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Capstone Executes Another 2 MW Long-Term Service Contract in Mexico Bringing The Total Mexican Microturbine Fleet Under Coverage to a Record 18.2 MW's

VAN NUYS, CA / ACCESSWIRE / January 23, 2020 /Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that DTC Ecoenergia (DTC) (www.dtc.mx), a top Capstone distributor for Mexico, signed a new Factory Protection Plan (FPP) long-term service contract for 2 megawatts (MW) of Capstone microturbines installed in Mexico.

Commissioned in April 2015, the Capstone microturbines are installed at a large automotive manufacturing facility for electronic components and lighting systems. The systems will be used for peak shaving and power-generation only at this time. This end-use customer employs more than 3,000 people with six production plants and takes pride in being at the forefront of major trends in the automotive industry that include the environment, safety and comfort. The 5-year FPP provides complete service coverage, including scheduled and unscheduled maintenance.

In adding these 2 MWs, DTC has increased their fleet coverage under FPP to a record 18.2 MW. The growth of Capstone's global long-term FPP service contract business is critical as it provides reoccurring revenues and higher margins. Growth of this industry-leading service business along with the Capstone factory long-term rental fleet program are critical initiatives as Capstone looks to migrate towards an energy as a service business model, which the company believes is an exceptional fit because of the inherent reliability and longevity of the air bearing equipped microturbine energy systems.

"DTC continues to do an outstanding job by adding new customers and converting existing time and material (T&M) customers over to the Capstone industry-leading long-term service contracts within their growing fleet," said Jeff Foster, Capstone's Senior Vice President of Customer Service and Product Development. "Our highly profitable aftermarket service sector, driven by the recently updated FPP product, is a key element of our near-term positive Adjusted EBITDA plan and for Capstone's long-term profitability," added Mr. Foster.

Capstone's innovative FPP is a comprehensive maintenance program designed to give financial peace of mind to microturbine customers by providing product life cycle costs at a fixed rate for both scheduled and unscheduled maintenance for the life of the microturbine system. Additionally, the recently updated FPP protects microturbine customers from potentially dramatic future increases in life cycle costs associated with changes in replacement spare parts pricing, commodity price increases, import tariffs, and interest rate

changes.

"Our entire aftermarket business, including long-term FPP service contracts, as well as new long-term microturbine rentals and T&M spare parts and service support, continues to grow. This latest contract win adds to the validation of the strengthening market adoption of our first-class aftermarket services," stated Darren Jamison, Capstone's President and Chief Executive Officer. "The 2 MW CHP installation, now with its new 5-year FPP, is expected to benefit both Capstone and the end-use customer jointly over the life of the project, making it truly a long-term win-win energy partnership," concluded Mr. Jamison.

About Capstone Turbine Corporation

Capstone Turbine Corporation (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, providing scalable systems focusing on 30 kW to 10 MWs that operate on a variety of gaseous or liquid fuels and are the ideal solution for today's distributed power generation needs. To date, Capstone has shipped over 9,000 units to 73 countries and have saved customers an estimated \$253 million in annual energy costs and 350,000 tons of carbon.

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