

July 18, 2022

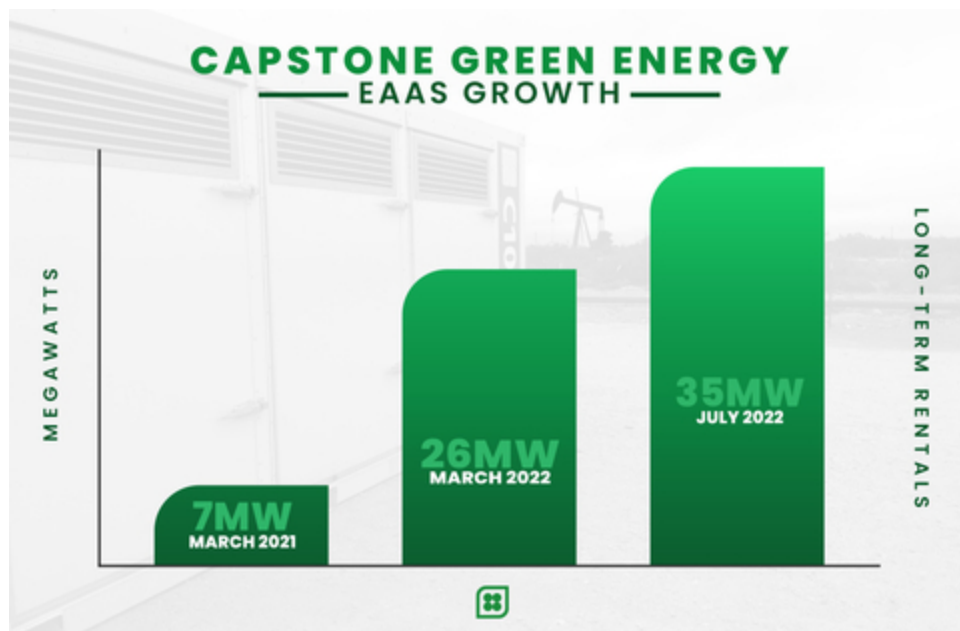


Capstone Green Energy Secures a New 600 kW EaaS Contract as Rental Contracts Surge to 35.4 MW, a 37% One-Quarter Increase

Capstone is Focused on Growing the EaaS Business Model as Quickly as Possible Because it Provides Higher Margins, More Constant and Predictable Revenue Streams

VAN NUYS, Calif.--(BUSINESS WIRE)-- [Capstone Green Energy Corporation](#)'s (NASDAQ: CGRN) exclusive distributor for Alaska, [Artic Energy](#), has secured a new 12-month Energy-as-a-Service (EaaS) rental contract with a local oil and gas company headquartered in Anchorage. The oil exploration company has established a dominant acreage position on the resource-rich North Slope, home to the largest oil fields in North America, and is looking to reduce its environmental impact.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20220718005214/en/>



EaaS Contract Growth Chart (Graphic: Business Wire)

past three years.

This contract signifies continued EaaS business expansion due to ongoing customer demand and demonstrates progress on the Company's vision to create smarter energy for a cleaner future and builds on its track record of saving its customers an estimated \$698 million in annual energy costs and reducing CO2 emissions by more than 1,115,100 in the

"Capstone is seeing strong customer demand across industries for its EaaS long-term rental

services, which had 7 MW under contract in March 2021, 26 MW under contract in March 2022, and today contracts in excess of 35 MW, representing nearly 37% growth in one quarter alone,” said Darren Jamison, President and Chief Executive Officer of Capstone Green Energy. “Our EaaS business provides a lower cost and carbon footprint for on-site energy systems in energy-intensive businesses like oil and gas, hospitality, commercial, industrial, cannabis, and bitcoin mining which meets multiple needs of existing and prospective customers,” added Mr. Jamison.

Capstone is focused on growing our EaaS business because it provides higher margins, more constant and predictable revenue streams, and allows for a more streamlined staffing model than a traditional industrial manufacturing company while helping customers manage capital costs and meet their environmental impact targets.

As part of this growth strategy, Capstone management has reduced operating costs and modified the operating model, all while continuing to expand its EaaS business. In order to keep up with demand, the company has turned to a “re-rent” strategy which allows the company to quickly accelerate the EaaS rental business model without using large amounts of new capital. A “re-rented” unit is taking an existing customer’s pre-owned microturbine unit that is not being utilized and deploying it into our growing EaaS customer base. By leveraging this unique re-rent strategy, we have created an additional revenue stream for both our Distributors and Capstone, all while continuing to save customers money on their energy needs. Of the 35 MW of contracts noted above, approximately 21 MW of contracts are being fulfilled by units from our internal rental fleet, and the remaining contracts will be fulfilled through re-rents.

“The re-rent model we have recently implemented allows us to continue the high growth rate of the EaaS business without the need for investing additional capital. The margin rates are lower on a re-rent basis than our traditional rental model, but we have the option to purchase the re-rented microturbine-based system in the future in most cases when the company has higher free cash flows,” concluded Mr. Jamison.

About Capstone Green Energy

Capstone Green Energy (www.CapstoneGreenEnergy.com) (NASDAQ: CGRN) is a leading provider of customized microgrid solutions and on-site energy technology systems focused on helping customers around the globe meet their environmental, energy savings, and resiliency goals. Capstone Green Energy focuses on four key business lines. Through its Energy as a Service (EaaS) business, it offers rental solutions utilizing its microturbine energy systems and battery storage systems, comprehensive Factory Protection Plan (FPP) service contracts that guarantee life-cycle costs, as well as aftermarket parts. Energy Conversion Products are driven by the Company's industry-leading, highly efficient, low-emission, resilient microturbine energy systems offering scalable solutions in addition to a broad range of customer-tailored solutions, including hybrid energy systems and larger frame industrial turbines. The Energy Storage Products business line designs and installs microgrid storage systems creating customized solutions using a combination of battery technologies and monitoring software. Through Hydrogen Energy Solutions, Capstone Green Energy offers customers a variety of hydrogen products, including the Company's microturbine energy systems.

For customers with limited capital or short-term needs, Capstone offers rental systems; for

more information, contact: rentals@CGRNenergy.com. To date, Capstone has shipped over 10,000 units to 83 countries and estimates that, in FY21, it saved customers over \$217 million in annual energy costs and approximately 397,000 tons of carbon. Total savings over the last three years are estimated at 1,115,100 tons of carbon and \$698 million in annual energy savings.

For more information about the Company, please visit: www.CapstoneGreenEnergy.com. Follow Capstone Green Energy on [Twitter](#), [LinkedIn](#), [Instagram](#), [Facebook](#), and [YouTube](#).

Cautionary Note Regarding Forward-Looking Statements

This release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including statements regarding expectations for green initiatives and execution on the Company's growth strategy and other statements regarding the Company's expectations, beliefs, plans, intentions, and strategies. The Company has tried to identify these forward-looking statements by using words such as "expect," "anticipate," "believe," "could," "should," "estimate," "intend," "may," "will," "plan," "goal" and similar terms and phrases, but such words, terms and phrases are not the exclusive means of identifying such statements. 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.

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Source: Capstone Green Energy Corporation