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Management Presentation

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**Smarter Energy
for a Cleaner Future**

Safe Harbor

This presentation contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding the financial outlook, business strategy and plans and market trends, opportunities and positioning of Capstone Green Energy Corporation (the “Company,” “Capstone,” “we,” “our” or “us”). These forward-looking statements are based on current expectations, estimates, forecasts and projections. Words such as “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall” and variations of these terms and similar expressions are intended to identify these forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. Actual results, performance and achievements could differ materially from those expressed in, or implied by, these forward-looking statements due to a variety of risks, uncertainties and other factors, including, but not limited to, the following: the ongoing effects of the COVID-19 pandemic; the availability of credit and compliance with the agreements governing the Company's indebtedness; the Company's ability to develop new products and enhance existing products; product quality issues, including the adequacy of reserves therefor and warranty cost exposure; intense competition; financial performance of the oil and natural gas industry and other general business, industry and economic conditions; the Company's ability to adequately protect its intellectual property rights; and the impact of pending or threatened litigation. For a detailed discussion of factors that could affect the Company's future operating results, please see the Company's filings with the Securities and Exchange Commission, including the disclosures under “Risk Factors” in those filings. Except as expressly required by the federal securities laws, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, changed circumstances or future events, or for any other reason.

Further information on these and other factors that could affect the Company's results, performance, and achievements is included under the heading “Risk Factors” and otherwise in the reports on Form 10-K, Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission from time to time. Because of the risks and uncertainties, Capstone cautions you not to place undue reliance on these statements, which speak only as of the date of this presentation. There may be additional risks, including risks of which we are not presently aware or that we currently believe are immaterial, which could have an adverse impact on our business. We undertake no obligation, and specifically disclaim any obligation, to release any revision to any forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events.

Capstone Overview

Capstone provides high efficiency, low emission power generation products and services that enable our customers to:

- *Lower their energy costs*
- *Increase their power resilience*
- *Reduce their carbon emissions*

1 \$11.7B addressable market

- Diverse customer base across multiple end markets: Commercial CHP, Renewable Energy, Critical Power Infrastructure, Oil & Gas and most recently Bitcoin and Cannabis
- Our suite of products and services address the growing ESG pressures on our customers

2 Positioned for continued and accelerating growth

- Two years of cost realignment has enabled CGRN to invest in direct sales, sophisticated digital marketing, and improved geographic distribution partners
- New products and services – RNG, Hydrogen and “Energy as a Service” rental fleet
- Growing portfolio of green energy technology partnerships

3 Compelling business model

- 50% percentage recurring revenue
- Rapidly expanding rental fleet
- Improving visibility and margins with a strengthened balance sheet and approaching EBITDA breakeven

"Improving the Global Climate Through Sustainable Energy as a Service Solutions"

Aligning With Customers & Stakeholders

Cost & Carbon Savings

To date, Capstone has shipped over **10,000 units** to **83 countries** and estimates that in FY21, it saved customers over **\$219 million** in annual energy costs and approximately **397,000 tons** of carbon.

Total savings over the last three years are estimated at:

\$700M

IN FINANCIAL SAVINGS

1M Tons

OF CARBON SAVINGS

DID YOU KNOW?

1 MILLION TONS OF CARBON IS COMPARABLE TO THE ANNUAL CO₂ OUTPUT OF ABOUT **120,423 U.S. HOMES** RUNNING ON ELECTRICITY.

Sustainability is driving today's buyer decision-making

What will they say about your business?



According to a Nielsen study⁽¹⁾, **73% of consumers say they would likely change a behavior to reduce their impact on the environment**, and that eco-aware mindsets and behavior adaptation has only increased in recent years.



Sustainability also feeds into customer loyalty. Sustainable and ethical business practices are the **second-highest reason most consumers return to a brand**. This is second only to product quality⁽²⁾.

ACCORDING TO A CGS 2019 STUDY:



2/3

of respondents (across all ages and genders) consider sustainability when making purchasing decisions



1/2

are willing to pay more for sustainable products



70%

said sustainability is at least somewhat important to them when making a purchase

⁽¹⁾ NielsenIQ, "A 'natural' rise in sustainability around the world," January 10, 2019
⁽²⁾ CGS 2019 U.S. Consumer Sustainability Survey

Solutions For a Low Carbon World

Multiple Decarbonization Solutions For a Cleaner Future

Microgrids For Primary Power



Hydrogen Systems



Plant Efficiency and Resiliency



- Capstone Microturbines
- Global RAIS - Solar PV
- KORE Power Batteries

- Capstone Microturbines
- Baker Hughes Turbines
- PowerTap Hydrogen

- Capstone Microturbines
- Baker Hughes Turbines
- Alpha Laval
- Waste2ES

New Green Product Offerings



**MICROTURBINE SYSTEMS
FROM 65KW - 5MW**



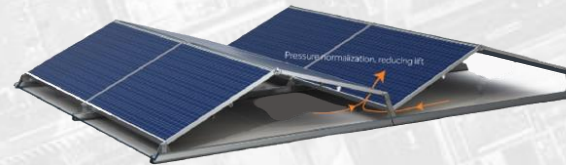
**BAKER HUGHES TURBINES
FROM 5MW-16MW**



**HYBRID ENERGY MICRO GRID SYSTEMS &
KORE POWER BATTERY STORAGE
SYSTEMS**



**ALFA LAVAL HEAT
RECOVERY CHP SYSTEMS**

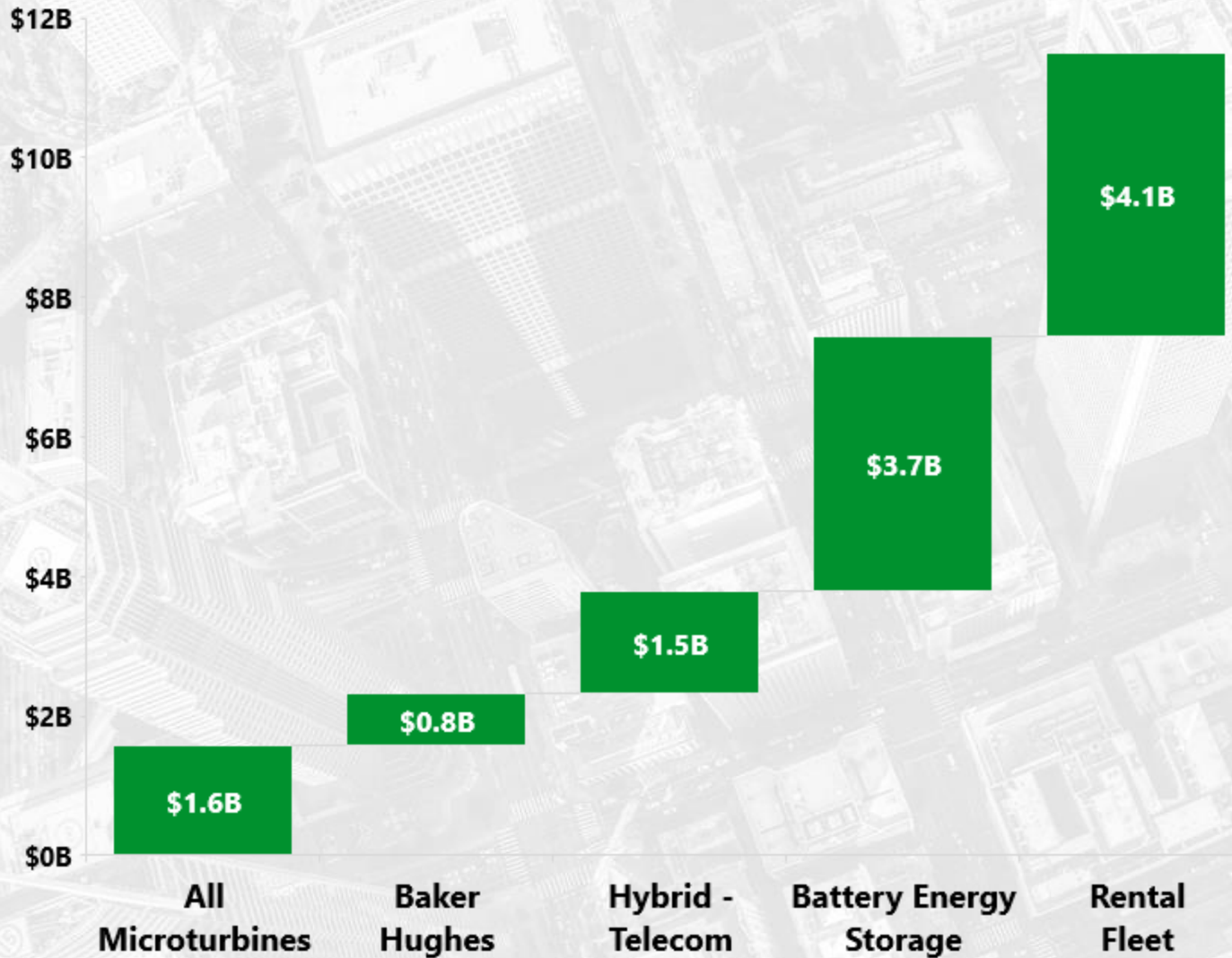


**GLOBAL RAÏS
SOLAR PV SOLUTIONS**



**POWERTAP HYDROGEN
GENERATION & FUELING SYSTEMS**

Large & Expanding Total Addressable Market



▶ Wood Mackenzie

“Energy storage is seeing a rapid increase because of lower battery cost and will be a \$7.6B annual market in 2025.”

▶ Navigant Research

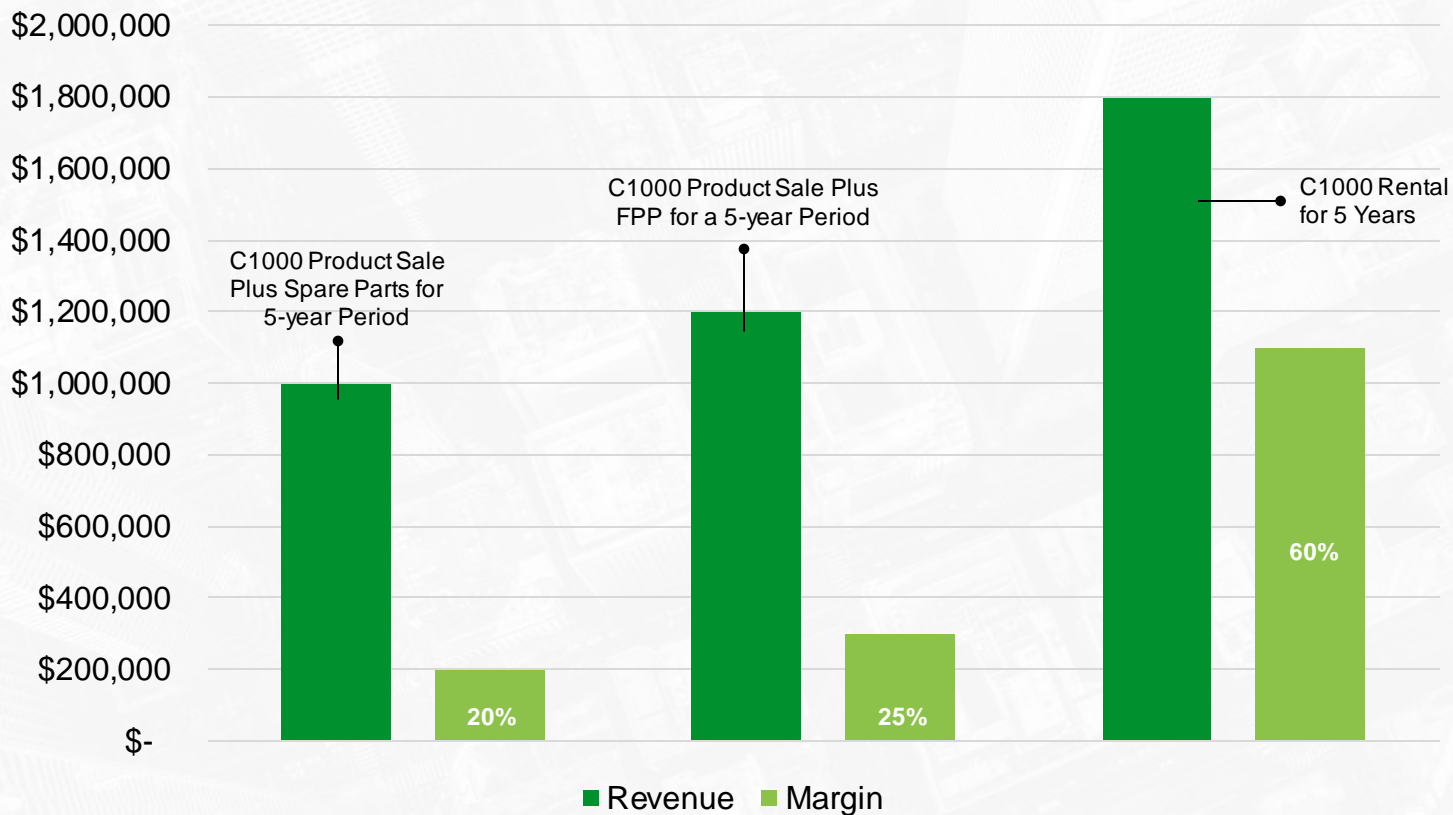
“Total microgrid capacity is expected to grow multi-fold over the next decade – reaching 20 GW by 2028 from 3.5 GW in 2019.”



Long-Term Rental Fleet Business Case

Hypothetical

Rental vs. Traditional Product Sale



Note: the above rental data is approximately equal to the average of our current rental fleet financial performance

Capstone Business Catalyst Summary

Capstone Green Energy (CGRN)

- ✓ New strategic business plan is creating a larger TAM.
- ✓ Continuing the expansion of the higher margin EaaS.
- ✓ Rentals expected to improve cash flow and margin rates.
- ✓ Revenue growth strategy in place.
- ✓ Direct Sales Solution team focused on top line revenue growth – Larger customers with larger rollouts.
- ✓ Strong Balance Sheet reduces customers' perception of project adoption risk and EaaS risk.
- ✓ Leveraging Network Partners.

Wood Mackenzie

“Energy storage is seeing a rapid increase because of lower battery cost and will be a \$7.6B annual market in 2025.”

Navigant Research

“Total microgrid capacity is expected to grow multi-fold over the next decade – reaching 20 GW by 2028 from 3.5 GW in 2019.”

A grayscale photograph of an industrial facility, likely a power plant or refinery. The scene is dominated by large, complex machinery with numerous pipes, valves, and structural supports. In the foreground, there are several large, rectangular units with the 'Clear & Green' logo and 'C-1000S' model number. The background shows large industrial buildings with corrugated metal roofs. The overall atmosphere is industrial and technical.

APPENDIX



Q3 FY22 vs. Q3 FY21 Financial Results

<i>(In millions)</i>	Q3 FY22	Q3 FY21
Microturbine Product and Accessories	\$12.3	\$12.8
Parts & Service	\$8.3	\$7.9
Total Revenue	\$20.6	\$20.7
Gross Margin	\$2.2	\$3.5
Gross Margin Percent	11%	17%
R&D Expenses	\$0.8	\$0.7
SG&A Expenses	\$5.3	\$4.9
Total Operating Expenses	\$6.1	\$5.6
Net Loss	\$(5.1)	\$(7.6)*
Adjusted EBITDA**	\$(3.0)	\$(1.3)

* Includes loss on extinguishment of debt of \$4.3 million

** Non-GAAP financial measure. See Appendix, Slide 14

YTD Q3 FY22 vs. YTD Q3 FY21 Financial Results

(In millions)	YTD FY22	YTD FY21
Microturbine Product and Accessories	\$29.2	\$26.6
Parts & Service	\$24.7	\$23.2
Total Revenue	\$53.9	\$49.8
Gross Margin	\$7.6	\$9.4
Gross Margin Percent	14%	19%
R&D Expenses	\$2.6	\$1.7
SG&A Expenses	\$17.1	\$13.2
Total Operating Expenses	\$19.7	\$14.9
Net Loss	\$(13.3) [^]	\$(13.6) [*]
Adjusted EBITDA ^{**}	\$(8.1)	\$(3.1)

[^] Includes gain on extinguishment of debt of \$2.6 million

^{*} Includes loss on extinguishment of debt of \$4.3 million

^{**} Non-GAAP financial measure. See Appendix, Slide 14

Select Balance Sheet & Cash Flow Items

<i>(In millions)</i>	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Cash & Cash Equivalents	\$31.3	\$38.3	\$49.2	\$49.5	\$32.0
Cash Provided by (Used in) Operating Activities for the Three Months Ended	\$(3.6)	\$(9.2)	\$(10.1)	\$5.1*	\$(3.3)
Accounts Receivable, Net of Allowances	\$26.8	\$25.4	\$23.9	\$20.6	\$19.1
Total Inventories	\$18.9	\$19.8	\$16.7	\$13.7	\$13.1
Accounts Payable & Accrued Expenses	\$26.3	\$24.8	\$22.4	\$19.8	\$14.6

*Includes \$5 million received from supplier legal settlement

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Reported Net Loss to EBITDA and Adjusted EBITDA (in thousands)	Three months ended December 31,		Nine Months ended December 31,	
	2021	2020	2021	2020
Net loss, as reported	\$ (5,146)	\$ (7,595)	\$ (13,322)	\$ (13,630)
Interest expense	1,287	1,230	3,800	3,835
Provision for income taxes	—	—	10	10
Depreciation and amortization	493	369	1,337	1,072
EBITDA	\$ (3,366)	\$ (5,996)	\$ (8,175)	\$ (8,713)
Gain on debt extinguishment	—	4,282	(1,950)	4,282
Additional PPP Loan forgiveness	—	—	(660)	—
Stock-based compensation and other expense	335	378	1,985	1,340
Legal settlements	—	—	750	—
Adjusted EBITDA	\$ (3,031)	\$ (1,336)	\$ (8,050)	\$ (3,091)

To supplement the company's unaudited financial data presented on a generally accepted accounting principles (GAAP) basis, management has presented Adjusted EBITDA, a non-GAAP financial measure. This non-GAAP financial measure is among the indicators management uses as a basis for evaluating the company's financial performance as well as for forecasting future periods. Management establishes performance targets, annual budgets and makes operating decisions based in part upon this metric. Accordingly, disclosure of this non-GAAP financial measure provides investors with the same information that management uses to understand the company's economic performance year-over-year.

EBITDA is defined as net income before interest, provision for income taxes, and depreciation and amortization expense. Adjusted EBITDA is defined as EBITDA before gain on debt extinguishment, additional PPP loan forgiveness, stock-based compensation and other expense, and legal settlements. Gain on debt extinguishment and additional PPP loan forgiveness relates to the Paycheck Protection Program loan forgiveness. Stock-based compensation and other expense represents expense related to stock issued to employees, directors, and vendors. Legal settlements represent legal settlements for employment related matters.

Adjusted EBITDA is not a measure of the company's liquidity or financial performance under GAAP and should not be considered as an alternative to, net income (loss) or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of its liquidity.

While management believes that the non-GAAP financial measure provides useful supplemental information to investors, there are limitations associated with the use of this measure. This measure is not prepared in accordance with GAAP and may not be directly comparable to similarly titled measures of other companies due to potential differences in the method of calculation. Management compensates for these limitations by relying primarily on the company's GAAP results and by using Adjusted EBITDA only supplementally and by reviewing the reconciliation of the non-GAAP financial measure to its most comparable GAAP financial measure.

Non-GAAP financial measures are not in accordance with, or an alternative for, generally accepted accounting principles in the United States. The company's non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures and should be read only in conjunction with the company's consolidated financial statements prepared in accordance with GAAP.



**Time to take the power
in your hands.**

www.capstonegreenenergy.com



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Clients come to us looking to meet a new environmental, social and governance standard, or maybe they simply want to attain a LEED green building certification. At Capstone Green Energy, we provide thoughtful custom solutions to improve their cost of on-site energy and reduce their carbon footprint, while also providing critical energy resiliency. Businesses shouldn't wait for the government to make them innovate or let the competition innovate first. Businesses need to take control of their energy future now because with Capstone Green Energy, the power is in their hands.

DARREN R. JAMISON
President & CEO