Capstone® Turbine Corporation

INVESTOR RELATIONS PRESENTATION

October 2020

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 Turbine 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. Factors that could cause actual results to differ from those projected include, but are not limited to: the impact of the COVID-19 pandemic on our business, results of operations and financial condition; failure to sustain or grow profitability or generate positive cash flows; failure to effectively introduce and market new products; delays in product introductions; significant competition; inability to further penetrate our current customer base, expand our user base and increase the frequency of use of our products by our customers; inability to achieve or maintain satisfactory pricing and margins; manufacturing difficulties; product defects or failures; potential adverse regulatory actions, and general market, political, economic and business conditions.

Further information on these and other factors that could affect the Company's financial results is included in the reports on Form 10-K, Quarterly Reports on Form 10-Q and other periodic 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 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.

COVID-19 & The Changing Global Energy Markets

COVID-19 and the Imminent Change In Global Energy

"Change is the law of life. And those who look only to the past or the present are certain to miss the future."

John F. Kennedy

COVID-19 Pandemic Highlights the Impact Mankind Has on the Planet

Making Green Being Green

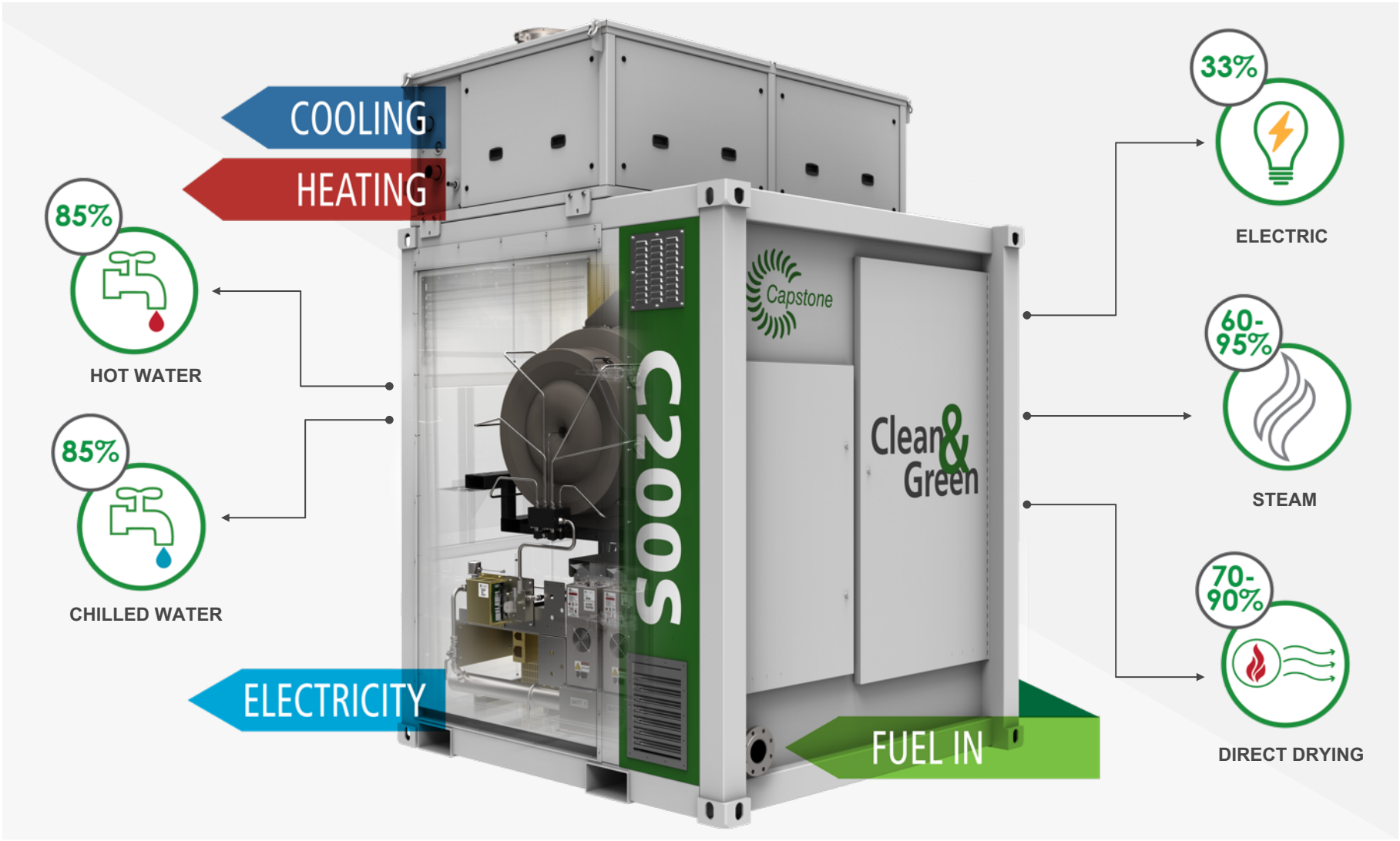
DID YOU KNOW?

In FY19 and FY20, Capstone customers benefited from:

- **718,000 TONS** of Carbon Savings
- **Half a Billion** in Financial Savings

30% of Population is the First Generation to Have Grown Up With Climate Change

Energy Efficient Green Products



Capstone Turbine Advantages

FEATURES & BENEFITS

Low Emissions
No exhaust aftertreatment

Patented Air Bearing Technology
No lubricants or coolants needed

Inverter Based w/ One Moving Part
Low operating costs

High Power Density
Compact footprint, small modular design

Stand Alone Or Grid Connect
Supports aging utility infrastructure

Fuel Availability
Operates on gaseous, renewable, and liquid fuels

Free Clean Waste Heat
Thermal energy for cogeneration/trigeneration

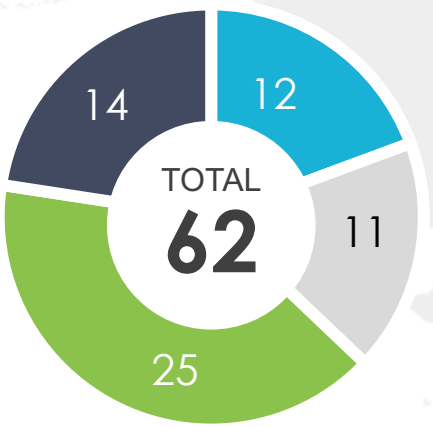
Remote Monitoring
View performance and diagnostics 24/7

Scalable To Match Demand
Multiple applications and industries

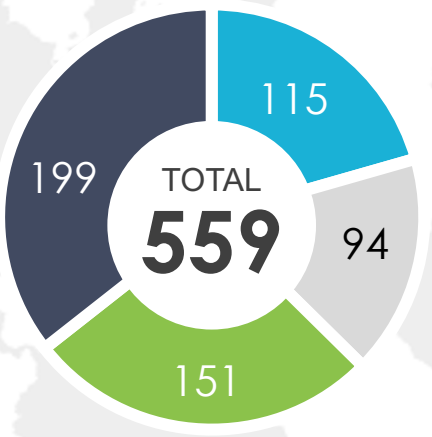
Potential Emissions Credits
Offset project costs

Global Distribution Network

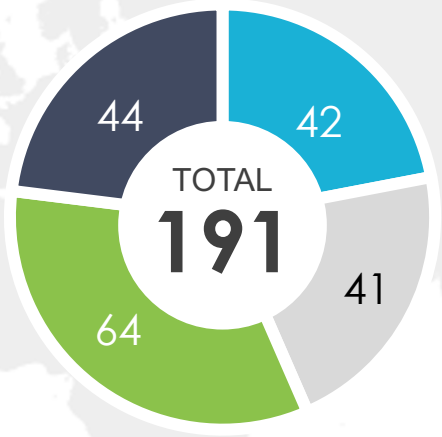
DISTRIBUTORS



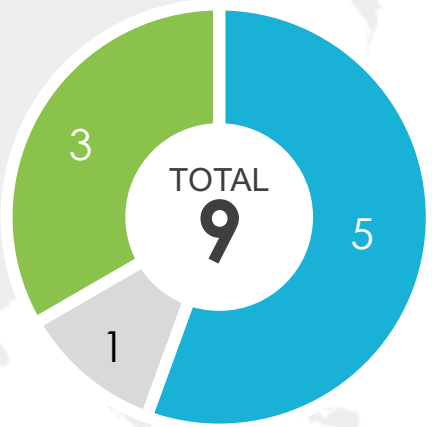
DISTRIBUTOR EMPLOYEES



DISTRIBUTOR LOCATIONS



NA/OEMS



U.S./CANADA CARIBBEAN

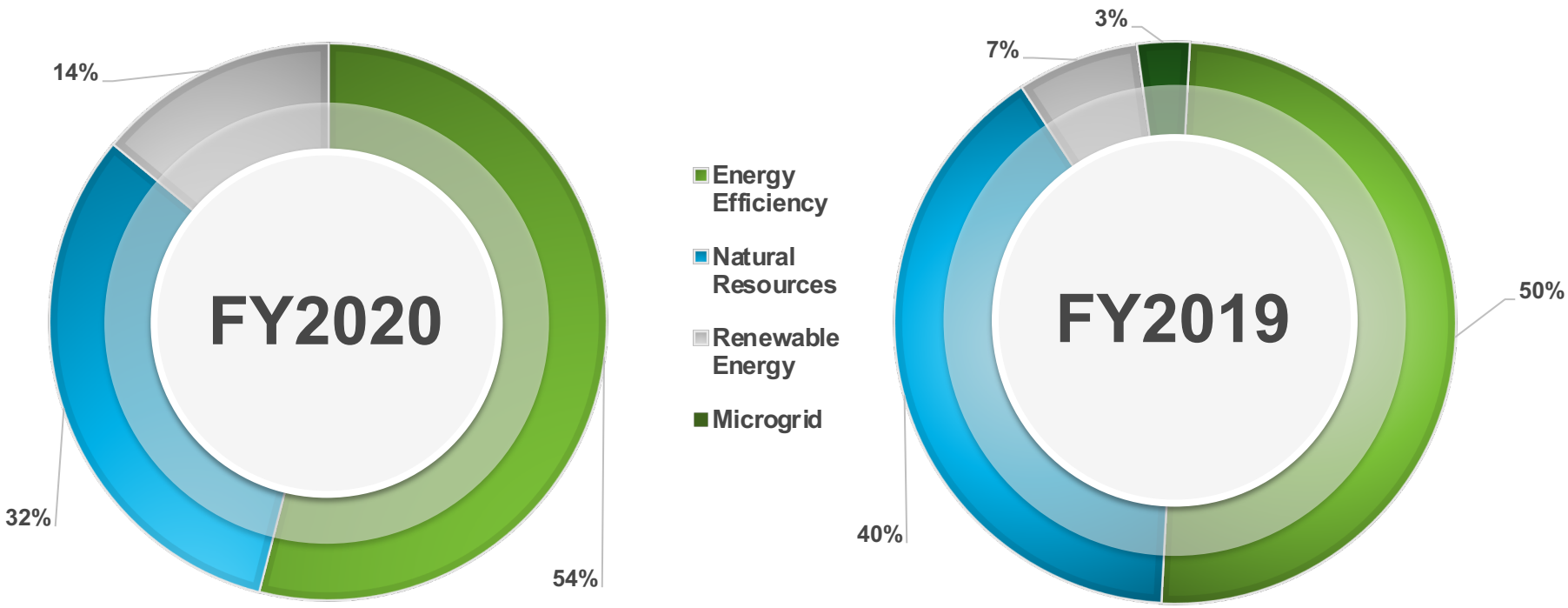
LATIN AMERICA

EMEA

APAC/ RUSSIA

Note: The above employee and location figures are based on data provided by distributors and have not been independently verified.

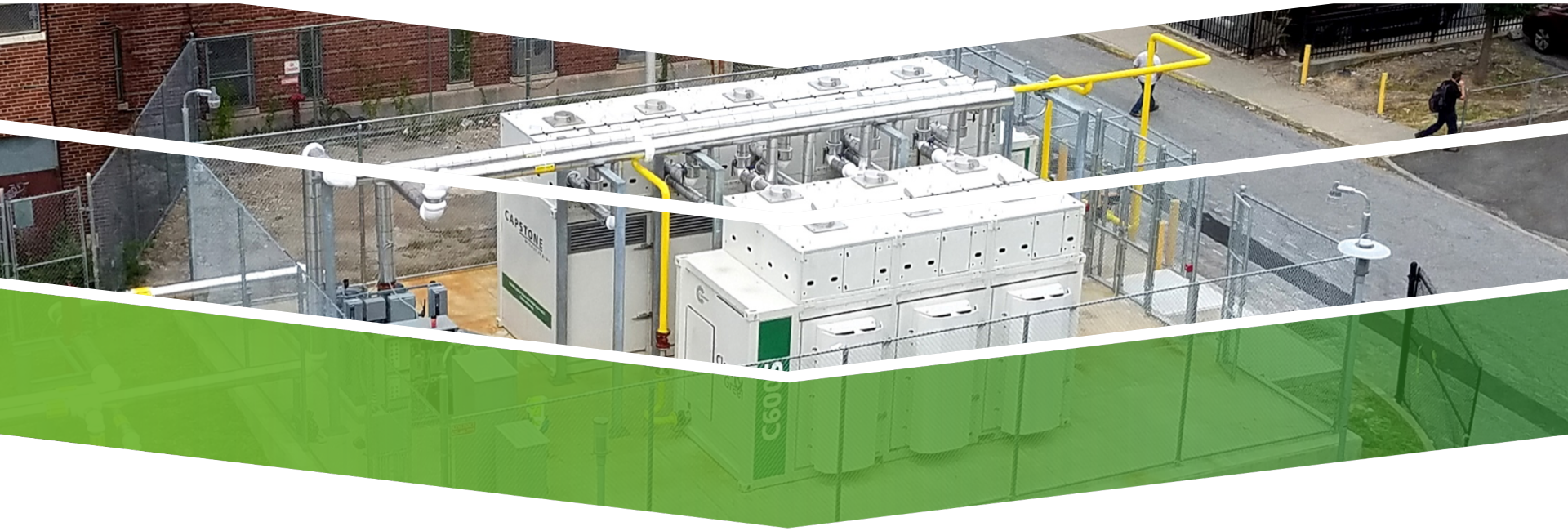
Energy Efficiency & Renewables Continue to Expand Globally



Energy Efficiency Expands to 54% - Renewable Energy Expands to 14%

Notable Recent Events

- **October 5, 2020:** Capstone upsizes its current Goldman Sachs $30M note to $50M at a reduced rate
- **October 2, 2020:** Capstone posts positive Cash from Operations as Total Cash on hand increases to $16.7M in Q2 from $16.2M in Q1
- **September 30, 2020:** Capstone secures a major 4 MW Energy Efficiency order for a Las Vegas Casino development project
- **September 21, 2020:** Capstone receives orders for 10 C65 microturbines as European Market continues strong rebound
- **September 17, 2020:** Capstone secures follow-on microturbine order for plastics manufacturing facility in Canada
- **September 10, 2020:** Capstone secures 5 year long-term FPP Service Contract as Asia Pacific region begins recovery
- **September 9, 2020:** Capstone secures a 1.2 MW order as the European energy efficiency market continues to rebound
- **September 3, 2020:** Capstone executes another 5 year long-term FPP Service Contract in Italy, as Europe rebounds
- **September 1, 2020:** Capstone secures 400-Kilowatt order from KO-SI d.o.o. – A natural textile manufacturer in Slovenia
- **August 24, 2020:** Capstone announces significant progress in microturbine Hydrogen testing



POSITIVE ADJUSTED EBITDA INITIATIVE

Darren Jamison

Nasdaq: CPST

Positive Adjusted EBITDA Initiative

PHASE 1

- Dramatically lower operating expenses
- Reduce direct material costs $3M annually
- Cut annual R&D spend by approximately 25%, delaying all non-essential product development
- Expand long-term microturbine rental fleet from current 8.6MW up to 10 MW with 85% utilization
- Increase aftermarket spare parts margins with newly upgraded United Kingdom Integrated Remanufacturing Facility (IRF)
- Improve product reliability and drive warranty expenses from 3% down to below 1%

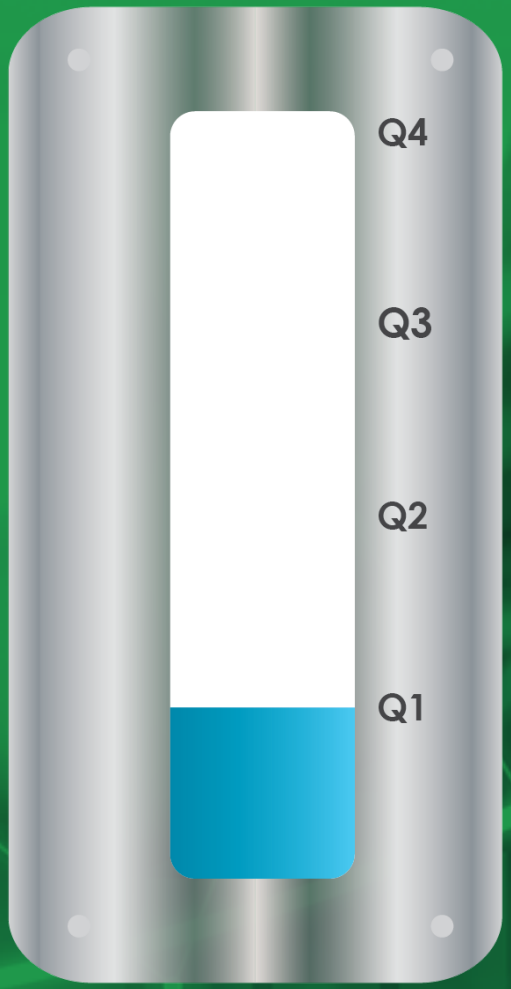
PHASE 2

- Help key distributors achieve higher Factory Protection Plan (FPP) service contract attachment rates from 38% to 45%
- Increase distributor management and push performance to produce near-term product backlog and revenue growth
- Hire additional salespeople for National Account development to drive incremental business for Capstone

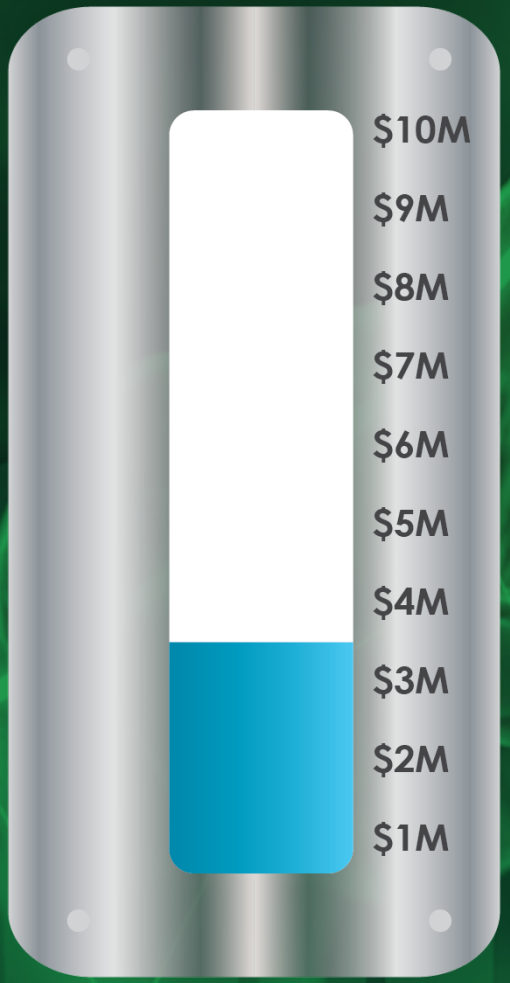
Adjusted Positive EBITDA Goal Achieved in Q1 as Forecasted

Annual Adjusted EBITDA Goal

Quarter-To-Date



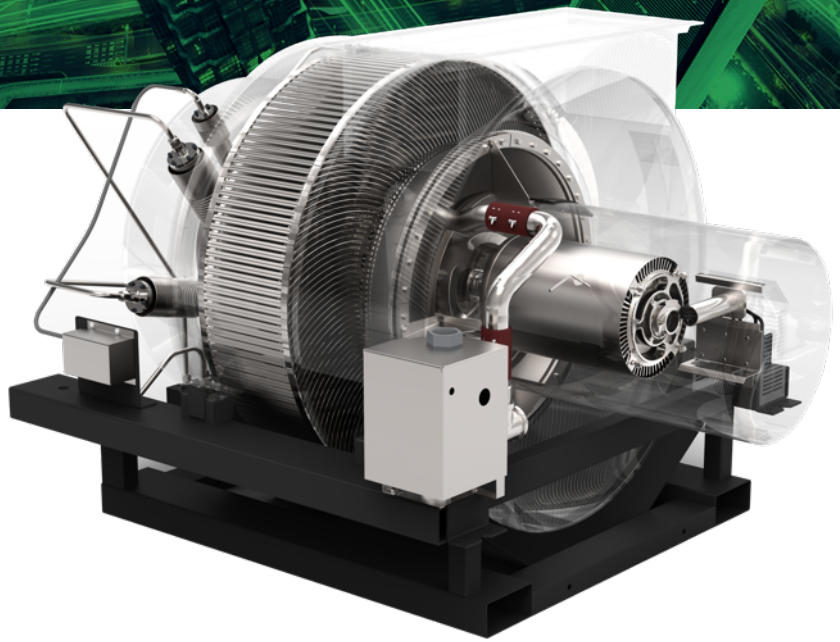
Y/Y Improvement



Post COVID-19 Growth Catalysts

CATALYSTS FOR GROWTH

- Focus On Reducing Cost
- Low Cost Natural Gas
- Microgrid Adoption
- Federal & State Subsidies
- New Engine Emissions



- Green Building (LEED)
- Severe Weather
- Electrification
- Gas Flaring Regulations
- Crude Oil Prices

Positive *Neutral* *Negative*

FY2021 Revenue Growth Strategy

Direct Sales, National Accounts, Expanded Product Portfolio on New Fuels, Strategic Partnerships, Rentals, OEM like 24/7 Solar, B+K

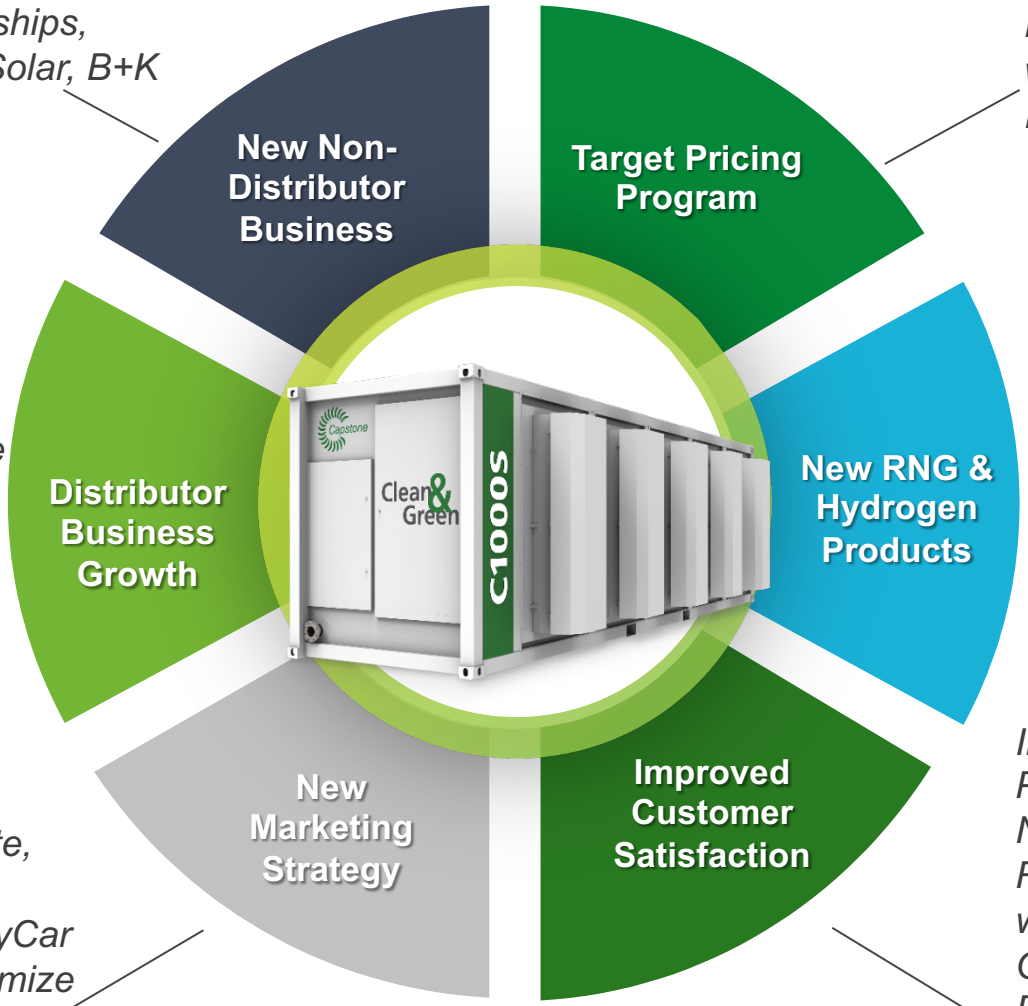
Implementation of Target Pricing Programs for Key National Accounts, OEMs with Existing Capstone Installations

Expanded Distribution in New Geographies like Eastern Europe, Africa and the Middle East

New RNG and Hydrogen Product Released with a goal of Operating on 100% Hydrogen in 18 months

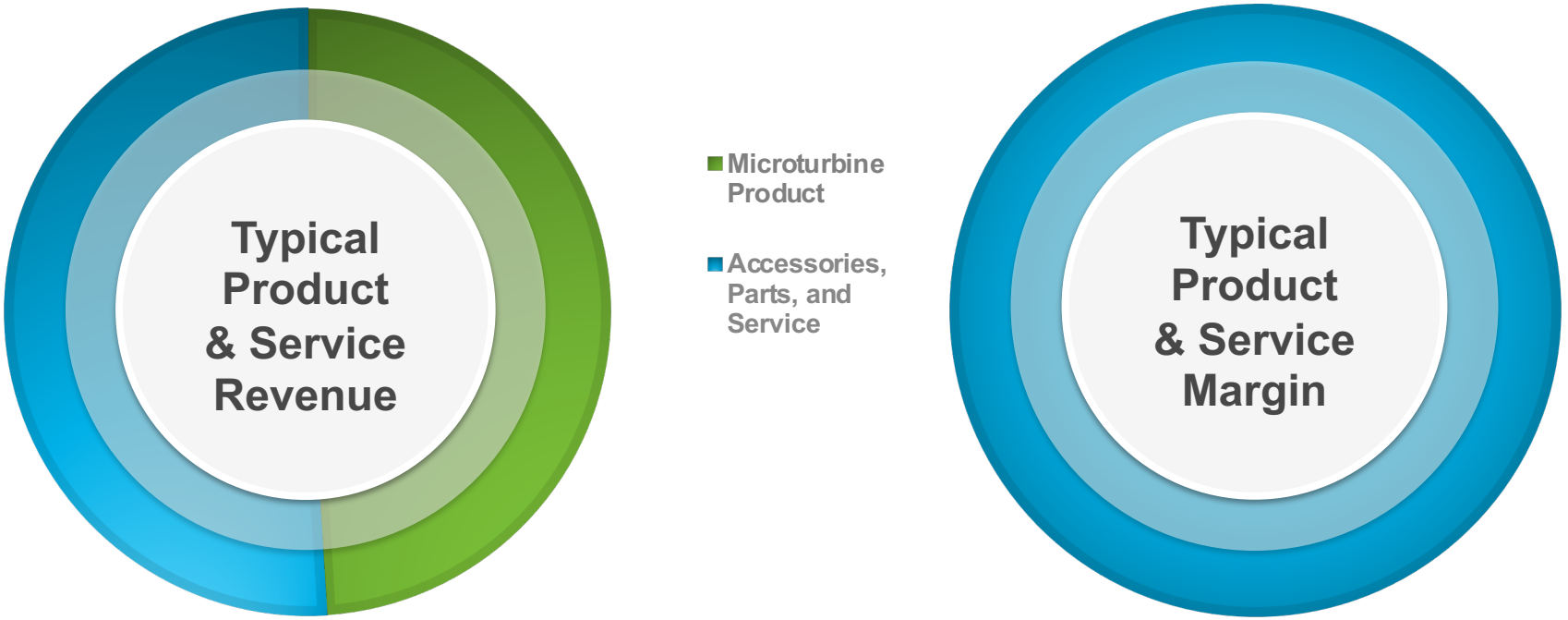
New Digital Marketing Strategy, Website Update, Customized Campaigns Targeted by Market, IndyCar Branding Strategy. Maximize B2B and Marketing IRR

Improving C200/C1000 Product Performance with New Parts Suppliers. Replacing Legacy Supplier with Poor Manufacturing Quality. Improving Reliability, Lower Warranty and FPP Costs.



Service Business Drives EBITDA

Clean, Efficient, Reliable Low Margin Product Sales Drives High Margin Service Enterprise



FY2020 Capstone Aftermarket Service Business Was 51% of Revenue, But 100% of Margin

FY2021 BUSINESS GOALS

Top 4 Critical Short-Term Goals

Employee Health and Safety

COMPLETED

Increase Liquidity and Improve Working Capital

COMPLETED

Business Continuity for Essential End Use Customers

COMPLETED

Positive Adjusted EBITDA in June Quarter

COMPLETED

Capstone Achieved its Top 4 Critical Short-Term Goals

New FY2021 Business Goals

$10M+ GOAL

Of Y/Y Adj. EBITDA Improvement

"The pandemic has undeniably been challenging, but it did afford us a unique opportunity to thoroughly reevaluate every aspect of our strategic business plan and make the tough, but necessary, adaptations so that we were able to support our long-term goals, and most importantly we have an opportunity to emerge from this global crisis as a stronger and more resilient business than before."

- Darren Jamison

6x

INVENTORY TURNS

10 MW

RENTALS

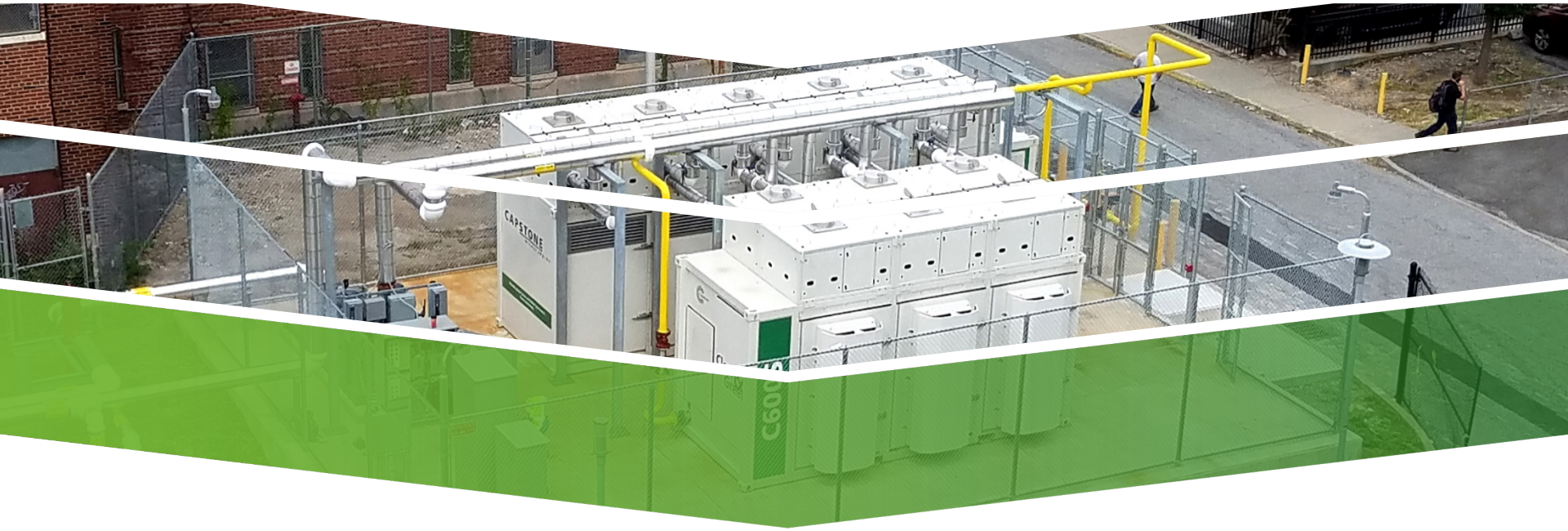
22%

GROSS MARGIN

15%

DIRECT SALES

Guidance Subject to Change Based on Future Economic & COVID-19 Developments



HYDROGEN PRODUCT DEVELOPMENT

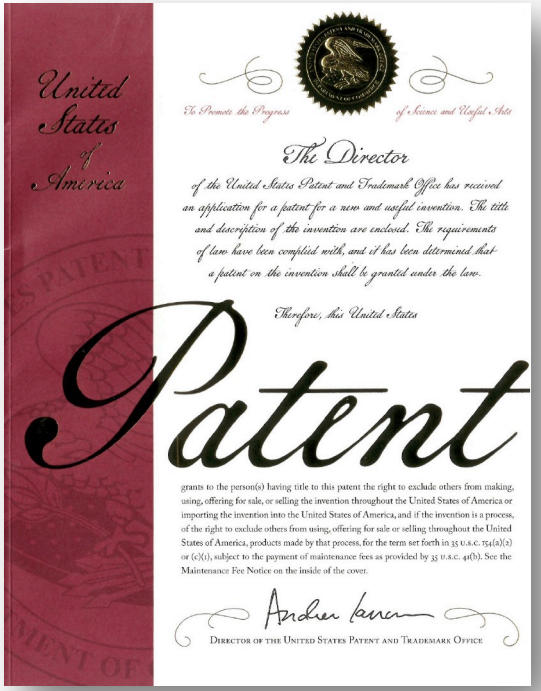
Darren Jamison

New Hydrogen Fueled Products

HYDROGEN

Capstone now offers renewable power with the use of up to 20% Hydrogen in our product line of microturbines as a fuel source. Today we have successfully operated on a blend of natural gas and hydrogen and a newly patented injector.

HYDROGEN


United States of America

To Promote the Progress of Science and Useful Arts

The Director

of the United States Patent and Trademark Office has received an application for a patent for a new and useful invention. The title and description of the invention are enclosed. The requirements of law have been complied with, and it has been determined that a patent on the invention shall be granted under the law.

Therefore, this United States

Patent

grants to the person(s) having title to this patent the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States of America or importing the invention into the United States of America, and if the invention is a process, of the right to exclude others from using, offering for sale or selling throughout the United States of America, products made by that process, for the term set forth in 35 U.S.C. 154(a)(2) or (c)(1), subject to the payment of maintenance fees as provided by 35 U.S.C. 41(b). See the Maintenance Fee Notice on the inside of the cover.

Director of the United States Patent and Trademark Office

New Patent 10,184,664, is for a multiple-fuel capable, pre-mixed, low emission injector for high flame speed fuel combustion for Hydrogen and Renewable Natural Gas (RNG). Plans are in place to release a commercial 100% hydrogen fuel capable microturbine over the next couple of years.

New Hydrogen Brochures

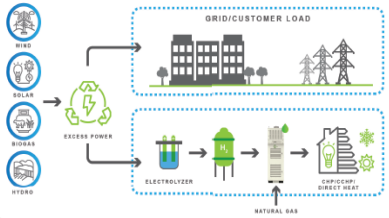
ZERO CARBON ROADMAP

CAPSTONE TURBINE HYDROGEN MICROTURBINES

As a thought-leader in the energy sector, Capstone recognized years ago that hydrogen would play an important role as a key part of the future of renewable, green energy landscape.

Hydrogen microturbines are the perfect complement for the intermittent nature of wind and solar power, making them an ideal component of the modern clean and green microgrid. When renewable energy production exceeds demand, excess energy can be used to power the production of storable, renewable hydrogen energy. Stored hydrogen provides a convenient, high-density fuel source that can be used as carbon-free fuel for Capstone's microturbines. As a decentralized energy source, microturbines can be located on-site where hydrogen can be produced and stored locally, in advance of the need for costly distribution, which may take many years to develop.

Capstone's hydrogen microturbine product will offer a more cost competitive 100% hydrogen solution with as good or better performance and superior lifecycle costs. In addition, Capstone's industry-leading combined heat and power (CHP) capability provides further advantages compared to electric-only fuel cells as microturbines offer a source of on-site thermal energy, optimizing the return on investment (ROI) for customers. A green energy solution that provides a real return financially is a very attractive offering in today's increasingly ESG-focused world.



Green Hydrogen is made by using clean electricity from renewable energy sources to power the electrolysis of water (H2O).

HYDROGEN FAQ

- **What hydrogen blended fuels can Capstone microturbines use?**
  Currently, Capstone microturbines can be operated on hydrogen / natural gas blends. The current limit in the fuel specification is 1%, however, Capstone has been permitting up to 10% hydrogen volume blended with natural gas. Capstone has been working with the DOE Argonne National Lab (ANL) and University of California Irvine (UCI) to advance system testing. At ANL, the C65 has been able to operate on up to 70% hydrogen without modification. Additional work is scheduled to evaluate the C200, and to validate performance over a variety of environmental conditions, operating profiles, and system configurations. Syngas, which is typically a blend of hydrogen, CO, and CO_2, will also be considered as Capstone progresses to 100% hydrogen operation.

- **What is the fuel consumption rate for hydrogen to reach rated power outputs?**
  Fuel consumption for a C200 system will continue to be 2400 MJ/hour as this is what is needed to produce the power. The difference will be in the mass and volumetric flow rates of hydrogen, which will govern the size of fuel delivery equipment and storage requirements, if necessary. As a rule of thumb, the mass flow rate of hydrogen will be a third of that natural gas, while the volumetric flow rate will be higher, typically at 3 times natural gas.

- **What safety measures are in place when hydrogen is all or part of the fuel composition?**
  For hydrogen blends up to 10% by volume, there are no expected changes required and the system may be used as currently manufactured by Capstone. As we work with higher levels of hydrogen, we have to be conscientious of the safety aspects, reviewing fuel inlet hardware, system controls, and package ventilation. Our work with national and university research partners will provide valuable insight as industry standards and best practices are developed.

- **How does the use of hydrogen impact maintenance schedules?**
  There are no anticipated changes to maintenance schedules for systems operating on hydrogen and natural gas blends. For full hydrogen operation, scheduled maintenance will be defined as part of the validation and field trial stages. To keep Capstone equipment as consistent as possible, the objective will always be to minimize the number of new components, as well as maintaining our already very minimal service schedules. However, we do recognize the challenges hydrogen presents when used in a system that operates in the many different global applications available.

Distributor Education

- **What is the cost of the hydrogen fueled product?**
  100% hydrogen systems pricing will be based on the necessary changes we determine during final design for manufacturing, but is expected to only be nominally higher due to increased need for safety and monitoring required. Hydrogen/natural gas blend systems will be built as Capstone's standard, high pressure natural gas systems. Pricing is expected to be consistent with that product line.

- **When will the 100% hydrogen C65/200/1000 be available?**
  Further testing is already planned with our patented hydrogen injectors after which we expect to continue testing with greater levels of hydrogen up to 100%. The current plan has a 100% hydrogen product available for sale in the latter half of calendar year 2022.

Capstone

Call us (toll free) 1.866.422.7786 | Tel: 1.818.734.5300 | www.capstoneturbine.com

C65 Microturbine

High-pressure Pure Hydrogen

Capstone

Achieve ultra-low emissions and reliable electrical generation from pure hydrogen.

- One moving part – minimal maintenance and downtime
- Patented air bearings – no lubricating oil or coolant
- Integrated utility synchronization – no external switchgear
- Compact modular design allows for easy, low-cost installation
- Multiple units easily combined – act as single generating source
- Remote monitoring and diagnostic capabilities
- Proven technology with tens of millions of operating hours
- Various Factory Protection Plans available

C65 Microturbine

Electrical Performance[1]

Electrical Power Output	65kW
Voltage	400/480 VAC
Electrical Service	
Frequency	
Electrical Efficiency LHV	

Fuel/Engine Characteristics[1]

Pure Hydrogen	
Inlet Pressure	
Fuel Flow HHV	
Net Heat Rate LHV	

Exhaust Characteristics[1]

NO_x Emissions @ 15% O_2	
Exhaust Mass Flow	
Exhaust Gas Temperature	

Dimensions & Weight[2]

Width x Depth x Height[60]	
Weight - Grid Connect Model	
Weight - Dual Mode Model	

Reliable power

C1000S Megawatt Power Package

Hydrogen

Capstone

The Signature Series Microturbine provides 1MW of reliable electrical power in one small, ultra-low emission, and highly efficient package.

- Ultra-low emissions
- One moving part – minimal maintenance and downtime
- Patented air bearings – no lubricating oil or coolant
- Integrated utility synchronization – no external switchgear
- Compact modular design allows for easy, low-cost installation
- High electrical efficiency over a very wide operating range
- High availability – part load redundancy
- Remote monitoring and diagnostic capabilities
- Proven technology with tens of millions of operating hours
- Various Factory Protection Plans available

C1000S Power Package

Electrical Performance[1]

Electrical Power Output	1000kW
Voltage	400/480 VAC
Electrical Service	3-Phase, 4 Wire Wye
Frequency	50/60 Hz
Electrical Efficiency LHV	33%

Fuel/Engine Characteristics[1]

Hydrogen HHV	12.1 MJ/m³ (324 BTU/scf) nominal
Inlet Pressure	517–551 kPa gauge (75–80 psig)
Fuel Flow HHV	12,000 MJ/hr (11,400,000 BTU/hr)
Net Heat Rate LHV	10.9 MJ/kWh (10,300 BTU/kWh)

Exhaust Characteristics[1]

Exhaust Mass Flow	6.7 kg/s (14.7 lbm/s)
Exhaust Gas Temperature	280°C (535°F)

Dimensions & Weight[2]

Width x Depth x Height	3.0 x 9.1 x 3.0 m (117 x 360 x 119 in)
Weight - Grid Connect Model	17,100 kg (37,700 lbs)
Weight - Dual Mode Model	20,650 kg (45,500 lbs)

Reliable power when and where you need it. Clean and simple.

New Hydrogen Sales Materials Released Over The Past Year

Hydrogen Press Releases

Capstone Turbine Issued Two New Patents for Multiple Fuel Applications – Including Hydrogen and Liquid Fuel Ultra-Low Emissions Capabilities

VAN NUYS, Calif., May 20, 2019 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq: CPST), the world's leading clean technology manufacturer of microturbine energy systems announced today that the U.S. Patent and Trademark Office has issued two new patents to Capstone. The patents support Capstone's initiatives targeting the expansion of multiple fuels for operation, including high flame speed fuels such as hydrogen, while also maintaining Capstone's industry-leading low emissions.

Patent 10,184,664 is for a multiple-fuel capable, pre-mixed, low emission injector for high flame speed fuel combustion. This patent is the foundation for continued development in achieving high reliability and performance with hydrogen content fuels.

Patent 10,197,292 is for a multi-staged, lean pre-vaporizing, pre-mixing fuel injector providing ultra-low emissions that meet EPA Tier 4 requirements for power generation. Under this new program, exhaust emissions from these engines will be required to decrease by more than 90%.

"Both patents use a similar design architecture but with differences for each application. One being for liquid fuels, and the other for hydrogen and hydrogen blend fuels," explains Don Ayers, Capstone's Director of Product Engineering. "They each seek to control fuel to air mixing to achieve higher performance and combustion efficiencies through flame stability, flashback prevention, and ultra-low emissions," added Mr. Ayers.

"Designing multiple fuel capability into our injectors reduces service costs and extends service life. It's a win-win situation for Capstone and our customers," said Jeff Foster, Capstone's Senior Vice President of Customer Service and Product Development.

Capstone's technology roadmap, announced in October 2018, includes the development of not only new fuel capabilities enabled by these patents, but also integrating these advancements into our future C65 Signature Series product line, and validated as part of our organic technology growth strategy.

"Our technology roadmap supports a variety of global advances that will ensure Capstone's products continue to become an essential behind the meter microgrid asset as part of the new clean and green energy economy," said Darren Jamison, Capstone's President and Chief Executive Officer. "Microturbines operating on alternative fuels like hydrogen, biogas, butane, and renewable natural gas showcases how Capstone's innovative and adaptable microturbine technology can continue to grow into new segments of the expanding green energy economy," 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 kWs 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 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

Capstone Turbine Corporation Announces Significant Progress in Microturbine Hydrogen Testing

Development Testing Demonstrates up to 70% Hydrogen to Natural Gas Mix

VAN NUYS, CA / ACCESSWIRE / August 24, 2020 / Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ: CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that through a collaboration with the U.S. Department of Energy's Argonne National Laboratory, it has achieved significant progress in the development of a hydrogen operable microturbine product.

Development testing performed at Argonne demonstrates that a blend of up to 70% hydrogen to natural gas can be successfully operated in an off-the-shelf Capstone microturbine, before the addition of specialized hardware or software. The next stage in the testing will be to replace injectors with Capstone's patented hydrogen compatible design, which is intended to ensure combustion stability and flashback margin. The testing will proceed to higher hydrogen levels until the program's goal of 100% is reached.

[See *Capstone Turbine Issued Two New Patents For Multiple Fuel Applications – Including Hydrogen And Liquid Fuel Ultra-Low Emissions Capabilities*; https://ir.capstoneturbine.com/press-releases/detail/3688/]

"The initial goal of the testing is to establish the capabilities of our current off-the-shelf production systems," commented Don Ayers, Capstone Turbine's Senior Director for Engineering and Quality. "There is a broad global initiative to decarbonize electricity generation through renewable natural gas or RNG by blending natural gas and hydrogen in existing pipelines. The Argonne Lab tests are showing that we have a significant margin in our standard product because of our robust designs and existing design margin. Our microturbines, unmodified, can handle any of the blends currently being discussed for pipeline injection around the world," added Mr. Ayers.

"The old adage that hydrogen will always be the fuel of the future is slowly losing steam thanks to environmental and political factors pushing carbon-free economies," said Muni Biruduganti, Principal Research Engineer at Argonne National Labs. "The recent experiments at Argonne demonstrated the resiliency of existing Capstone power generators to bridge the gap between grey-hydrogen and green-hydrogen use," added Mr. Biruduganti.

Hydrogen technology is advancing to the forefront of not just carbon neutrality, but a completely carbon-free society. Microturbines are uniquely positioned as a distributed energy source to be located at the source of hydrogen generation. The technology can be deployed immediately, without the need to wait for extensive infrastructure modernization and hydrogen specific upgrades. This unique advantage means customers will be able to operate carbon-free sooner, while also providing a flexible, resilient energy source that provides both power and thermal energy all day, every day of the year. This can be particularly advantageous in highly efficient combined heat and power systems (CHP) as a part of a microgrid, with excess renewable generation used to produce green hydrogen through electrolysis.

"As a thought-leader in the energy sector, Capstone recognized years ago that hydrogen would play an important role as a key part of the future of renewable, green energy landscape," said Darren Jamison, Capstone's President and Chief Executive Officer. "Microturbines are a proven technology on alternative fuels like biogas and butane. Renewable Natural Gas showcases how Capstone's innovative and adaptable microturbine technology can continue to grow into new segments of the expanding green energy economy. Hydrogen microturbines are the perfect complement for the intermittent nature of wind and solar power, making them an ideal component of the modern, clean and green microgrid," 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, via our direct sales team, as well as our global distribution network. Capstone provides scalable solutions from 30 kWs 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. 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. Follow Capstone Turbine on Twitter, LinkedIn, Instagram, Facebook and YouTube.

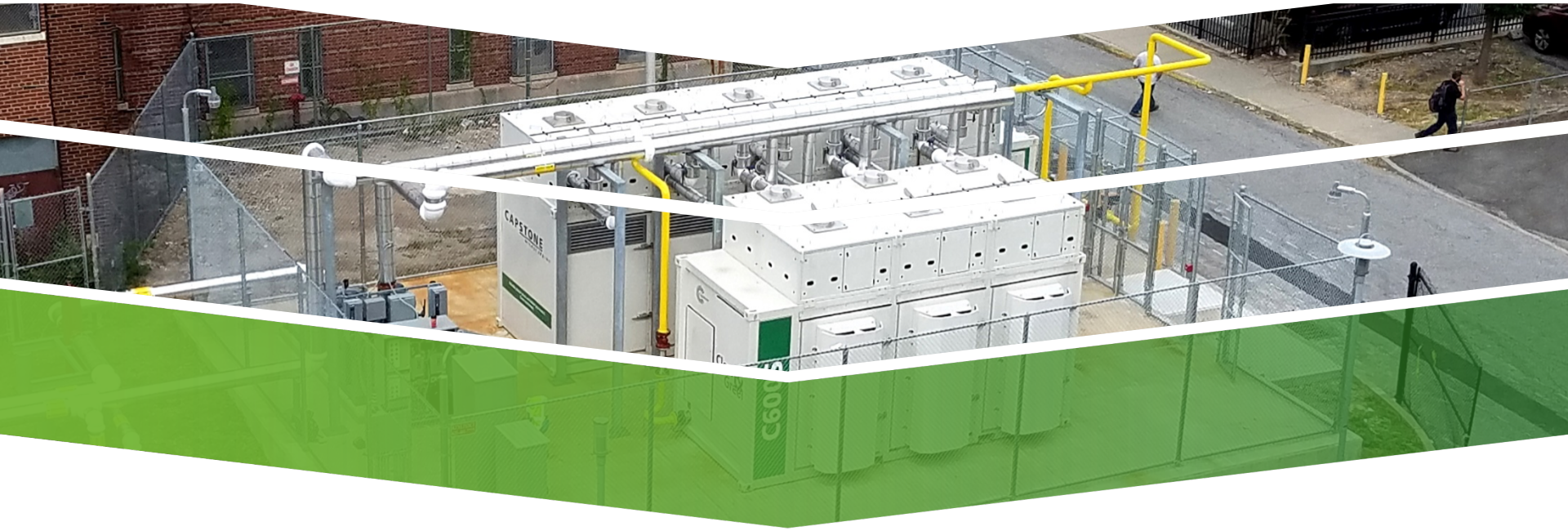
Forward-Looking Statements

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.

"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:

Hydrogen Press Releases – Issued Over Past Year



Q1 FY2021 FINANCIAL RESULTS

Nasdaq: CPST

Q1 FY2021 Business Highlights

- Total revenue for Q1 FY2021 was $14.2 million, up 22%, compared to $11.6 million in Q4 FY2020.
- Accessories, parts, aftermarket service, FPP long-term contracts, rentals, and Distributor Support System (DSS) revenue was $8.1 million, up 4% from $7.8 million in Q4 FY2020.
- Inventory receipts decreased by $2.9 million, or 36%, to $5.1 million in Q1 FY2021 compared to $8.0 million in Q4 FY2020 and decreased $9.0 million, or 64%, compared to $14.1 million in Q1 FY2020, supporting improved liquidity and positioning the Company for positive working capital in the upcoming quarter.
- Total cash and cash equivalents as of June 30, 2020, were $16.2 million, an increase of $1.1 million, compared to $15.1 million as of March 31, 2020, despite ongoing impacts from the COVID-19 pandemic.
- New gross product orders were $5.5 million and the book-to-bill ratio was 0.9:1 for Q1 FY2021.
- Cash provided by financing activities of $3.1 million during the quarter, as the Company focused on liquidity as part of its COVID-19 Business Continuity Plan.

Strong Progress Against Strategic Business Initiatives

Q1 FY2021 vs. Q4 FY2020 Financial Results

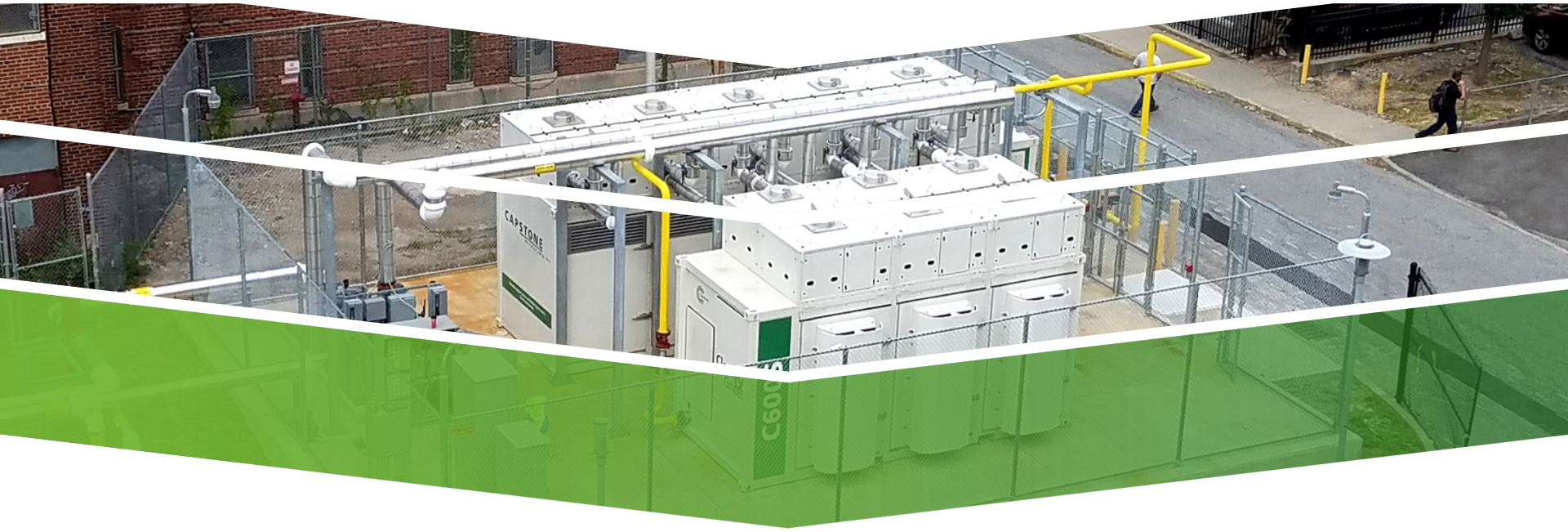
(In millions)	Q1 FY21	Q4 FY20
Microturbine Product	$6.1	$3.8
Accessories, Parts & Service	$8.1	$7.8
Total Revenue	$14.2	$11.6
Gross Margin	$3.4	$0.5
Gross Margin Percent	**24%**	**4%**
R&D Expenses	$0.4	$0.8
SG&A Expenses	$3.5	$5.2
Total Operating Expenses	$3.9	$6.0
Net Loss	$(1.8)	$(6.9)
Adjusted EBITDA*	**$0.1**	**$(5.0)**

*See Appendix, Slide 34

Q1 FY2021 vs. Q1 FY2020 Financial Results

(In millions)	Q1 FY21	Q1 FY20
Microturbine Product	$6.1	$10.1
Accessories, Parts & Service	$8.1	$9.1
Total Revenue	$14.2	$19.2
Gross Margin	$3.4	$2.9
Gross Margin Percent	**24%**	**15%**
R&D Expenses	$0.4	$0.9
SG&A Expenses	$3.5	$6.2
Total Operating Expenses	$3.9	$7.1
Net Loss	$(1.8)	$(5.6)
Adjusted EBITDA*	**$0.1**	**$(3.4)**

*See Appendix, Slide 34



APPENDIX

Financial & Market Statistics Comparison

Selected Public Companies

($ in millions)

Company	IPO (1)	Financial Statistics: Revenue	Gross Margin	GM %	OPEX	EBITDA	Revenue Per Employee	Market Statistics: Market Cap (2)	Cash (3)	Q/Q in Cash
Capstone Turbine Corporation (4)	32	$14.2	$3.4	24.0%	$3.9	$0.1	$0.14	$45.9	$16.2	$1.1
Small-Cap Distribution Generation										
American Superconductor Corp.(5)	33	18.1	2.5	13.8%	8.7	(5.1)	0.07	215.4	24.7	(0.8)
Ballard Power Systems(6)	12	24.0	5.2	21.7%	15.7	(9.1)	0.03	3,534.0	181.6	33.8
FuelCell Energy(7)	28	18.9	0.2	0.9%	8.3	(3.3)	0.06	449.0	77.2	(9.2)
Plug Power, Inc.(8)	23	40.8	(4.5)	(11.0%)	21.4	(6.1)	0.06	2,647.0	131.1	(63.2)
Avg. selected companies	24	$25.5	$0.9	6.3%	$13.5	($5.9)	$0.06	$1,711.4	$93.7	($9.9)

(1) Years since incorporation or first initial public offering

(2) Source: Nasdaq as of July 30, 2020

(3) Cash, cash equivalents and restricted cash

(4) Source: Capstone Turbine Corporation's August 2020 Form 10-Q filing

(5) Source: American Superconductor Corporation's June 2020 Form 10-K filing

(6) Source: Ballard Power Systems May 2020 Form 10-Q filing

(7) Source: FuelCell Energy's June 2020 Form 10-Q filing

(8) Source: Plug Power, Inc. May 2020 Form 10-Q filing

Capstone Lowered OPEX to a Fraction of Similar Clean Tech Companies

Capstone's Focus on ESG

Increasing focus on Environmental, Social and Governance (ESG), principals, regulations and government policies is creating a strong tailwinds for the renewable energy sector globally. There's growing investor interest with ESG investing estimated to be over $20 trillion in AUM as investors demand corporate responsibility.

ENVIRONMENTAL

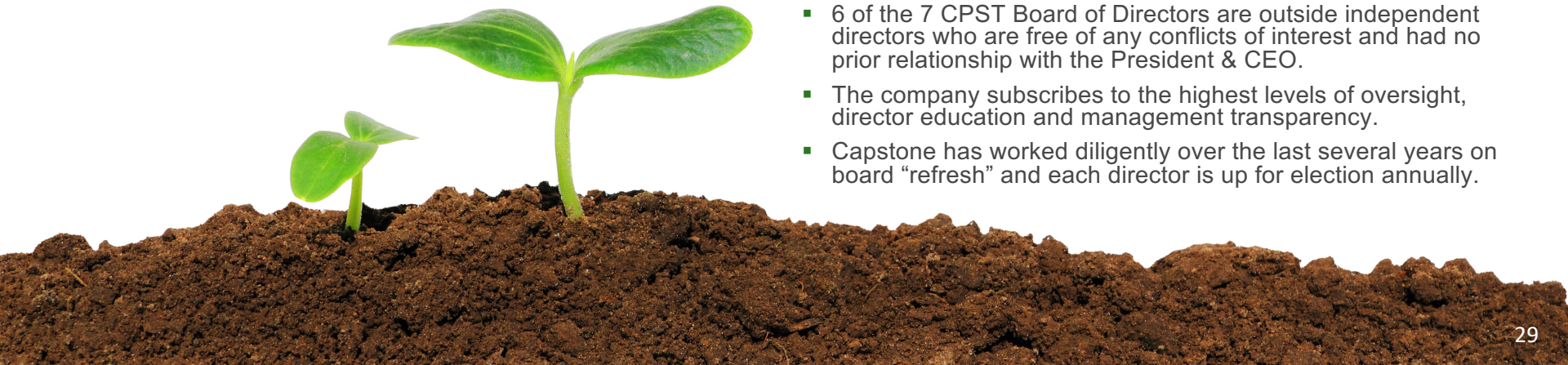
- Capstone (CPST) manufactures reliable and energy dense power systems that allow customers to lower both NOx and CO2 emissions without the use of exhaust after treatment that use precious metals and urea.
- In FY2020, CPST customers benefited from 368,000 tons in carbon savings while also saving $219 million in energy costs.
- CPST is developing new 100% renewable products together with new renewable fuels (hydrogen and methanol), allowing customers to generate power with a net-zero carbon footprint.
- CPST strives to improve the oil & gas industry by offering cleaner and "greener" power solutions that reduce methane emissions while utilizing associated gas that would otherwise be flared into the atmosphere.
- CPST supports energy efficiency initiatives through CHP and the U.S. DOE CHP Technical Assistance Partnership.

SOCIAL

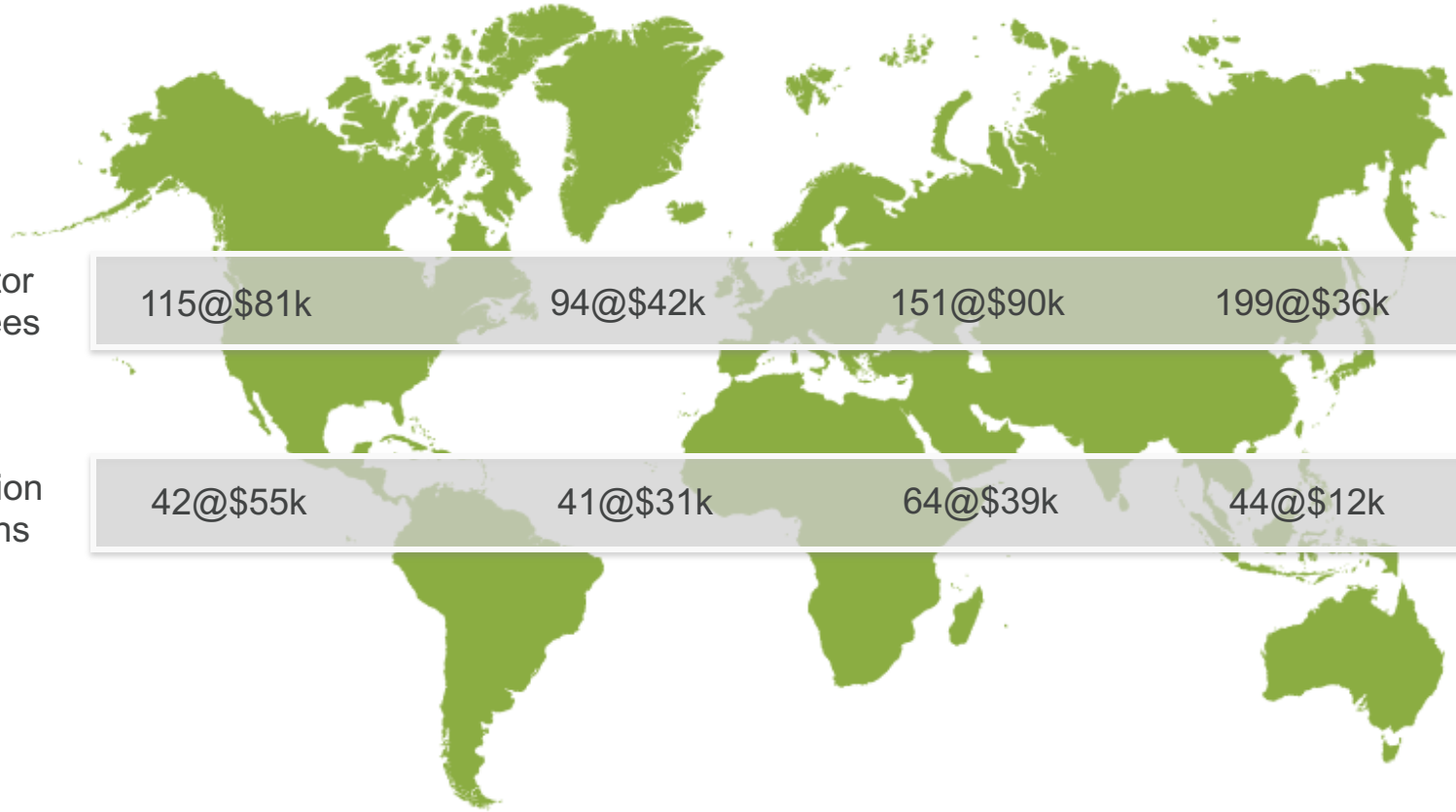
- Capstone, through its ***Capstone Cares*** program, sponsors paid employees to volunteer work in the local community and routinely conducts annual toy, book, and blood donation drives.
- The ***Capstone Culture Club*** puts on company sponsored employee events, ranging from health & fitness activities, team building events, social events and celebrations.
- ***Capstone U*** is a company sponsored employee led internal education program that is free and open to all employees.
- The ***Capstone EH&S Team*** works continuously to achieve a zero waste facility, eliminate all lost time injuries, and reduce near miss accidents.

GOVERNANCE

- Capstone has a highly diverse set of outside Board of Directors comprised of 3 women and 3 men, with a female Chairperson and Audit Committee lead.
- 6 of the 7 CPST Board of Directors are outside independent directors who are free of any conflicts of interest and had no prior relationship with the President & CEO.
- The company subscribes to the highest levels of oversight, director education and management transparency.
- Capstone has worked diligently over the last several years on board "refresh" and each director is up for election annually.



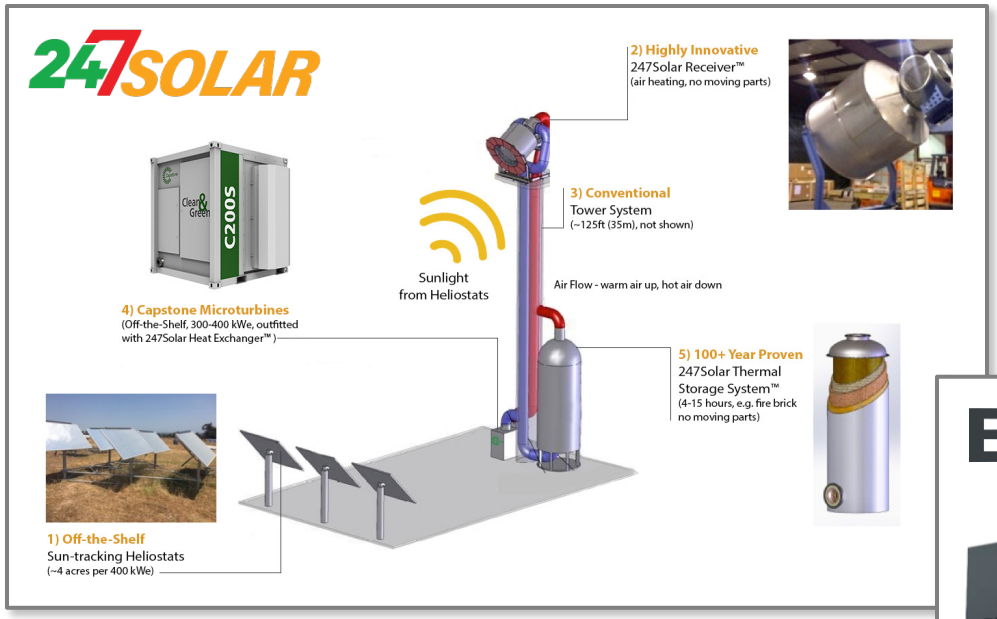
Estimated Value of Distribution



	NORTH AMERICA	LATIN AMERICA	EUROPE MEA	APAC RUSSIA	TOTAL
Distributor Employees	115@$81k	94@$42k	151@$90k	199@$36k	**$33.9M**
Distribution Locations	42@$55k	41@$31k	64@$39k	44@$12k	**$6.6M**

Total Annual Value of Distribution Channel is ~ $40M

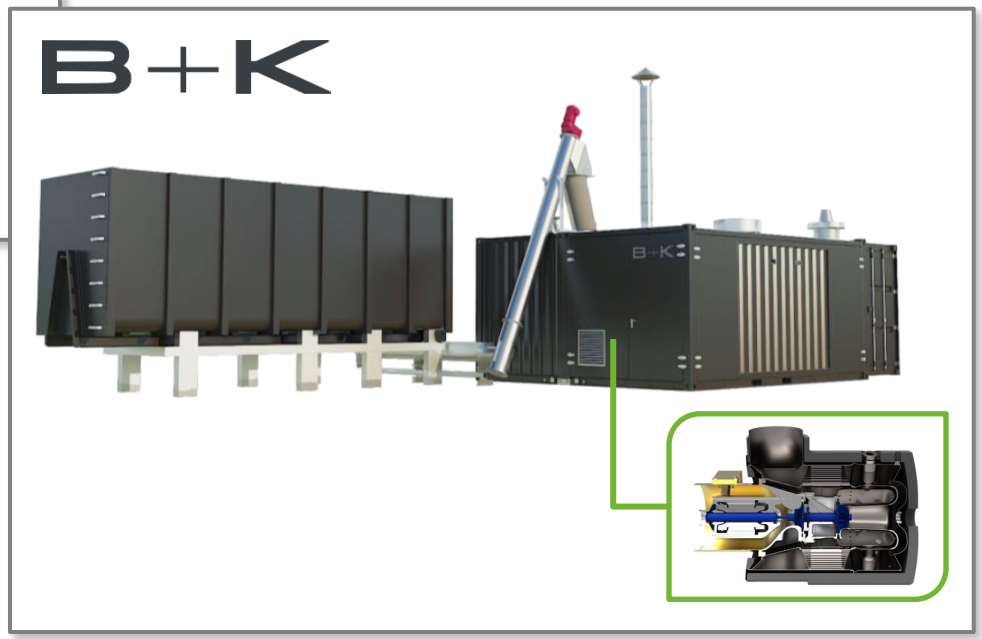
New 100% Renewable Products



An illustration of the pre-engineered 247*Solar* Plant, outfitted with Capstone microturbines.

100% renewable project with new customer, 247Solar, together we are installing a solar-powered microturbine at a test site in Morocco using concentrated solar energy to expand superheated air across the Capstone microturbine to generate 100% renewable power with our microturbines. Once completed, 247Solar has a host of additional opportunities.

Another 100% renewable project is with a German company, B+K, that is using wood waste to generate superheated air and also expanding it across the Capstone microturbine. B+K has been operating a Capstone powered pilot project for more than a year and is moving into commercial sales, with several projects planned in 2020.



An illustration of the pre-engineered ClinX CHP solution, outfitted with Capstone microturbine

New Applications Supports a Ultra Low or Zero Carbon Energy Future

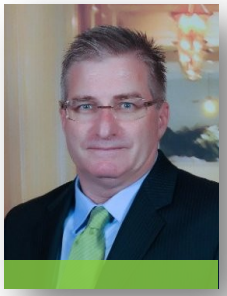
Leadership Team

Darren Jamison

President & Chief Executive Officer

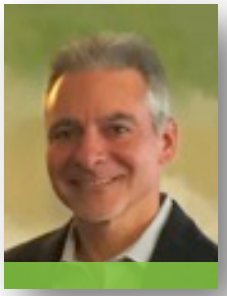
Eric Hencken

Chief Financial Officer & Chief Accounting Officer



James Crouse

Chief Revenue Officer

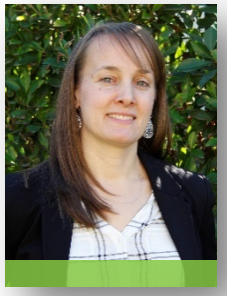


Jeff Foster

Senior Vice President of Customer Service & Product Development

Kirk Petty

Vice President of Manufacturing



Jennifer Derstine

Vice President of Marketing & Distribution

Board of Directors

HOLLY VAN DEURSEN

- Independent director for companies in the chemical, industrial and contract manufacturing sectors; previously a director for companies in the oilfield services and packaging sectors
- Group Vice President, Petrochemicals and Group Vice President, Strategy for BP plc/Amoco Corporation, a $250 billion oil, gas, and energy company, through 2005
- Executive roles with BP/Amoco in business management, business development and mergers & acquisitions, residing in North America, Asia and Europe

Chair of the Board
Member of the Audit Committee

PAUL DEWEESE

- Managing Director, Echo Holdings, LLC, advisory services for M&A in oil and gas since 2019
- Chief Executive Officer, Boomerang Tube, LLC, a supplier of steel pipes and services for the energy industry 2018-2019
- Chief Executive Officer, Epic Industrial Solutions, LLC, provider of parts and services for industrial engines and compressors in the oil, gas and industrial markets 2015-2018
- Chief Executive Officer, Southwest Oilfield Products, Inc., an aftermarket supplier for drilling rigs 2012-2015

Chair of Nominating and Corporate Governance Committee

ROBERT FLEXON

- President and Chief Executive Officer, Dynegy Inc., an independent power producer and electricity marketer 2011-2018
- Chief Financial Officer of UGI Corporation, a distributor and marketer of energy products and services in 2011; and Chief Financial Officer then Chief Operating Officer of NRG Energy, Inc., a power generation and electricity marketer 2004-2009
- Chief Executive Officer of Foster Wheeler, a Swiss global engineering conglomerate 2009-2010

Member of Audit Committee
Member of the Compensation Committee

DARREN JAMISON

- President and Chief Executive Officer, Capstone Turbine Corporation since 2006
- President and Chief Operating Officer for Northern Power Systems, Inc., a company that designs, manufactures and sells wind turbines into the global marketplace 2003-2006
- Vice President and General Manager of Distributed Energy Solutions for Stewart & Stevenson Services, Inc., a leading designer, manufacturer and marketer of specialized engine-driven power generation equipment to the oil and gas, renewable and energy efficiency markets 1996-2003

YON JORDEN

- Previously an independent director for Maxwell Technologies, Magnetek Incorporated, Bioscrip Incorporated, and U.S. Oncology Corporation, companies in energy, automation and healthcare industries
- Chair of Audit, Compensation, or Nominating & Governance Committee for a number of Boards
- Chief Financial Officer of four publicly traded companies, including AdvancePCS, Informix Corporation, Oxford Health Plans, Inc., and WellPoint, Inc. through 2004

Chair of the Audit Committee
Member of the Compensation Committee

ROBERT POWELSON

- President and Chief Executive Officer, National Association of Water Companies since 2018
- Commissioner for the Federal Energy Regulatory Commission 2017-2018
- Served on the Pennsylvania Public Utility Commission 2008-2017, as Chair 2011-2015, and on Pennsylvania's Marcellus Shale Advisory Commission 2011
- President of the National Association of Regulatory Utility Commissioners, 2011-2017

Member of Nominating and Corporate Governance Committee

DENISE WILSON

- Executive Vice President and President, New Business, for NRG Energy, Inc., a Fortune 500 company that generates electricity and provides energy solutions and natural gas to its customers 2011-2016
- Executive Vice President & Chief Administrative Officer for NRG Energy 2006-2011
- Executive leadership roles in human resources for Nash-Finch Company, Metris Companies, Inc. and General Electric

Member of Nominating and Corporate Governance Committee
Chair of the Compensation Committee

Reconciliation of Non-GAAP Financial Measure

Reconciliation of Reported Net Loss to EBITDA and Adjusted EBITDA (in thousands)	Three months ended March 31,	Three months ended June 30,	
	2020	2020	2019
Net loss, as reported	$ (6,950)	$ (1,823)	$ (5,593)
Interest expense	1,345	1,291	1,276
Provision for income taxes	4	1	8
Depreciation and amortization	392	354	373
EBITDA	(5,209)	(177)	(3,936)
Stock-based compensation and other expense	244	298	262
Restructuring charges	—	—	300
Adjusted EBITDA	$ (4,965)	$ 121	$ (3,374)

To supplement the Company's unaudited financial data presented on a generally accepted accounting principles (GAAP) basis, management has used EBITDA and Adjusted EBITDA, non-GAAP measures. These non-GAAP measures are 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 these metrics. Accordingly, disclosure of these non-GAAP measures provides investors with the same information that management uses to understand the Company's economic performance year-over-year. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net income or other measures prepared in accordance with GAAP.

EBITDA is defined as net income before interest, provision for income taxes, depreciation and amortization expense. Adjusted EBITDA is defined as EBITDA before stock-based compensation and other expense, restructuring charges, leadership incentive program, the change in warrant valuation and warrant issuance expenses. Stock-based compensation and other expense includes expense related to stock issued to employees, directors, and vendors. Restructuring charges includes facility consolidation costs and one-time costs related to the company's cost reduction initiatives. EBITDA and Adjusted EBITDA are not measures of the company's liquidity or financial performance under GAAP and should not be considered as an alternative to net income 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 measures provide useful supplemental information to investors, there are limitations associated with the use of these measures. The measures are 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 exact method of calculation. Management compensates for these limitations by relying primarily on the company's GAAP results and by using EBITDA and Adjusted EBITDA only supplementally and by reviewing the reconciliations of the non-GAAP financial measures to their most comparable GAAP financial measures.

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.

Capstone Turbine Corporation

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