement to leave

cash in the bank that provided the building mortgage amounting to \$188,162 for a period of 2 years as partial backup to the Company's guarantee.

- 8.) On November 1, 2022, the Company purchased 75,512 preferred shares of Issuance Inc. for \$100,000. The preferred stock has liquidation preferences over common stock.
- 9.) The Company made a \$25,000 investment into Market Masher.
- 10.) During the quarter ended May 31, 2022, the Company advanced \$4,000,000 to Driven IQ under a SAFE (Simple Agreement for Future Equity). An additional \$1,000,000 was advanced as a SAFE in July of 2022. During August of 2022, the accompany finalized a preferred stock purchase agreement that required the company to advance an additional \$3,000,000. During the year ended August 31, 2023, the Company advanced DrivenIQ an additional \$4,680,000.

NOTE 7 – NOTES PAYABLE

Convertible Notes:				31-Aug-23	31-Aug-22
Sky Direct LLC 8% Notes (11)				\$ 1,000,000	\$ 1,000,000
Secor Capital Inc. 8% Notes (12)				\$ 550,000	\$ 550,000
2022 NY Farms LLC 7.5% Notes (13)				\$ 2,150,000	\$ 2,150,000
2022 Secor Capital Inc. 7.5% Notes (13)				\$ 2,150,000	\$ 2,150,000
2022 EROP Enterprises, LLC 7.5% Notes (13)				\$ 268,750	\$ 268,750
Arena Investors LP 7.5% Notes (13)				\$ 5,375,000	\$ 5,375,000
2023 NY Farms LLC 7.5% Notes (14)				\$ 1,075,000	\$ -
2023 Secor Capital Inc. 7.5% Notes (14)				\$ 1,075,000	\$ -
2023 EROP Enterprises, LLC 7.5% Notes (14)				\$ 215,000	\$ -
Total Convertible Notes				\$ 13,858,750	\$ 11,493,750
Less Discount on Convertible Notes (15)				\$ 1,959,850	\$ 2,873,123
Total Convertible Notes, net of discount				\$ 11,898,900	\$ 8,620,627
Current portion of long-term debt and notes payable				\$ 8,983,900	\$ 1,550,000
Total notes payable less current portion				\$ 2,915,000	\$ 7,070,627

- 11.) The Sky Direct LLC note is due on February 26, 2024 and is convertible into Common Stock at \$.225 per share. To date \$165,030 of interest has been accrued.
- 12.) The Secor Capital Inc. 8% note is due on October 5, 2024 and is convertible into Common Stock at \$.225 per share. To date \$83,781 of interest has been accrued.
- 13.) In March, April and May of 2022, the Company and certain investors entered into a Securities Purchase Agreement ("SPA") pursuant to which Company issued an aggregate principal amount of \$9.944 million of 7.5% Senior Unsecured Convertible Notes ("Notes"), and a Common Stock Purchase Warrant ("Warrant") to purchase a number of shares of the Company's common stock equal to half the value of the Note. The total number of common shares that could be issued in accordance with the warrants issued as part of the SPAs that included the 7.5% Convertible Notes amount to 4,971,875. The Notes bear interest at an annual rate of 7.5%, payable quarterly from the issue date, unless earlier converted, redeemed, or repurchased and the Noteholders have a security interest in all assets of the Company. In addition, the Notes were sold at a 7.5% Original Issue Discount. The Notes are convertible at any time at the holder's option into common stock at the conversion price of \$1.00 per share. The Notes are due two years from their issue date.
- 14.) In June, July and August 2023, the Company and certain investors entered into a Securities Purchase Agreement ("2023 SPA") pursuant to which Company issued an aggregate principal amount of \$2.365 million of 7.5% Senior Unsecured Convertible Notes ("2023 Notes"), and a Common Stock Purchase Warrant ("2023 Warrant") to purchase a number of shares of the Company's common stock equal to half the value of the 2023 Notes. The total

number of common shares that could be issued in accordance with the warrants issued as part of the 2023 SPAs that included the 7.5% Convertible Notes amount to 1,182,500. The 2023 Notes bear interest at an annual rate of 7.5%, payable annually from the issue date, unless earlier converted, redeemed, or repurchased and the Noteholders have a security interest in all assets of the Company. In addition, the 2023 Notes were sold at a 7.5% Original Issue Discount. The 2023 Notes are convertible at any time at the holder's option into common stock at the conversion price of \$1.00 per share. The 2023 Notes are due two years from their issue date.

15.) The Company recorded a debt discount of approximately \$3.5 million in 2022 for the difference between the face value of the Notes and the estimated fair value at the issuance date and is amortizing this discount over the 24-month term of the related debt. In 2023, the Company recorded a debt discount of approximately \$893,323 for the difference between the face value of the 2023 Notes and the estimated fair value at the issuance date is amortizing this discount over the 24-month term of the related debt. Amortization of approximately \$1.8 million and \$648,513 was recorded as interest expense during the years ended August 31, 2023 and August 31, 2022, respectively. The unamortized discount balance at August 31, 2023 is approximately \$2.0 million.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

As of August 31, 2023, the Company (Guarantor) had a Commercial Guaranty totaling \$1.4 million that was issued related to a real estate agreement by Hedgemore Investors, LLC from October 2022. This Guaranty is binding as long as any of the Guarantor's Share of Indebtedness remains unpaid. See Note 6 for a description of the agreement with Hedgemore.

NOTE 9 – SUBSEQUENT EVENTS

In early September, the Company advanced an additional \$850,000 to DrivenIQ as part of its ongoing investment commitment. Since August 31, 2023 the Company has received additional cash investments of \$645,000 that is on the same terms as the 7.5% notes and warrants described above.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Michael D Pruitt certify that:

1. I have reviewed this annual disclosure statement of Capstone Technologies Group, Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 30, 2023

/s/ Michael D. Pruitt

Michael D. Pruitt

Principal Financial Officer:

I, Michael D. Pruitt certify that:

1. I have reviewed this annual disclosure statement of Capstone Technologies Group, Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement

November 30, 2023

/s/ Michael D. Pruitt

Michael D. Pruitt