

June 14, 2018



# Capstone Continues to Pursue Its Environmental, Social, and Governance Focus and Sustainability Footprint Philosophy

VAN NUYS, Calif., June 14, 2018 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation ([www.capstoneturbine.com](http://www.capstoneturbine.com)) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems today is providing an update to shareholders on its focus on the Environmental, Social, and Governance (ESG) principals as part of its ongoing effort to improve transparency and corporate responsibility.

"Last week, we reported another successful quarter achieving our second consecutive quarter of positive adjusted EBITDA and on an annual basis adjusted EBITDA improved 76%, and our net loss dropped 60%. As the business returns to growth and we approach our goal of near-term profitability, we want to ensure that we not only achieved our financial goals but also continue to focus on our responsibility as a corporate citizen and maintain strong values that include the primary framework of ESG principals and standards," said Darren Jamison, President and Chief Executive Officer of Capstone.

"We manufacture clean and green products, but as a company, we want to do our part to limit our environmental risks, energy consumption, waste disposal and carbon footprint. We continue to focus on our relationship with our employees with several initiatives related to employee health and well-being, and to evaluate how our supplier relationships align with our corporate values," added Mr. Jamison.

## Environmental Impact

The California Air Resources Board (CARB) has acknowledged Capstone's Signature Series C200S and C65 energy systems meet CARB 2007 Fossil Fuel emissions standards, the most stringent emissions requirements for distributed generation equipment in the world. Capstone's proprietary microturbine technology helps customers achieve environmental benefits by utilizing an ultra-lean premix fuel injection technology to minimize criteria pollutants in the engine exhaust that meet tight emissions standards, thereby reducing pollutants released into the environment.

When used in combined heat and cooling or CHP applications, the efficiency of the overall microturbine solution can be 70 to 90 percent. This is significantly better than traditional

centralized fossil fuel electricity generation and local heating or cooling equipment, thereby reducing greenhouse gas emissions. Capstone microturbine solutions allow customers to reduce their carbon footprint and help them achieve their overall sustainability objectives. Furthermore, the microturbines can also operate on a variety of different waste fuels which can reduce air pollution associated with flares or release of waste gasses directly into the atmosphere.

“The ISO 14001 standards, to which Capstone was first certified over ten years ago, help Capstone work toward our eventual goal of a zero-waste facility. It is our overarching goal to ensure that the process and procedures that produce our products are also protecting our environment and the ISO 14001:2015 standards help to provide our organization with a guideline on which to design our internal processes,” said Kirk Petty, Vice President of Manufacturing at Capstone.

### **Social Responsibility**

“At Capstone we believe that we have a social responsibility to all of the stakeholders, including the community around us and our employees. Specifically, we developed the *Capstone Cares* program as an important initiative which Capstone employees work collaboratively to have a positive impact on our local community,” said Mr. Jamison. “As the viability of Capstone improves, we want to take this positive community impact from a local level to a global level by providing energy and clean water with Capstone microturbines to other parts of the world. A reported 1.3 billion people lack access to electricity today with more than 600 million in sub-Saharan Africa, and more than 300 million in India,” added Mr. Jamison.

The company through its *Capstone Cares* program participates in Red Cross blood drives, building homes in the community in conjunction with Habitat for Humanity, conducts book drives, food drives and an annual *Spark of Love* toy drive with the local fire protection districts. Recently as the company successfully consolidated its two facilities into one, it was faced with an abundance of office furniture that was no longer needed. Therefore, the company donated truckloads of office furniture to the Los Angeles Unified School District so that it may be used in schools throughout the local community. Capstone has taken these core principals and also applied them to create a positive work environment for its employees that focuses not only on providing a fun and safe working environment, but also a workplace that encourages a healthy lifestyle through its regular CEO 10,000 Step Challenge, health and lifestyle expo, 1x1 walking meetings, and the new Capstone Commons outdoor employee recreation and relaxation area which provides for a higher quality work environment.

“We will continue to expand our efforts as a corporation to have a positive impact on the community around us. Our over 9,000 microturbines shipped around the world play an important role in improving the global environment and, as a company, we look forward to the day we can not only help our local community but do more around the world similar to some of the great well-known socially responsible companies. Our employees are very excited about the opportunity to expand our outreach as Capstone grows and becomes more sustainable and capable,” said Mr. Jamison.

### **Governance and Transparency**

Governance and transparency are core aspects of a successful business and Capstone conducts an ongoing program to maintain that focus beginning with an active and independent Board of Directors. With the exception of Mr. Jamison, Capstone's CEO, the entire board is comprised of outside and independent members. Furthermore, in an effort to provide a new and independent perspective, the Board of Directors has undertaken a director refresh program that has rotated in a new board member in each of the past three years and plans are to continue this refresh in the future.

Mr. Jamison concluded, "We have come a long way in the past year in reaching many of our financial goals, as we reached positive adjusted EBITDA two consecutive quarters, positive cash flow from operating activities, record total gross margins of 23%, record service revenue and record service gross margins of 45%. However, as proud as we are to have reached our initial financial goals, we are still only in the initial stages of our financial and ESG efforts and plans. It is important that we achieve not only our financial goals but also that we achieve them in a manner that reflects our social responsibilities as an organization and our desired Capstone culture."

### **About Capstone Turbine Corporation**

Capstone Turbine Corporation ([www.capstoneturbine.com](http://www.capstoneturbine.com)) (Nasdaq:CPST) is the world's leading producer of low-emission microturbine systems and was the first to market commercially viable microturbine energy products. Capstone has shipped over 9,000 Capstone Microturbine systems to customers worldwide. These award-winning systems have logged millions of documented runtime operating hours. Capstone is a member of the U.S. Environmental Protection Agency's Combined Heat and Power Partnership, which is committed to improving the efficiency of the nation's energy infrastructure and reducing emissions of pollutants and greenhouse gases. A DQS-Certified ISO 9001:2015 and ISO 14001:2015 certified company, Capstone is headquartered in the Los Angeles area with sales and/or service centers in the United States, Latin America, Europe, Middle East and Asia.

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

"Capstone" and "Capstone Microturbine" are registered trademarks of Capstone Turbine

Corporation. All other trademarks mentioned are the property of their respective owners.

CONTACT:

Capstone Turbine Corporation

Investor and investment media inquiries:

818-407-3628

[ir@capstoneturbine.com](mailto:ir@capstoneturbine.com)

Integra Investor Relations

Shawn M. Severson

415-226-7747

[cpst@integra-ir.com](mailto:cpst@integra-ir.com)



Source: Capstone Turbine Corporation