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Capstone Turbine (NASDAQ:CPST) Diversifies Its Rental Fleet With a 1 MW 5- Year Rental for a Remote Application in Colorado

The C1000S Microturbine Will Provide Heat & Power for a Manufacturing Facility

VAN NUYS, CA / ACCESSWIRE / July 27, 2020 /Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it continues to diversify its long-term microturbine rental business with a C1000 Signature Series (C1000S) microturbine rental contract for a remote manufacturing facility in Colorado.

The 5-year rental is scheduled to begin in September 2020 and was secured by Horizon Power Systems, Capstone's distribution partner in Arizona, Colorado, Idaho, Montana, New Mexico, Oklahoma, Utah, Wyoming, and Western Canada (www.horizonpowersystems.com).

"Long-term rentals are a significant opportunity for us and provide reoccurring revenue at high margins," said Darren Jamison, President and Chief Executive Officer at Capstone Turbine. "Long-term rentals and our industry-leading Factory Protection Plan (FPP) long-term service contracts help migrate Capstone towards an energy as a service model, which is a nice fit for our hi-tech microturbine technology," added Mr. Jamison.

Capstone's existing microturbine rental fleet stands at approximately 8 MW, and as part of management's focus to achieve and sustain positive Adjusted EBITDA, this fleet should continue to expand towards the company's initial fleet target of 10 MW.

According to Technavio, the global power rental market size will grow by over \$992 million during 2018-2022, which will be driven by the rising demand for uninterrupted power in the next five years. The need for continuous, reliable, and quality power is increasing at a considerable rate.

The Capstone C1000S microturbine system will replace a reciprocating diesel generator and provide 1 megawatt (MW) of prime power for the remote facility. The microturbine will be fueled by clean-burning liquefied natural gas (LNG). The system will be paired with a heat exchanger and be installed in a combined heat and power (CHP) application that will allow the customer to utilize the available exhaust heat to support operations and provide hot water and space heating.

The customer ultimately chose low-emission Capstone microturbines as the ideal solution for their remote facility due to the microturbine's low maintenance, resiliency, and ability to reduce energy costs. Capstone's energy-efficient solution further reduces the operation's environmental footprint while also helping the customer meet sustainability goals.

"The Capstone microturbine solution fits perfectly with the critical needs of this customer's remote operations as they were looking for a scalable solution that can reduce costs and improve efficiency," said Sam Henry, President, Horizon Power Systems. "Our customers demand reliable on-site power, and in partnership with Capstone Turbine, we are able to provide our customers with one of the most reliable on-site power generation solutions available today," concluded Mr. Henry.

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 kW 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](#), 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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