

October 5, 2020



# Capstone Turbine (NASDAQ:CPST) Upsizes Its Current \$30M Note to \$50M at a Reduced Rate

## *Proceeds for Increasing the Rental Fleet to 21 MW and General Corporate Purposes*

**VAN NUYS, CA / ACCESSWIRE / October 5, 2020** /Capstone Turbine Corporation ([www.capstoneturbine.com](http://www.capstoneturbine.com)) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it entered into an amended Note Purchase Agreement (NPA), dated October 1, 2020. Under the NPA, the Company issued \$20 million in additional senior secured notes, now totaling \$50 million. All \$50 million will now bear an interest at LIBOR Rate plus 8.75% per annum, payable on the last day of each interest period. The entire principal amount under the NPA is due and payable on October 1, 2023.

Under the new NPA, Capstone agrees to use the \$20 million of net proceeds to expand its high-margin, long-term rental fleet from today's 8.6 MW to 21 MW and for general corporate purposes. Expanding Capstone's aftermarket business, which includes the new long-term rental program, is an important element for the Company to achieve its near-term profitability goal.

"We have worked diligently over the last 18 months to increase our focus on developing an Energy as a Service (EaaS) business around our core microturbine technology. As we continue to execute on this EaaS strategy, it should lead to more predictable and stable cash flow, despite product orders and backlog experiencing variability quarter to quarter," said Darren Jamison, Capstone's President and Chief Executive Officer.

"We recently delivered a positive adjusted EBITDA quarter despite COVID-19, which acutely demonstrated the importance and positive impact EaaS could have on profitability during difficult economic conditions. Increasing our long-term rental fleet from today's 8.6 MW to 21 MW with support from Goldman Sachs will help us continue to execute our EaaS strategy," concluded Mr. Jamison.

The NPA contains customary covenants, including, among others requiring the Company to expand its long-term rental fleet by at least 6.25 MW by the 9-month anniversary of the closing date and 12.5 MW by the 18-month anniversary of the closing date. The NPA also includes financial covenants with respect to the Company's consolidated liquidity and consolidated adjusted EBITDA.

Additional details of the NPA can be found in the Company's Form 8-K filed today with the United States Securities and Exchange Commission.

## **About Capstone Turbine Corporation**

Capstone Turbine Corporation ([www.capstoneturbine.com](http://www.capstoneturbine.com)) (NASDAQ:CPST) is the world's leading producer of highly efficient, low-emission, resilient microturbine energy systems. Capstone microturbines serve multiple vertical markets worldwide, including natural resources, energy efficiency, renewable energy, critical power supply, transportation and microgrids. Capstone offers a comprehensive product lineup, via our direct sales team, as well as our global distribution network. Capstone provides scalable solutions from 30 kW to 10 MWs that operate on a variety of fuels and are the ideal solution for today's multi-technology distributed power generation projects.

For customers with limited capital or short-term needs, Capstone offers rental systems; for more information, contact: [rentals@capstoneturbine.com](mailto:rentals@capstoneturbine.com). To date, Capstone has shipped nearly 10,000 units to 83 countries and in FY20, saved customers an estimated \$219 million in annual energy costs and 368,000 tons of carbon.

For more information about the company, please visit [www.capstoneturbine.com](http://www.capstoneturbine.com). Follow Capstone Turbine on [Twitter](#), [LinkedIn](#), [Instagram](#), [Facebook](#) and [YouTube](#).

## **Forward-Looking Statements**

This press release contains "forward-looking statements," as that term is used in the federal securities laws. Forward-looking statements may be identified by words such as "expects," "believes," "objective," "intend," "targeted," "plan" and similar phrases. These forward-looking statements are subject to numerous assumptions, risks and uncertainties described in Capstone's filings with the Securities and Exchange Commission that may cause Capstone's actual results to be materially different from any future results expressed or implied in such statements. Capstone cautions readers not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Capstone undertakes no obligation, and specifically disclaims any obligation, to release any revisions to any forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

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