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Capstone Green Energy Increasing its Distributor Support System (DSS) Revenue as the Business Model Continues to Shift Towards Energy as a Service

Increased DSS Fee Combined with Lower Operating Costs and Rental Fleet Deployments to Improve Financial Performance

VAN NUYS, Calif.--(BUSINESS WIRE)-- [Capstone Green Energy Corporation](#) (NASDAQ: CGRN), a global leader in carbon reduction and on-site resilient green Energy as a Service (EaaS) solutions, announced today it is increasing its Distributor Support System, or DSS program fee to support the expanding EaaS business. The Company anticipates receiving an estimated \$2.8 million in the calendar year 2022. The increase in annual DSS fee combined with the new expense reduction plan implemented last week is intended to support Capstone's stated goal of reaching consistent quarterly positive adjusted EBITDA.

The Company has recently undertaken a holistic review of the organization, taking the growing EaaS business into account. The Capstone DSS program adds diversity to the Company's EaaS revenues which also include long-term rentals, long-term service agreements, spare parts and engineering services.

The DSS program started back in calendar year 2018 when Capstone received \$1.1 million from its global Distribution network through funding derived from a formula based on a Capstone global Distribution partner's prior calendar year of Capstone-specific revenue. Today, as a result of the DSS program, Capstone has increased its worldwide marketing and customer adoption efforts without negatively affecting its adjusted EBITDA results.

The new DSS program increase aims to support additional growth of the Capstone EaaS business and provide improved worldwide Distributor training, sales efficiency, website development, branding, and funding for increased strategic marketing and customer adoption activities. Specifically, the DSS program consolidates funding for additional support that is necessary for ongoing Distributor business development activities, improved Distributor aftermarket support, customer lead generation, brand awareness, and marketing services for each geography and market vertical served.

"The DSS program has been very successful and is a key enabler of our current 17% growth in the trailing twelve months ended December 31, 2021 over the previous twelve month period and will support future EaaS revenue growth plans as we continue to focus on customer adoption efforts, marketing and branding," said Darren Jamison, President and Chief Executive Officer of Capstone Green Energy.

“The beauty of the DSS program is that it allows us to speed up the maturation process within the Capstone Green Energy Distribution channel while continuing to expand the program’s funding each year as our annual revenue increases.” Mr. Jamison continued, “In addition, it helps identify which of our Global Distribution partners are aligned with Capstone’s corporate goals and improve our ability to execute future EaaS growth plans.”

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 Generation Technologies (EGT) 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 Solutions (ESS) business line designs and installs microgrid storage systems creating customized solutions using a combination of battery technologies and monitoring software. Through Hydrogen & Sustainable Products (H2S), 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 full fiscal years are estimated to be approximately \$698 million in energy savings and approximately 1,115,100 tons of carbon 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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