Capstone® energy+

Equity Research Division

Capstone Energy +

On Site. On Demand. Always On.

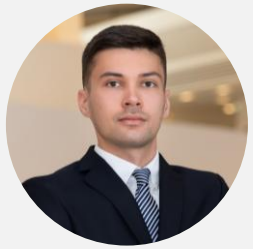
Target Price: $16,22
Current Price: $11,79
Upside Potential: +37,54%

Recommendation: BUY
Investment Horizon: 1 Year

Vienna, 18th June 2026

Team Overview

Equity Research Division



Bohdan Kovalko

Senior Associate

- Team Head
- Equity Story

clairfield EY

B.Sc. (WU)
7th Sem.

Samuel Zdrahal

Associate

- Financial Analysis
- Valuation

Oaklins KPMG

B.Sc. (WU)
6th Sem.

Dmytro Poperetskyi

Fellow Analyst

- Valuation
- Financial Analysis

pwc

B.Sc. (WU)
8th Sem.

Naja Radisavljevic

Fellow Analyst

- Strategy
- Market Overview

Cordis

B.Sc. (WU)
2nd Sem.

Sixten Andersson

Fellow Analyst

- Market Overview
- Industry Analysis

ERSTE Asset Management
SIEMENS Healthineers

B.Sc. (WU)
2nd Sem.

Markus Gleisberg

Fellow Analyst

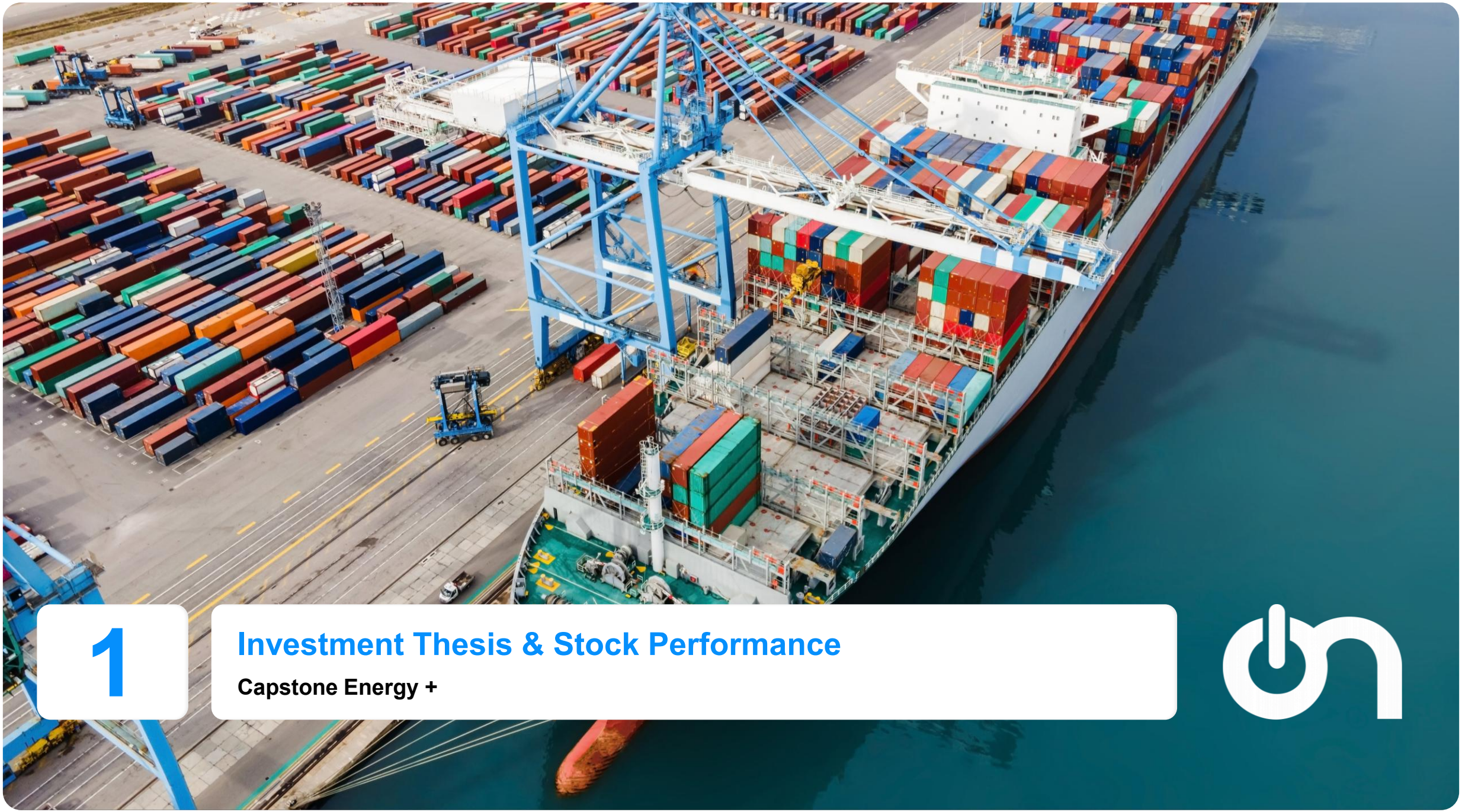
- Business Model
- Company Overview

Aventur

M.Sc. (WU)
2nd Sem.

Agenda

Capstone Energy +



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Investment Thesis & Stock Performance

Capstone Energy +

Investment Thesis

A Restructured Platform Positioned to Re-Rate on Mandatory Uplisting and Surging Power Demand

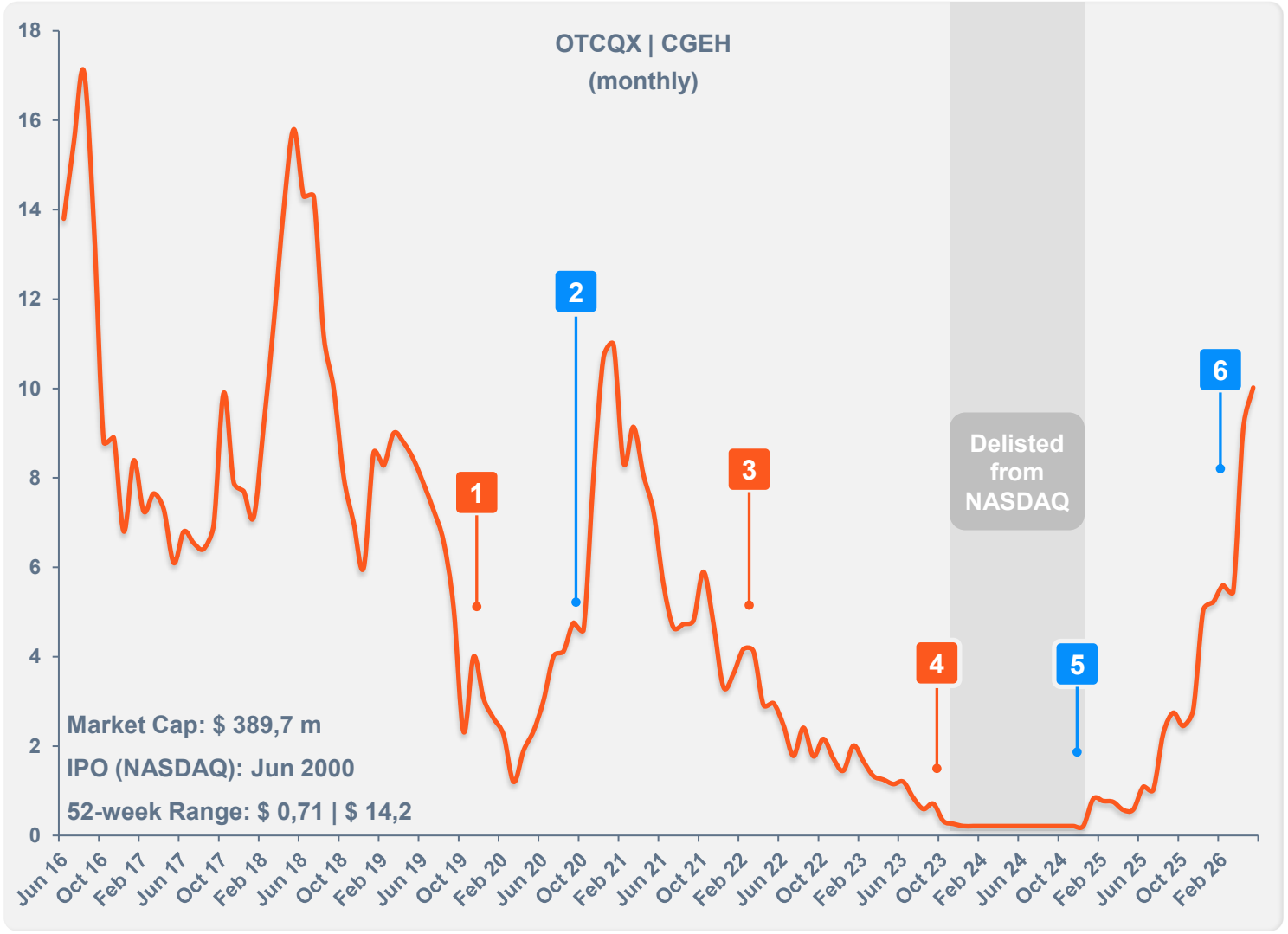
Key Investment Highlights

1. **Restructuring under new CEO after Chapter 11** delivered **6 quarters of positive adj. EBITDA**, while Monarch investment **eliminated Goldman's veto**
2. **$112.5M Monarch investment** requires a **national exchange uplisting** within NTM, providing access to **institutional investors** and **improving liquidity**
3. **Public Grid constraints** and rising **AI data center power demand** support behind the meter solutions, proved by recent **peers overperformance**
4. Capstone is positioned for **NVIDIA's 800 VDC architectural shift**, with the **C1250** potentially securing its **first DC deal**, supporting **multi-year revenue**
5. **OTCQX listing limits liquidity and institutional participation** and the stock may remain **structurally undervalued** until the uplisting removes these barriers
6. Efforts to **win new data center contracts may not succeed**, leaving Capstone focused mainly on **small and mid market customers** in smaller end markets

Source: Own Research, Company & Market Understanding

Share Price Performance

Prior NASDAQ Trading, OTC Restructuring and a Contractual Re-Listing Timed to Power Demand



Oct 2019 — **1 for 10 reverse split** to meet Nasdaq's **$1.00 minimum bid-price** requirement

Oct 2020 — Goldman Sachs **senior-secured note upsized to $50M**, later forcing the **restructuring**

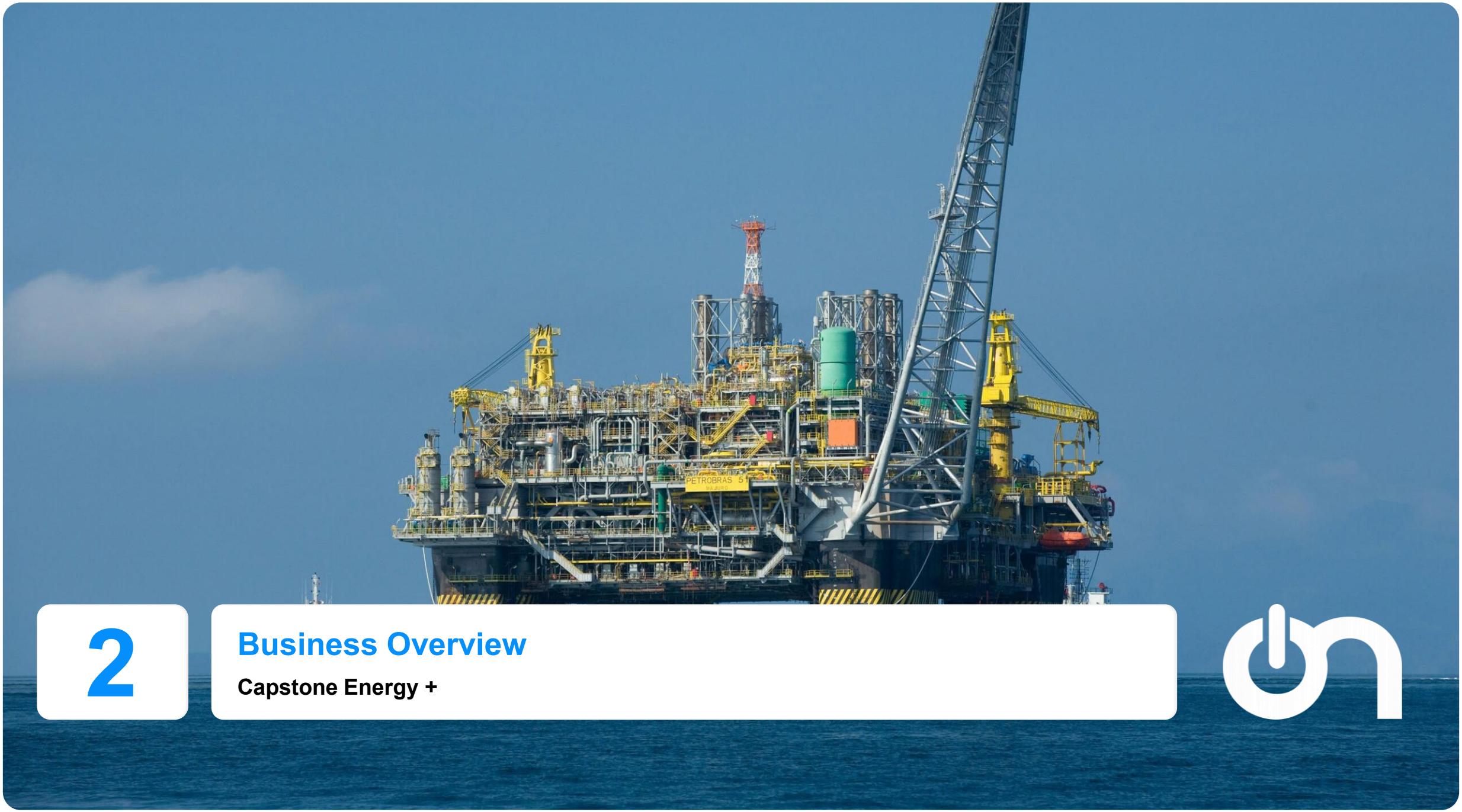
Dec 2021 — Fed **tightening pressures clean-tech** small-caps and **Russia sanctions** eliminate the distributor

Oct 2023 — Prepackaged **Chapter 11** and **Nasdaq delisting** to OTC, wiping out legacy equity

Jan 2025 — Restructured company **re-lists on OTCQX** with **shares surging off the floor**

May 2026 — **Monarch recapitalization** closes and **NASDAQ uplisting** targeted within NTM

Source: S&P Capital IQ



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Business Overview

Capstone Energy +

Company Overview

Vertically Integrated Provider of Compact, Fuel-flexible Energy Systems for Mission-critical Applications

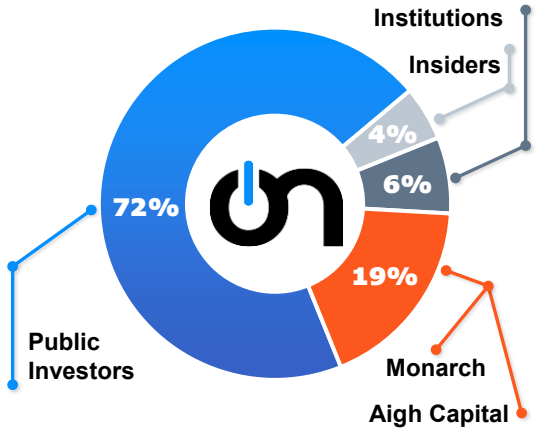
Brief Overview

Headquarters in USA
Van Nuys, California

101 Full Time Employees
3 Part Time Employees

Founded in 1988
Public since 2000

Ownership Structure



Capstone's Leadership

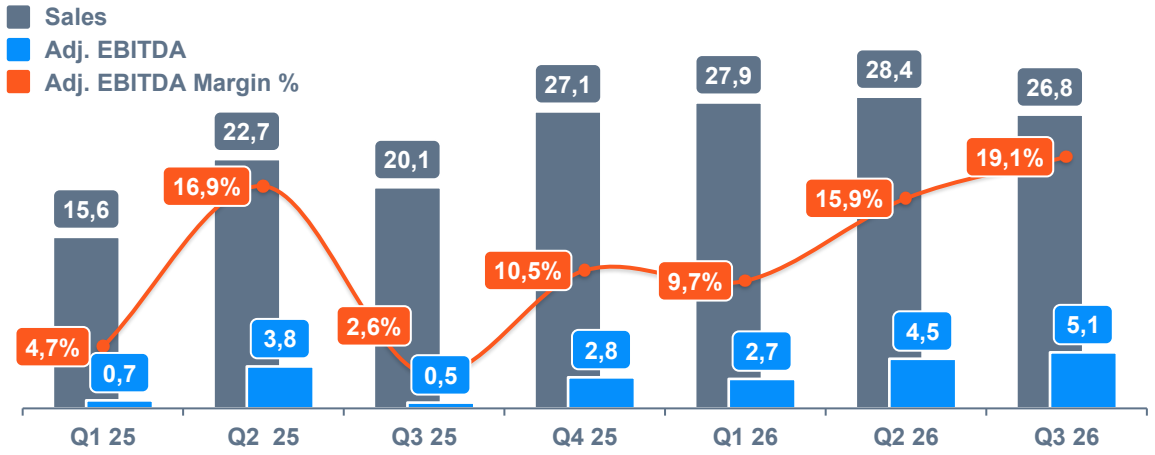
Vince Canino
President & Chief Executive Officer

Extensive experience selling DC cooling to hyperscalers, making him a top-notch choice to commercialize CGEH's

John Miller
Director & Interim Chief Financial Officer

Over 40 years of executive leadership, including CEO, CFO and audit committees across public and private companies

Key Financials in $ m



Service Offerings

Manufacturing
Microturbines (65kW–1MW)
> $ 265 b TAM

Distribution
88 Active Countries
> 10.600 Units Shipped

Installation
On-site CHP & microgrid
1.043 mW Deployed

Rentals
Energy-as-a-Service offering
30 Years Experience

Aftermarket
Maintenance Service
99,99% Uptime Reliability

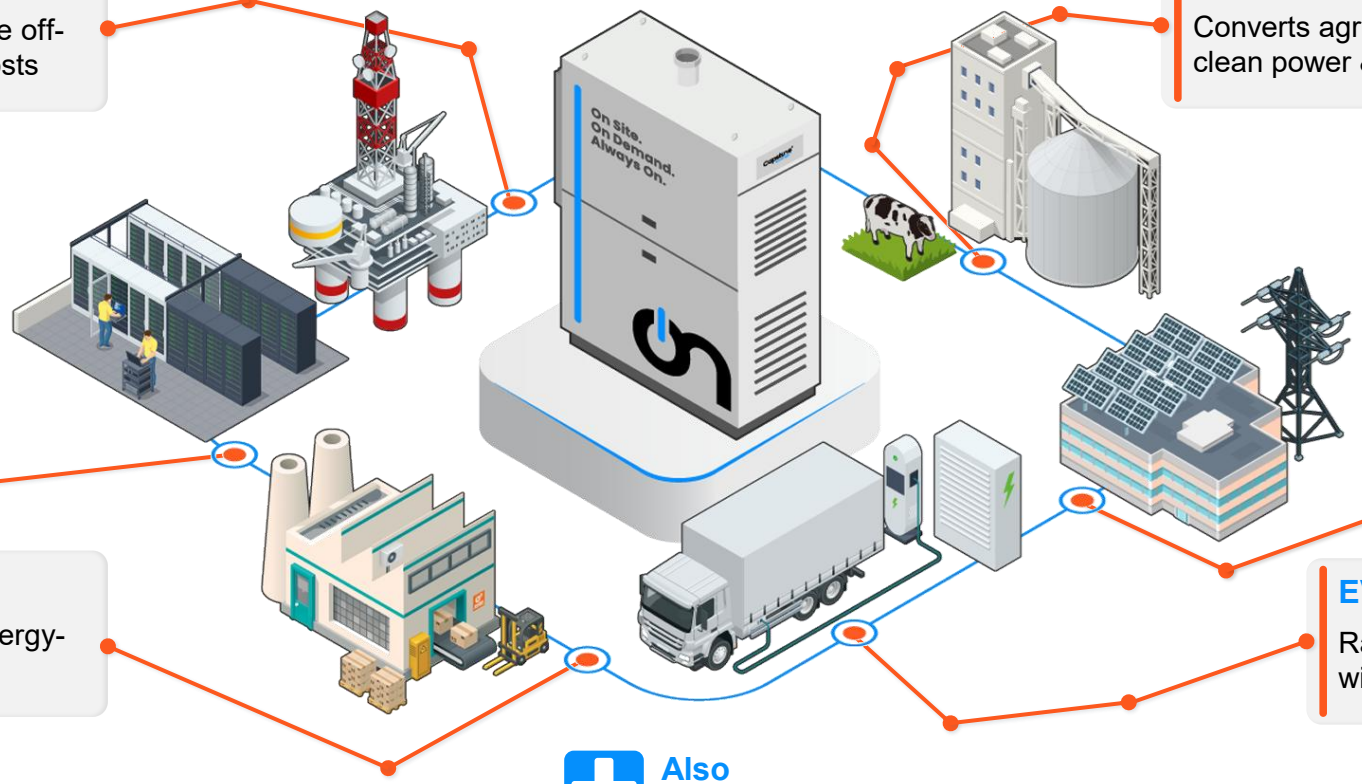
Overview of Capstone Solution

Modular on-site Power for Energy-intensive and Reliability-Critical Applications

Oil & Gas
Converts flared gas into reliable off-grid power and reduces fuel costs

Data Centers
Independent from grid constraints & faster deployment

Industrials
Combined heat & power for energy-intensive industrial processes



Agriculture / Biogas
Converts agricultural waste gas into clean power & heat

Microgrids
Grid-connect or island mode with built-in active redundancy

EV-Charging
Rapid Off-grid DC fast charging without grid upgrade

Also serving

- Ports
- Hospitality
- Wastewater
- Food Processing
- Events

Product Portfolio Overview

Scalable Microturbine Platforms Built on a Modular Architecture

	C65	C200S	C600S	C800S	C1000S
1	1x (C65 Engine)	1x (C200 Engine)	3x (C200 Engine)	4x (C200 Engine)	5x (C200 Engine)
2	65 kW	200 kW	600 kW	800 kW	1000 kW
3	Entry-level unit for small commercial sites, remote operations and light CHP	Core building block across commercial, industrial and microgrid projects	Mid-sized industrial sites, hospitals and distributed-energy projects	Balances scale, efficiency and redundancy for larger commercial and industrial customers	Built for data centers, utilities, oil & gas and large microgrids; scales to 30 MW in parallel

4 **Coming soon: C1250S · 5× C250 · 1.25 MW · 800 VDC platform**

Native 800 VDC	Modular 1.25 MW	CHP heat recovery	Better AI Market Fit
Built for NVIDIA's 1 MW racks	Scales to 30 MW in parallel	>80% efficiency, ~45% less fuel/kWh	From CHP niche into the AI data-center

Source: Company Website

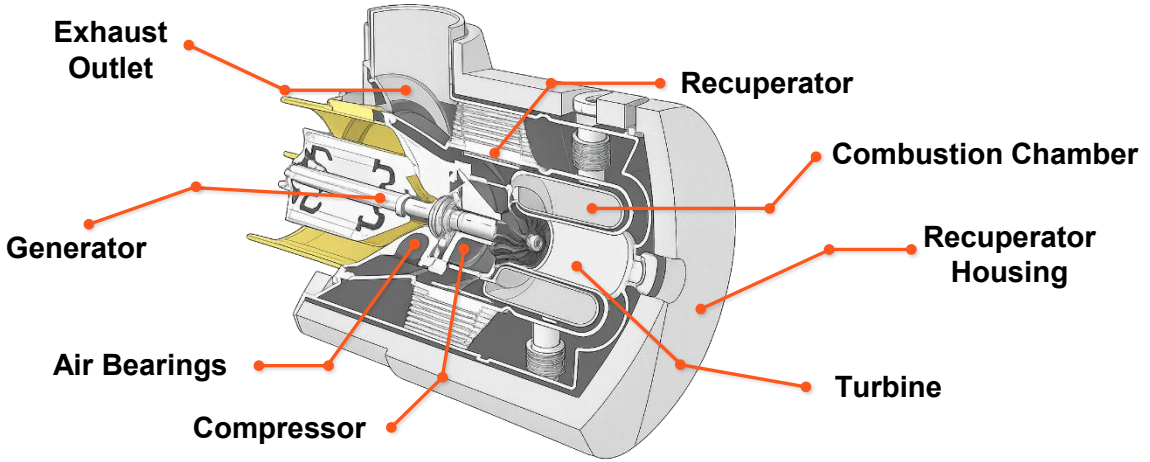
Product Portfolio Overview II

Microturbine Technology Converts Diverse Fuel Sources into Clean Electricity and Usable Thermal Energy

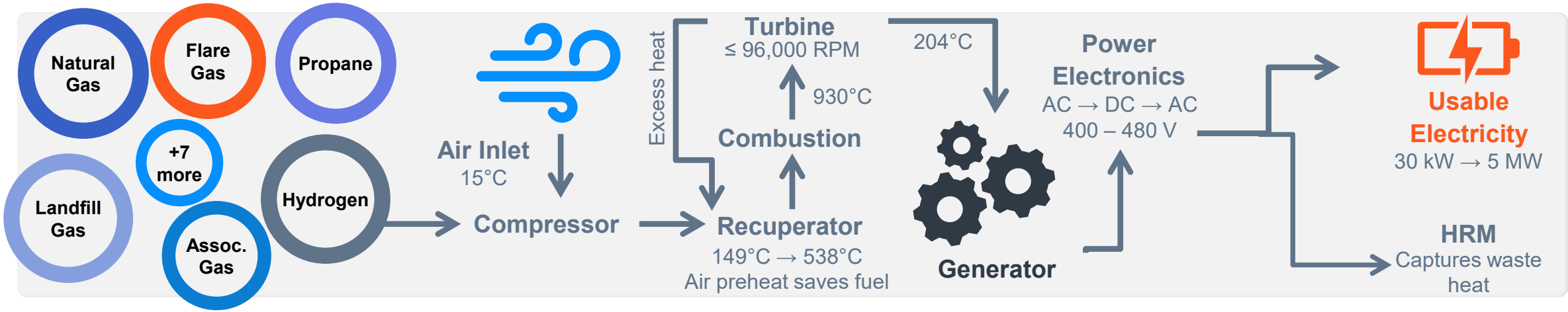
Process Description

- Diverse Energy Sources enters the combustor
- Ambient air is compressed on a single air-bearing shaft
- Combustion spins the turbine-generator into clean electricity
- Exhaust heat is recovered as usable thermal energy
- Recovered heat drives chillers

Turbine Structure



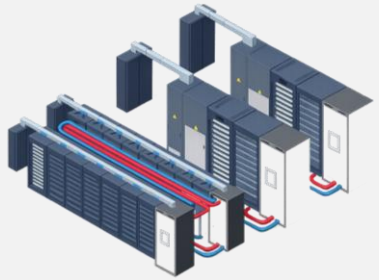
Energy Generation



Technology Investments

Advancing Efficiency, Emissions and Power Delivery to Meet Ai-Era Infrastructure Demands by 2027

800 VDC Platform



- New **“game rules”** by **NVIDIA** coming soon
- 800 VDC infrastructure supports **1 mW IT Racks**

Heat Recovery Module

- **137%** Performance **improvement** by heat collection
- **Lowers effective fuel use** per kWh by **45.5%**

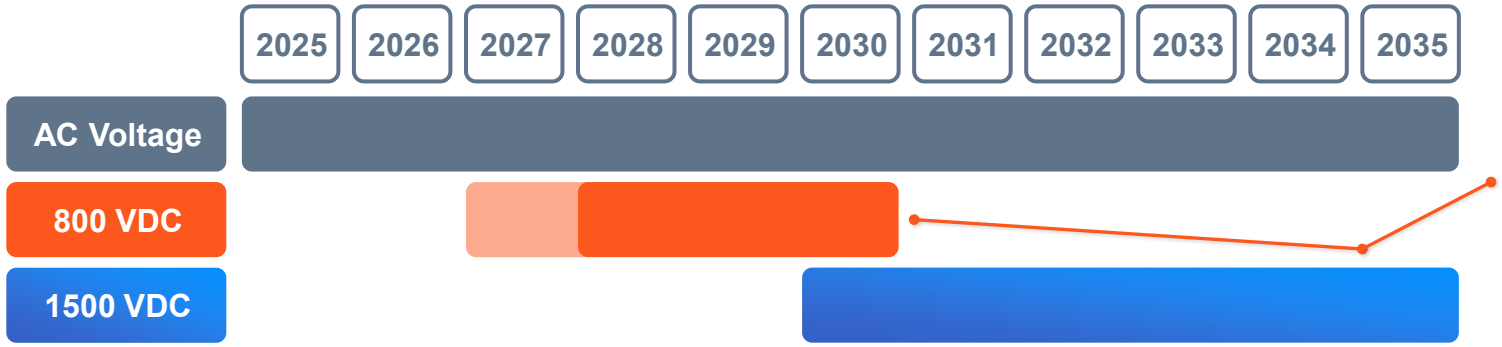
C250 Engine

- **„Go To“** Solution for Data Centres starting **already in 2027**
- Better **compressor** and improved **aerodynamics**

5ppm Nox Liners

- **Currently** Tech **triggers Title 5** Emission Regulation **at 87 mW**
- **With 5ppmx** Nox possibility for **unlimited deployment**

Aligning Capstone’s Technology with Emerging Data Center Power Architectures

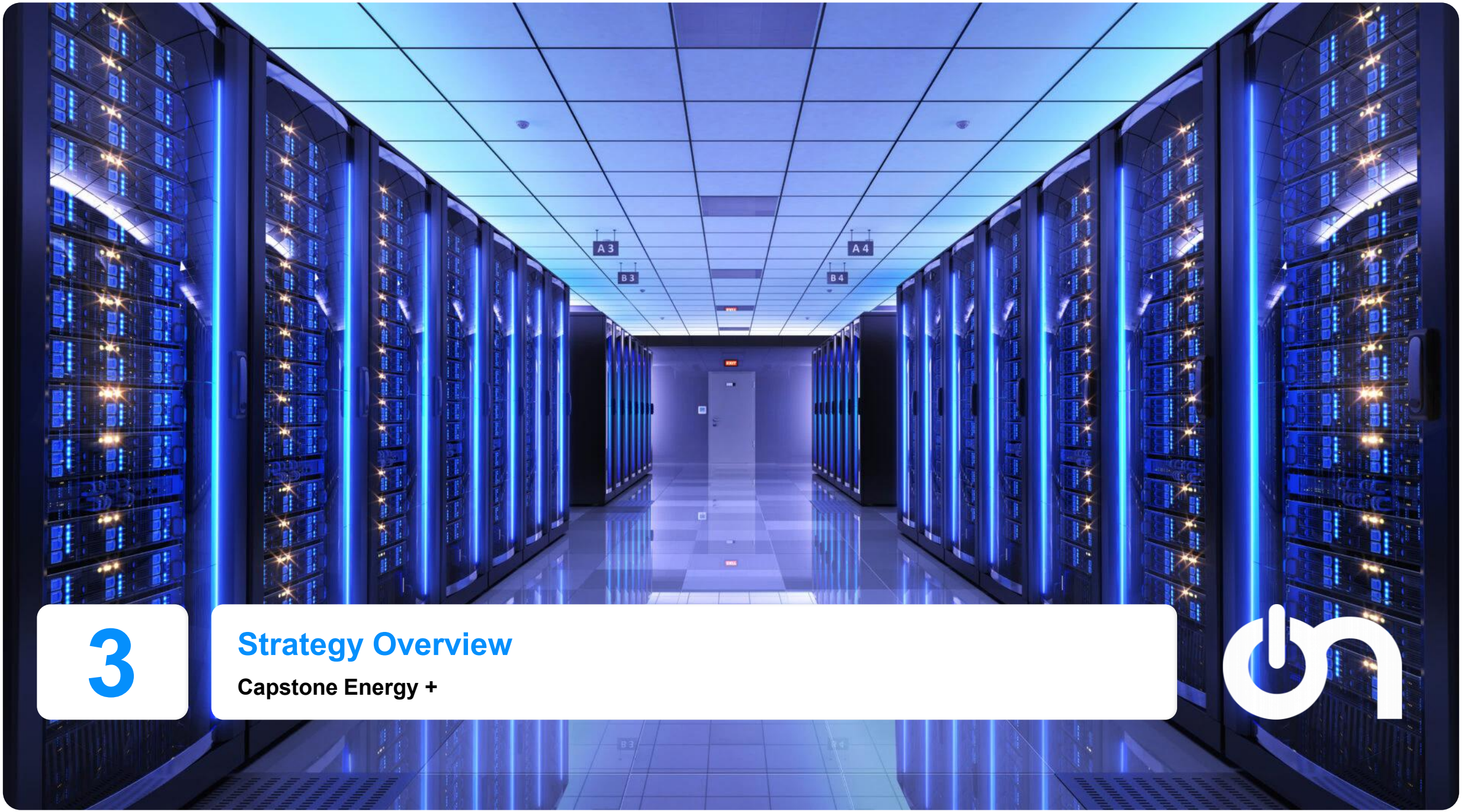


Key Insight

Direct access to AI data centers

800 VDC system can **eliminate multiple AC/DC** conversion steps and improve overall power **efficiency** by up to **5%**.

Most gas generators produce **AC power**. Capstone's microturbines can potentially deliver power in a **format** that **future AI data centers** want.



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Strategy Overview

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Strategy I

Targeting Expansion through AI Infrastructure Partnerships and Anticipated Nasdaq Uplisting

Data Center Deal

Why Capstone would be ideal for DC and potential clients

Modular deployment	800VDC AI Architecture
Fast installation	CHP efficient
Fuel flexible	High reliability

Aligned · DATABANK · tract · GridFree AI · IRON MOUNTAIN · APPLIED DIGITAL

VA-9 Manassas, Northern Virginia

- Lacks onsite power
- ~14 C1000S units per 14 MW phase
- 800VDC output eliminates AC-DC conversion loss
- CHP recovery compresses PUE
- Sub-50 MW preserves PJM BTM advantage

2G Energy

Take as an example 2G Energy AG …

CHP manufacturer signed largest contract in company history for north American data centers

2G® Energy AG

Nasdaq Listing

October 2023: delisted — NASDAQ → OTCQX

March 2026: Capstone agrees to list on NASDAQ within NTM

- **Access** to institutional capital
- **Credibility** With customers and partners
- **Visibility** During an Energy Infrastructure Cycle
- **Acquisition Currency** Stock based M&A
- **Flexibility** In the balance sheet

Floor Re-Design

Van Nuys factory is being re-laid out under lean manufacturing at near-zero Capex directly in response to data centre demand

Current capacity: 2000 units/year

Physical reorganization + DFMA + Selective outsourcing

Post-redesign: 7 MW at once → 350 MW/yr single shift, 700 MW/yr **double shift**

Source: Mentioned company's websites

Strategy II

Scalable Growth and Margin Expansion through Recurring Revenue and Operational Efficiency

EaaS and Rentals

Traditional Sales

Lower Margins +

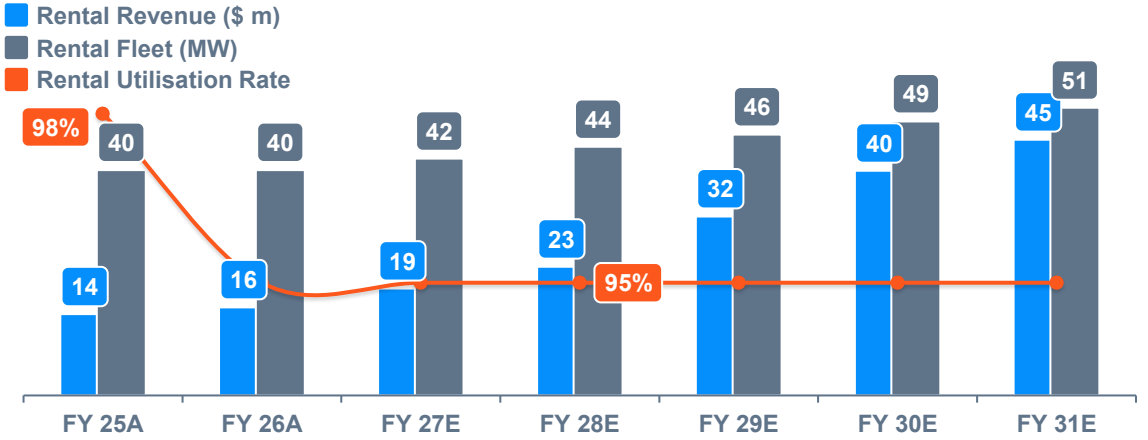
- Unpredictable revenue
- No guarantee that customers will repurchase
- Lower customer lock in

Energy as a Service

Higher Margins +

- Recurring cash flow
- Reduces dependence on sales
- Strengthens customer retention
- Increased lifetime customer value

EaaS Contract Growth



Costs

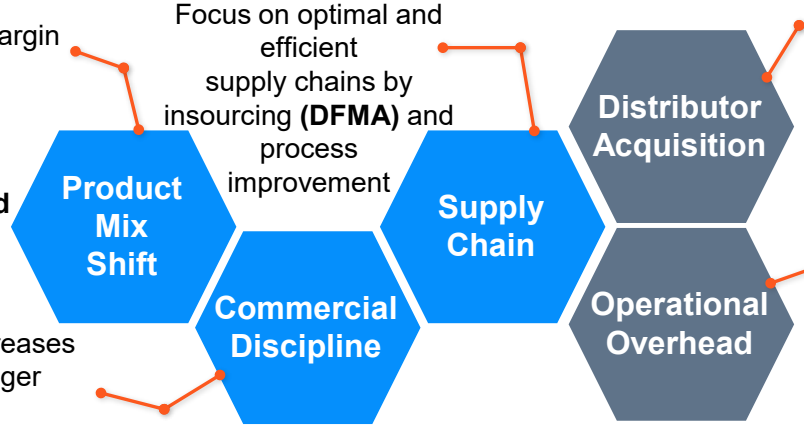
Higher margin revenue streams such as **rentals, parts and service**

Focus on optimal and efficient supply chains by insourcing **(DFMA)** and process improvement

Acquiring **Cal Microturbines** eliminates distributor margin and allows for customer access

Price increases and stronger channel **accountability**

Lower **SG&A** and **R&D** costs following restructuring



Growth

Natural Extension

Leverage existing **distribution base**

- alternate fuels

(Biogas, Sour Gas, Landfill Gas, DME, H2)

Territory Direct Sales

Self-funding **acquisition strategies** to create 20-25 pts of margin expansion

- Wont chase top-performing distributors

Big Sky

Play in untapped markets where significant **opportunity** exists

- Data Centres, Ports, Utility-microgrids, Station Power

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Market Analysis

Capstone Energy +

Market Analysis I

Grid Limitations and Policy Shifts Accelerate Distributed Generation Adoption

Regulatory Tailwinds

Before

- **Build first** and simply plug into grid
- Power plan **not needed**
- On-site generation **optional**

National large-load rule

Texas Senate Bill

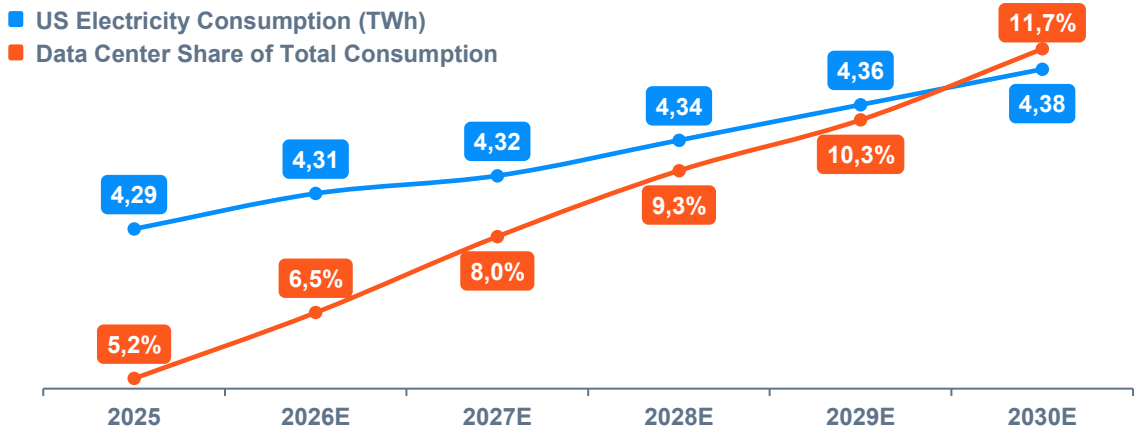
+ PJM & SPP regional rules

After

- **Must** prove a power plan
- Self-supply or switch off **on demand**
- On-site generation now **essential**

2025	Dec 2025	Jan 2026	Mid 2026
Texas SB	PJM Order	SPP HILL	Nat. Rule

US Electricity Consumption & Data Center Demand Forecast



Grid Interconnection and Capacity Constraints

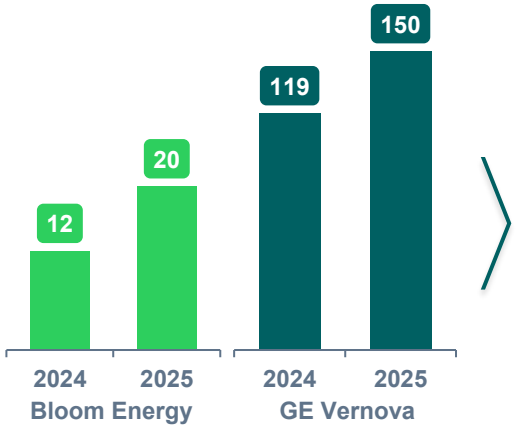
Interconnection Queue
4-7 Years avg. wait in congested US regions

New Grid Capacity
10-15 Years to build new transmission line

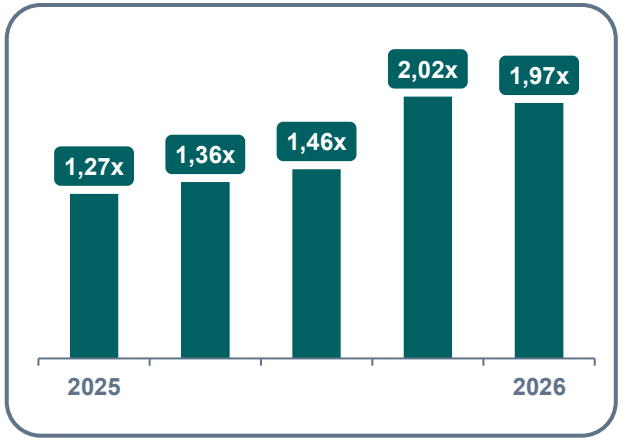
Network Upgrade Lag
Physical grid upgrades take 6+ years even after queue approval

Grid power is structurally unavailable for AI infrastructure

Competitor Backlogs in $ b



GE Vernova's Book to Bill Ratios



Source: FERC, Texas Legislature, SPP, Bloom + GE Vernova Filings, Statista

Market Analysis II

Displacing Traditional Generation Options through Superior Deployment Speed and Lower Lifetime Costs

Power Generation Source Comparison

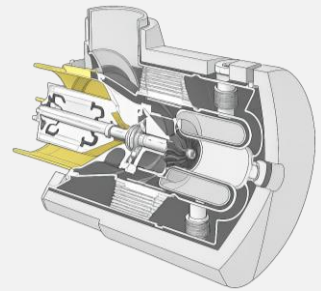
Dimension	Public Grid	Nuclear	Renewables	Microturbines
Time to power	5–10 Years	10–20 Years	2–5 Years	Weeks to Months
Reliability	Declining	High	Low	Ultra-High
Efficiency	~33%	~33%	N/A	>80%
Maintenance	N/A	Intensive	Moderate	Low
System				

Total Cost of Ownership Breakdown

Amounts in US Dollars $	Capstone energy+	Natural Gas Reciprocating Engines
Total Installed Cost	0.040	0.035
Emissions Equipment	0.000	0.006
Available Production Savings	(0.010)	0.000
Fuel Cost	0.067	0.054
Planned Maintenance	0.015	0.025
Annual Abatement	0.000	0.004
Thermal Savings	(0.044)	(0.030)
Total Cost of Ownership	**0.067**	**0.094**

~$200,000 in annual savings per MW vs gas reciprocating engine

Lower maintenance, thermal recovery & higher uptime offset higher install cost

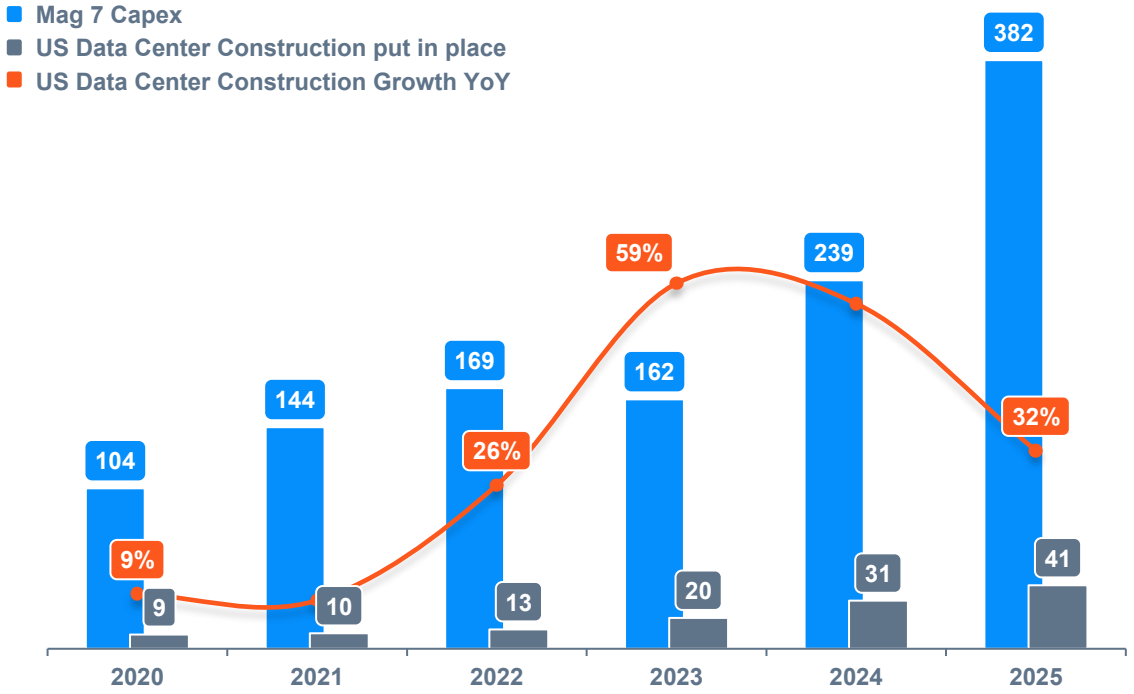


Source: US DOE Berkeley Lab, World Nuclear Association, IEA, Capstone Website

Market Analysis III

Grid-Locked AI Expansions and Massive IPO Pipelines Drive Demand for On-site Power

Tech Sector Capex Growth and Data Center Expansion in $ b



Power Infrastructure Profiles of Late-Stage AI IPOs

Companies	ANTHROP\C	OpenAI	databricks
Projects	Google & AWS AI clusters	**"Stargate"** supercomputer campuses	Enterprise software scaling
Energy Need	**5 GW deficit** by 2027	**Multi-GW** load **(un-met)**	**Constrained** by shared cloud limits
Energy Source	Trapped on **utility grid deficit**	**Pivot to on-site** private plants	Rented hyperscaler servers
Capacity	11 GW pipeline heavily bottlenecked	9 GW target stalled by **grid queues**	Directly capped by cloud power
Energy Outstanding	**Gridlocked**; forced to build own power corridors	**Grid failed**; 100% on-site baseload mandatory	**Stalled**; captive to third-party energy caps

Project Jupiter

Oracle scrapped gas turbines for data center after permit denials. Replaced with a 2.45 GW Bloom fuel cell microgrid.

Signals on-site DG as the default power path for large AI campuses

Cerebras IPO

Announced 750 MW compute contract with OpenAI at IPO. OpenAI buys compute only, Cerebras must entirely source and power the data centers.

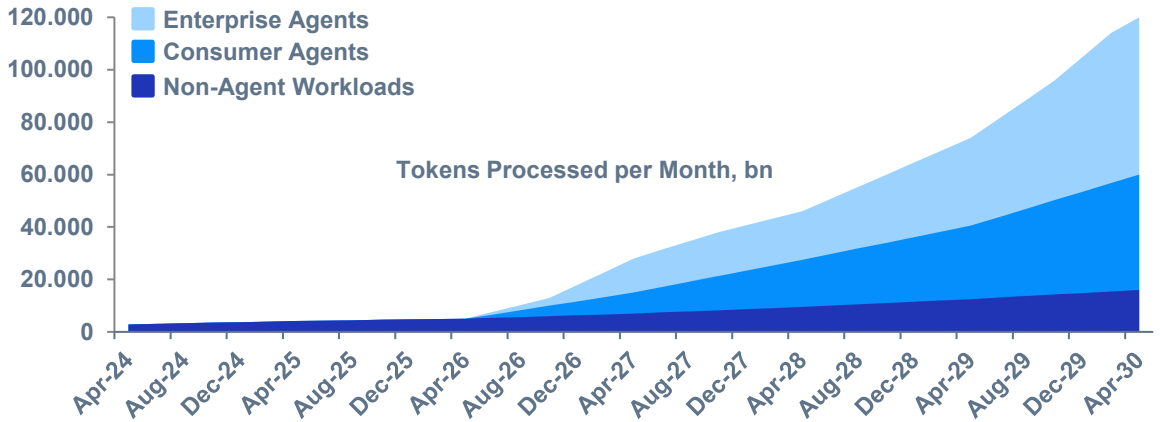
Grid-constraint is forcing firms to hunt for on-site power

Source: Cerebras & Bloom Filings, Statista, Capital IQ, OpenAI Press Release

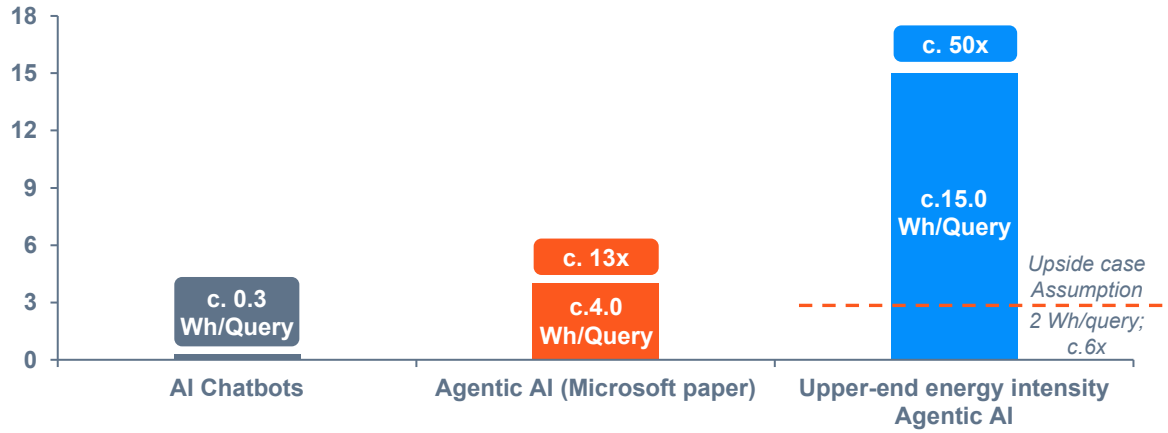
Enterprise Solutions

Agentic AI Is increasing Energy Demand

Consumer & Enterprise Driven Token Consumption Forecast



Energy Use of Traditional vs Agentic AI Query, Wh/Query



Options Companies Have for AI Agent Adoption

Buy direct from the labs

Highest cost
Frontier APIs (OpenAI, Anthropic) start fastest but cost the most per token

Compliance risk
Sensitive data leaves the company's control, which rules it out for most

Rented cloud

Middle cost
Cheaper than buying direct, but capacity is rented, so cost rises with usage

External dependency
Uptime, capacity, and data handling stay with an outside provider

On-premise

Lowest cost
Owned hardware undercuts cloud at volume, with payback in months

Data stays local
Data never leaves the building, keeping privacy and compliance in-house

Budgets rising
Deloitte reports 86% of enterprises expect AI-infrastructure budgets to more than triple within three years and over 70% plan to scale on-premise or edge AI by 2028

Local required
In defense, government, healthcare and finance, data often cannot legally leave the premises. Los Alamos (Jan 2025) self-hosts LLMs rather than use a cloud API

*Every path pulls demand toward **local compute, where edge AI is cheapest**, which creates a market for **distributed AI sites that Capstone can energize***

Source: Goldman Sachs, Deloitte, ResearchGate

5

Industry Analysis

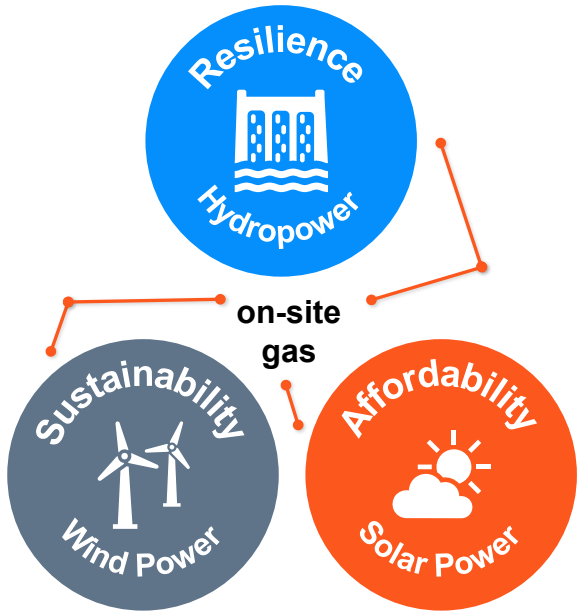
Capstone Energy +

Industry Analysis I

Capturing High-Growth Markets as Energy Trilemma Pressures Force Decentralization

Structural Industry Shifts and Decentralization Drivers

Industry Trilemma



Industry Trends

Hydrogen
Cuts overall carbon emissions and stores renewable energy

EaaS
Lowers upfront costs and delivers more predictable revenue

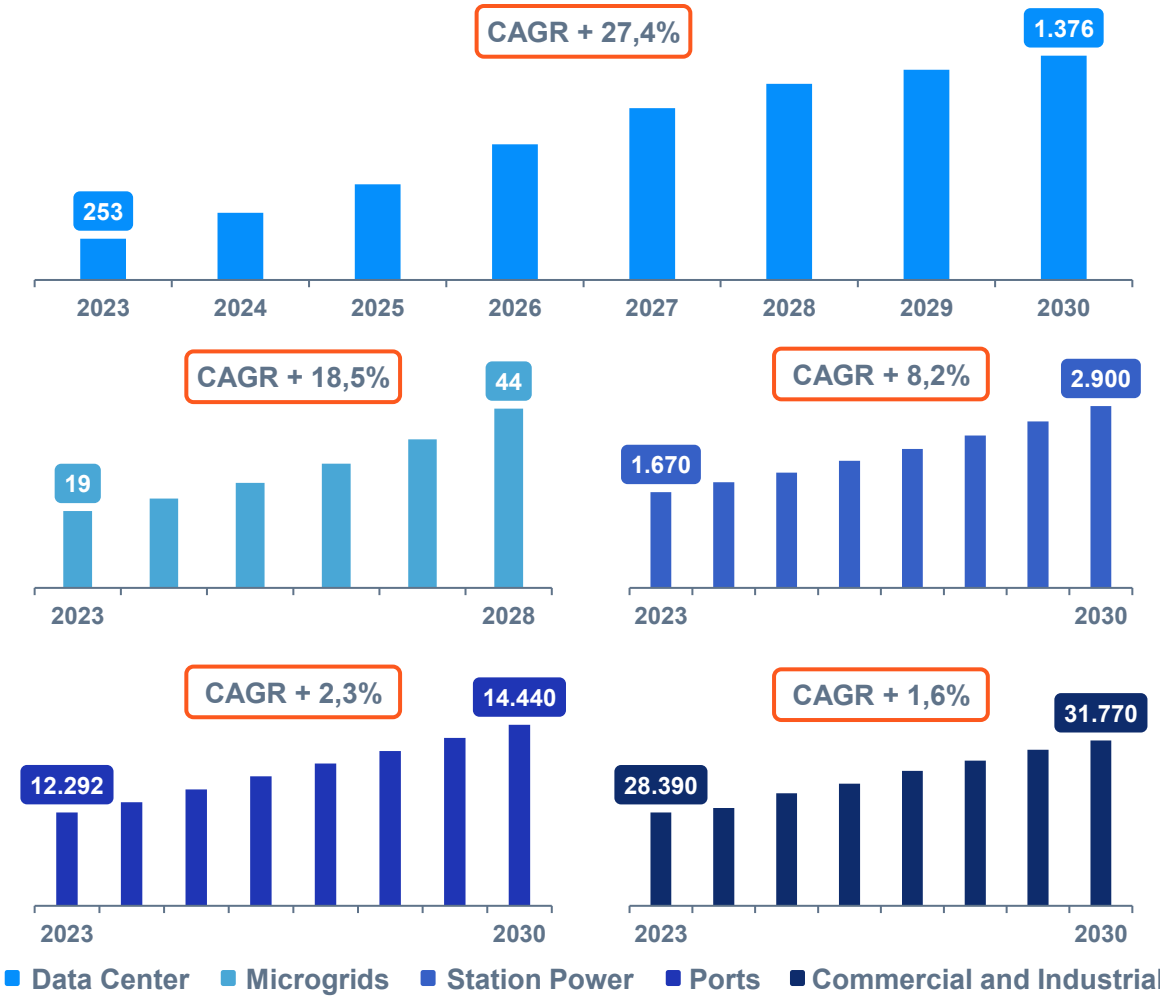
CHP dominance
Reduces emissions by using available fuel more efficiently

Hybrid systems
Improves reliability and maximizes use of renewable energy

Centralization → **Decentralization**

Grid queues too slow	AI needs 10x more power	Major hubs at Capacity	Weather exposes grid fragility	ESG demands on-site control

Projected Volume Growth Across Target Industry Segments



Industry Analysis II

Outcompeting Legacy Alternatives by Capturing the Market Shift Toward Fast Time-to-Power

Company	Capstone energy	Bloom energy	GE VERNOVA
Time to power	1 – 3 Months	6 – 12 Months	1 – 4 Years
Capital cost	$1,050–$1,650/kW	$0 upfront	$1,100–$2,400/kW
Below grid rates?	Usually yes ($0.09–$0.13/kWh all-in)	Only with gov. Subsidies (else $0.13–$0.14/kWh)	Matches grid
Emissions	Medium (0.08–0.20 lb/MWh)	Low (0.003 lb/MWh)	Medium–high (0.21 Nox/MWh)
Maintenance cost	Very low ($0.012/kWh)	Zero for customer (Included in PPA)	Moderate (Overhaul every 5 years)
DC output	800 VDC (in progress)	800 VDC (as standard)	AC only
Target	Microgrids, data centers, oil fields, hospitals	Data centers, factories, hospitals	Utilities and national power grids

"The market is increasingly defined by time-to-power rather than cost alone"

Grid connections now take years - that alone is **reshaping the market**

Capstone is the most **straightforward** to own

As grid prices rise, **on-site generation** gets more **attractive**

AC-only suppliers risk being **designed out of data centers**

Different markets being served by **different companies**

Source: Capstone, Bloom & GE Vernova Filings + Product Datasheets, WBDG, Wood Mackenzie

6

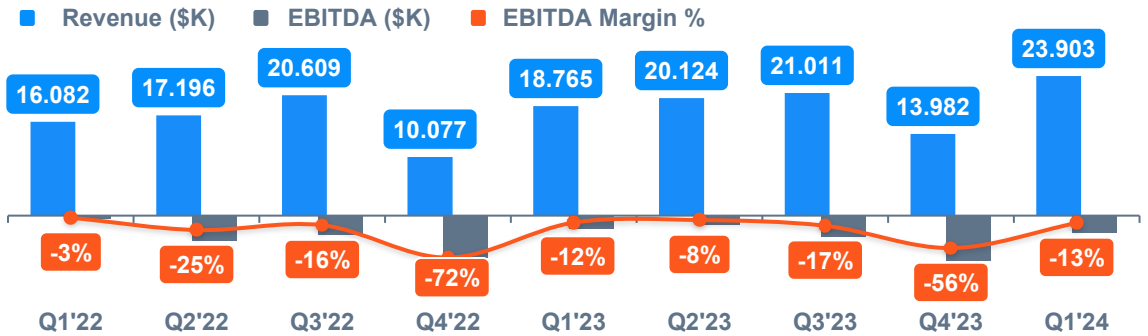
Financial Analysis & Valuation Overview

Capstone Energy +

Financial Analysis I

Capital Structure Transformation: $112.5M Monarch Investment Buys Out Goldman Stake and Veto Rights

Chapter 11 - Insolvency Proceedings

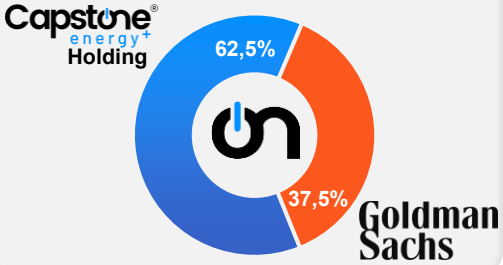


Restructuring of Goldman's $73M Debt
(Nov 2023)

Total Debt	**$ 73,3**
Preferred Units	- $ 13,9
Exit Notes	- $ 24,1
Financial Gain	**$ 35,3**

all numbers in USD Million

Capital Structure
(Dec 2023)



Goldman's 37,5% non-dilutable equity stake in the operating subsidiary, carrying veto rights over all major corporate decisions

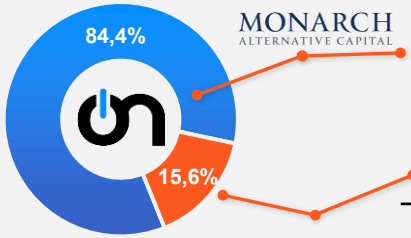
$21,1 Exit Roll Up Notes

$3,0 Exit New Money Notes

NASDAQ Delisting *(Oct 2023)* > Chapter 11 filing and delayed SEC filings triggered suspension on Oct 5 and formal delisting on Oct 23, 2023 – forcing the stock onto the OTC market, locking out most institutional investors.

Monarch Recapitalisation

Capital Structure *(Mar 2026)*



MONARCH ALTERNATIVE CAPITAL

Convertible Preferred Stock	$ 80,0
Common Equity at $4,5 / share	$ 15.0
PIPE (Private Investment in Public Equity)	$ 17,5
Total	**$ 112,5**

Total Shares: 7.222.223

Use of Proceeds

Goldman Preferred Units Redemption	$ 85,0
Eliminates 37,5% non-dilutable equity stake and veto rights	
Growth Capital	$ 27,5
AI Data Center, Engineering, Capex, Working Capital	
Total	**$ 112,5**

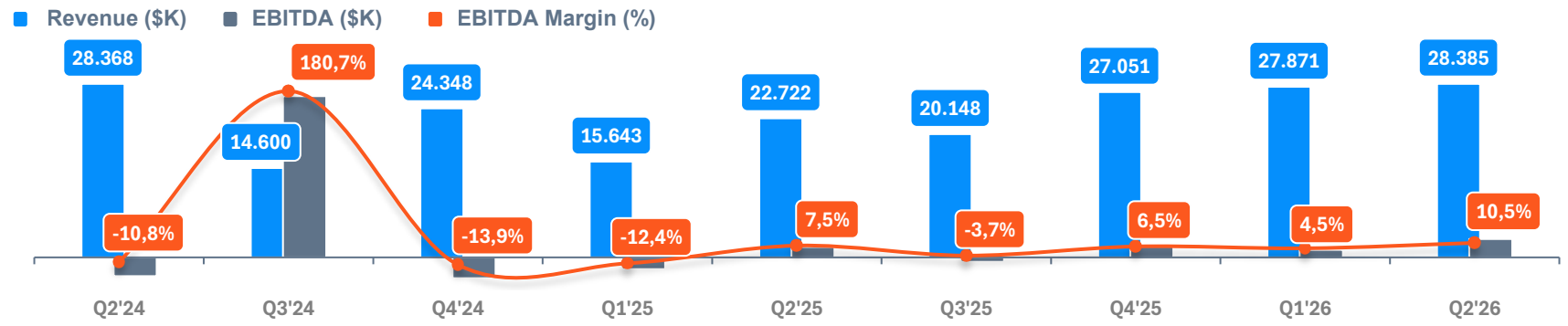
Monarch's Protection

NASDAQ/NYSE Listing	12 Month Application deadline *(March 21, 2027)*
Resale Registration	~$ 15,0
Board Representation	Right to nominate 2 independent directors
Liquidation Preference	$80M Convertible Preferred stock (senior to common stock)

Financial Analysis II

OTC to Public: Monarch Recapitalization Positions Capstone for a Potential Nasdaq / NYSE Uplisting

Financial Turnaround



DFMA / COST-OUT Program

Systematic product-by-product cost analysis using "Should Cost" Methodology

Battery Enclosure	61% savings ($900 -> $350)
Injector Assembly	44% savings (in-sourced)
Decal Printing	71% savings (in-sourced)

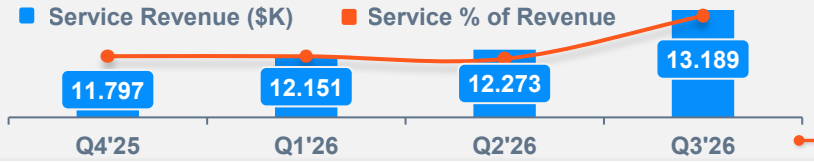
Margin Expansion

Post-restructuring margin discipline across all segments, driven by pricing, sourcing and mix

Products	-4% -> +2%
Parts & Service	47% -> 56%
Rentals	19% -> 35%

Product Mix Shift

- Hardware mix: Increasing demand for larger-capacity systems leading to higher margin per unit
- Revenue mix: Services & Rental now at 50% of revenue



Service Agreement Growth

Expanding base of multi-year Factory Protection Plans – recurring maintenance contracts

"Growing service agreement base contributing to recurring, higher-margin revenue." – Capstone management

CAL Microturbine Acquisition

Capstone acquired Cal Microturbine, its largest US distributor.

Strategic value: Direct access to this region critical for growth and margin expansion.

NASDAQ / NYSE Uplisting

Listing Readiness

$4+ share price, minimum public float, shareholder distribution, pro forma equity and exchange governance

Regulatory Filter

Nasdaq is tightening microcap listing standards, especially around unrestricted public float and low-liquidity issuers

Institutionalization Trigger

A Nasdaq / NYSE uplisting could improve institutional eligibility, liquidity and reduce the OTC valuation discount

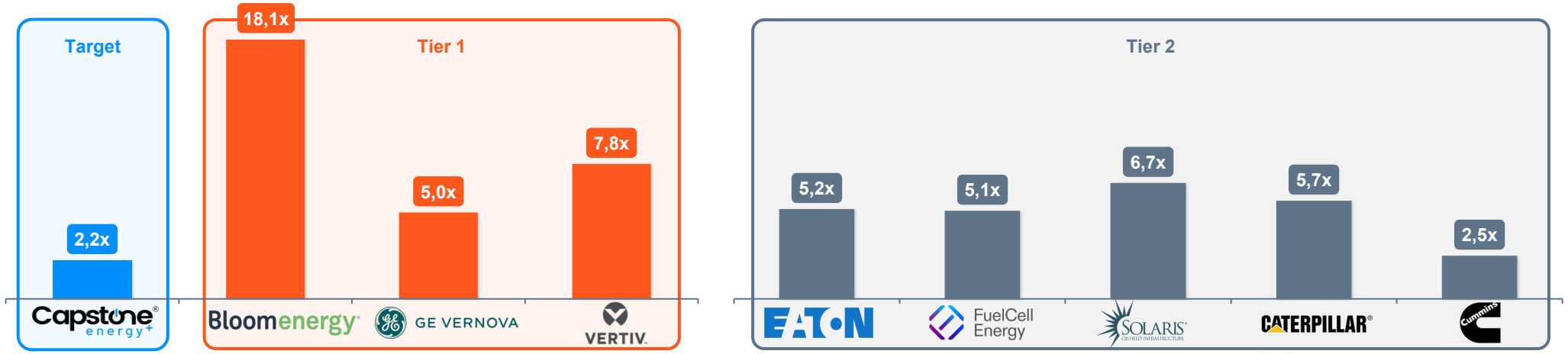
The uplisting is not just a technical milestone – it is the **credibility bridge** from an OTC turnaround to an institutional public equity story.

Source: Company 10k, Earnings Calls, Investor Presentations

Valuation I

Peer Multiple Analysis Indicates Significant Upside Potential

Forward Trading EV/Sales Multiples



Tier 1
direct power peers

Tier 2
broader industrials

Both Tiers weighted equally for CCA valuation

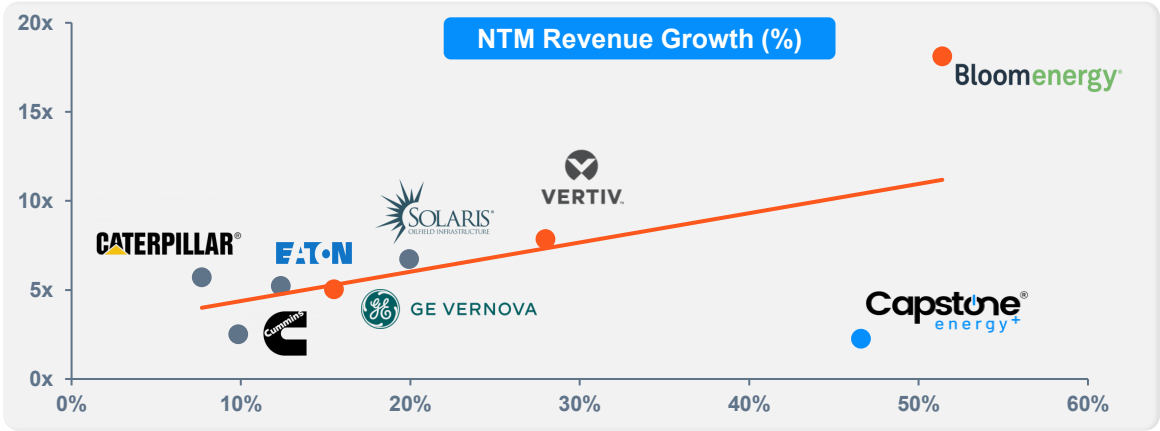
Justification of Revaluation Potential

Mispriced for Growth
At 2,2x EV/Sales, Capstone trades far below peers despite leading forward growth

Operational Inflection Underway
EBITDA turned positive in FY26 after restructuring; margin expansion is accelerating

Rerating Catalysts
Microgrid backlog conversion, NYSE/Nasdaq up-listing path and data-center demand

NTM EV/Sales Multiple vs. Revenue Growth

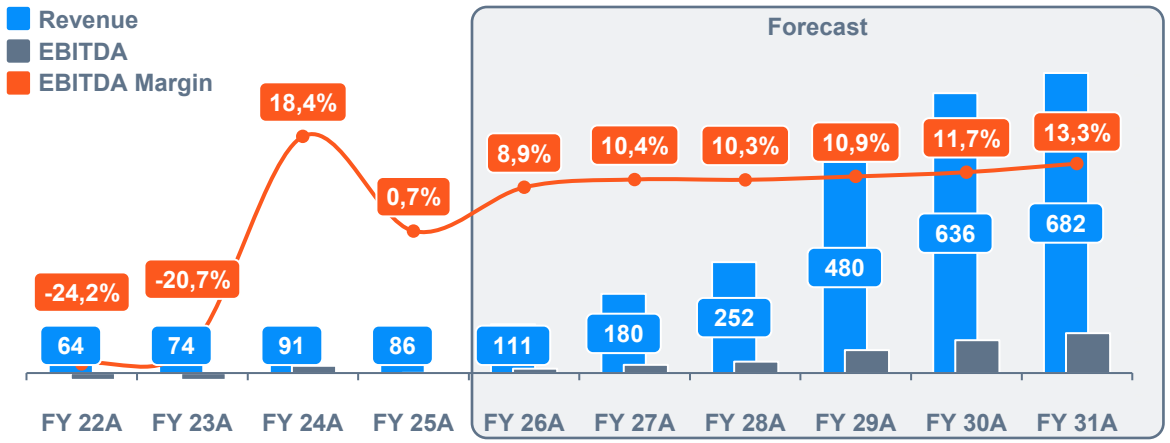


Source: Valuation

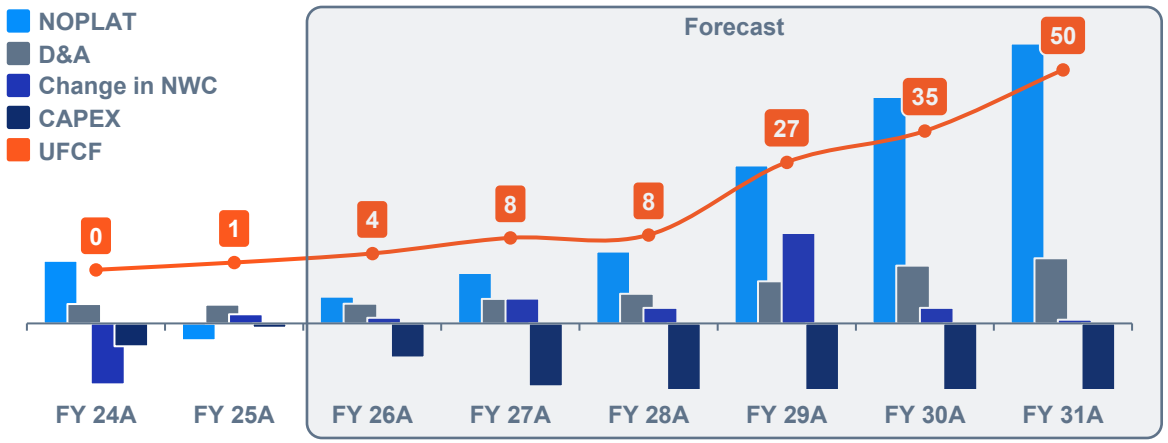
Valuation II

Financial Development & Drivers: Data Center Wins and TAM Expansion Drive Top-line Growth and Margins

P&L Development in $ m



Free Cash Flow Composition in $ m



Revenue Build Breakdown

Legacy Bucket

- **Factory utilization** increase amid **post-turnaround phase**
- **Product mix** shift towards **high-utility form-factor**

Data Centers

- **Market share** expansion in line with the **key competitor**
- **Cross-checked** vs. two distinct **bifocal datasets**

Further Markets

- **Three niches** sized from **primary federal data**
- **Addressable loads** matched to **microturbine fit**

Main Valuation Drivers

NOLs
NOLs shield cash taxes through FY28

Debt
No new borrowing needed as growth is not asset-driven

Pricing / mix
Avg. +8% p.a. on shift to larger projects

CapEx
Maintenance-level only as floor redesign covers modeled volumes

Capacity ramp
Production scales toward ~350 MW capacity

Margins
Gross margin expands on shift to larger projects

Working capital
DSO / DIO rise with larger projects
DPO grows on scaled purchasing

SG&A Expense
Declines as % of revenue as distributor model lets sales outpace overhead growth

Source: Valuation

Valuation III

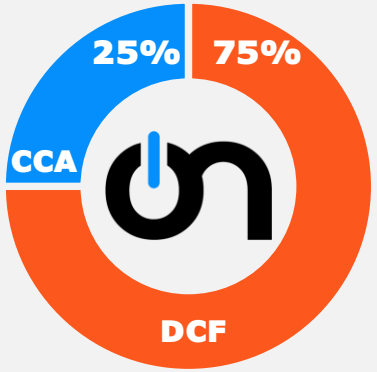
Three Scenarios Underpin Growth Potential Depending on Successful Execution of DC Deal Conversion

Key DCF Assumptions

WACC: 12,38%

TV Growth Rate: 3,00%

Unlevered Beta: 1,31



Value Contribution Split

UFCF 43%

TV 57%

Fade Stage

5-yr fade at 8% g to rebalance UFCF vs TV

Three Main Scenarios

Bull Case

Base + new markets

Ports, microgrids and station power convert from an attractive opportunity into orders

Base Case

Bear + data centers

First DC orders convert after 800VDC certification Gradual capture of the sub-20 MW market

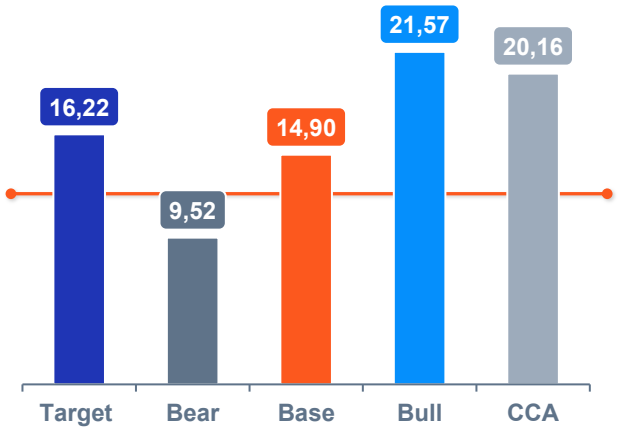
Bear Case

No DC entry

CGEH stays a niche microturbine OEM Value rests on the legacy annuity and capacity ramp alone

Sensitivity Table

WACC \ Terminal Growth Rate	2,0%	2,5%	3,0%	3,5%	4,0%
11,3%	16,09	16,70	17,39	18,15	19,03
11,8%	14,96	15,49	16,07	16,73	17,46
12,3%	13,94	14,40	**14,90**	15,46	16,09
12,8%	13,02	13,42	13,86	14,34	14,88
13,3%	12,19	12,54	12,92	13,34	13,81



Bull Case
Implies **82,98% upside** on mgmt.'s blue sky, conservatively rebuilt

Base Case
Implies **26,41% upside** as DC optionality converts to first orders

Bear Case
Implies **19,29% downside** if new end markets fail to materialize

Source: Valuation

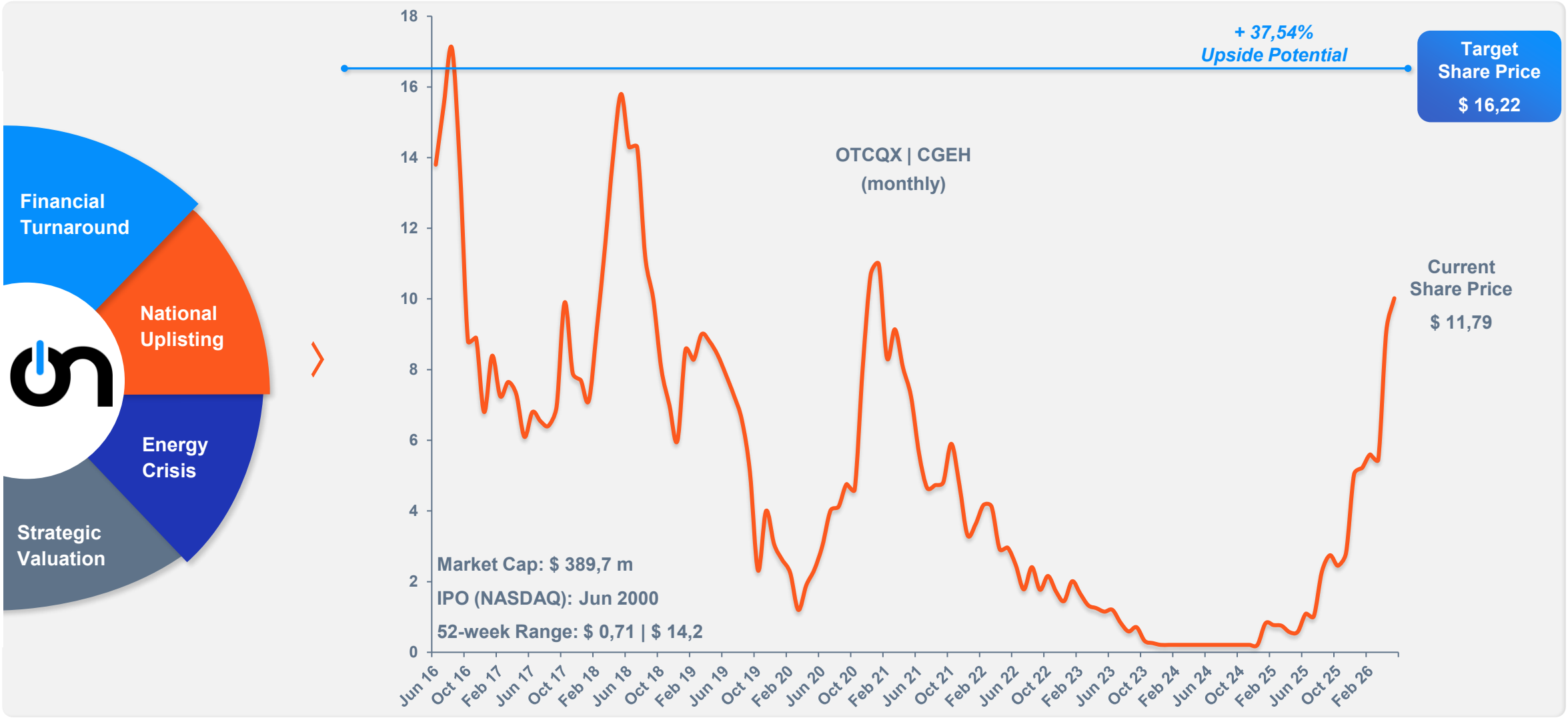
7

Conclusion

Capstone Energy +

Conclusion

Strong Upside Potential Driven by Financial Turnaround, NASDAQ Uplisting and Energy Shortage



Source: S&P Capital IQ

8

Appendix

Capstone Energy+

Appendix – Strategy Summary

Repositioning Capstone Energy for Profitable Growth

Strong Technology

Advanced microturbine platform enabling distributed low-emission power generation with fuel flexibility and combined heat and power efficiency for **industrial applications**

Unprofitable

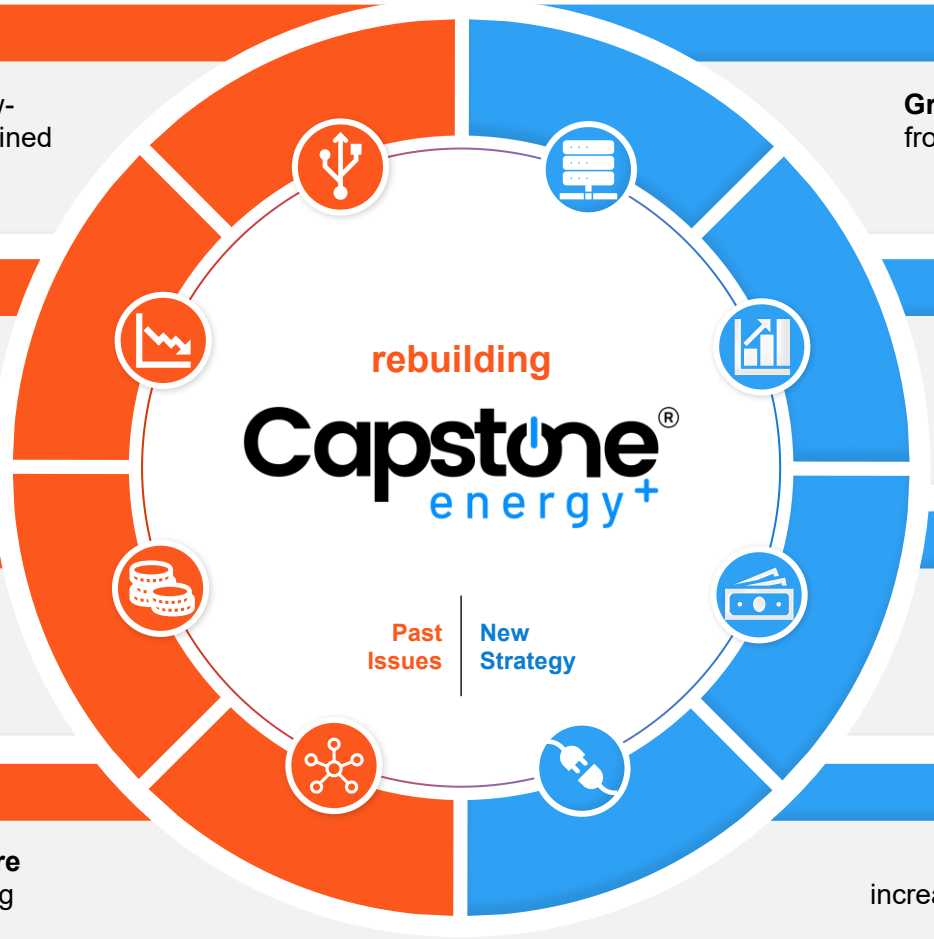
Structurally **loss-making model** driven by high fixed costs, heavy R&D investment, and insufficient scale to consistently achieve positive net income

High-Cost Base

Capital-intensive manufacturing and service infrastructure creating high operating leverage and limiting space for profit

Nasdaq Delisting

Repeated listing compliance pressure due to **weak share price performance** requiring corrective actions including reverse splits to maintain Nasdaq requirements



AI/Data Centers

Growing demand for reliable low-emission on-site power from AI-driven data centres requiring resilient backup and peak-load energy solutions

EaaS/Rental Expansion

Expansion of Energy-as-a-Service model enabling **recurring revenue streams** through long-term contracts instead of one-time equipment sales

Lowered Costs

Ongoing **cost reduction initiatives** improving manufacturing efficiency, service economics, and overall unit profitability potential at scale

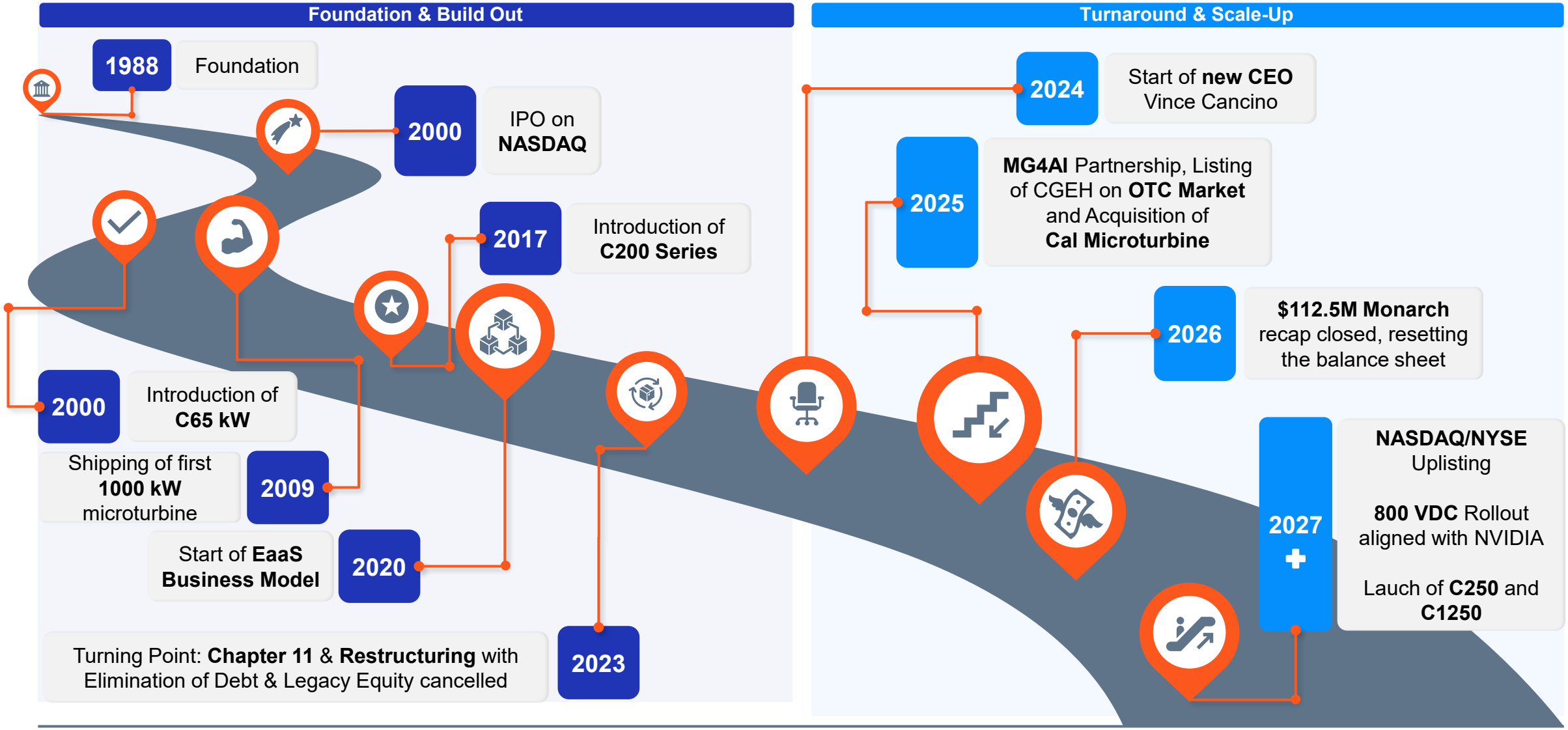
Distributed Energy

Structural shift toward decentralized power systems increasing **demand** for modular microturbine solutions close to end-users for grid resilience and flexibility

Cost reduction and scale benefits provide a pathway toward sustainable profitability

Appendix – Capstone's Histroy

From Restructured Turnaround to Scaled Ai-data-center Power Platform



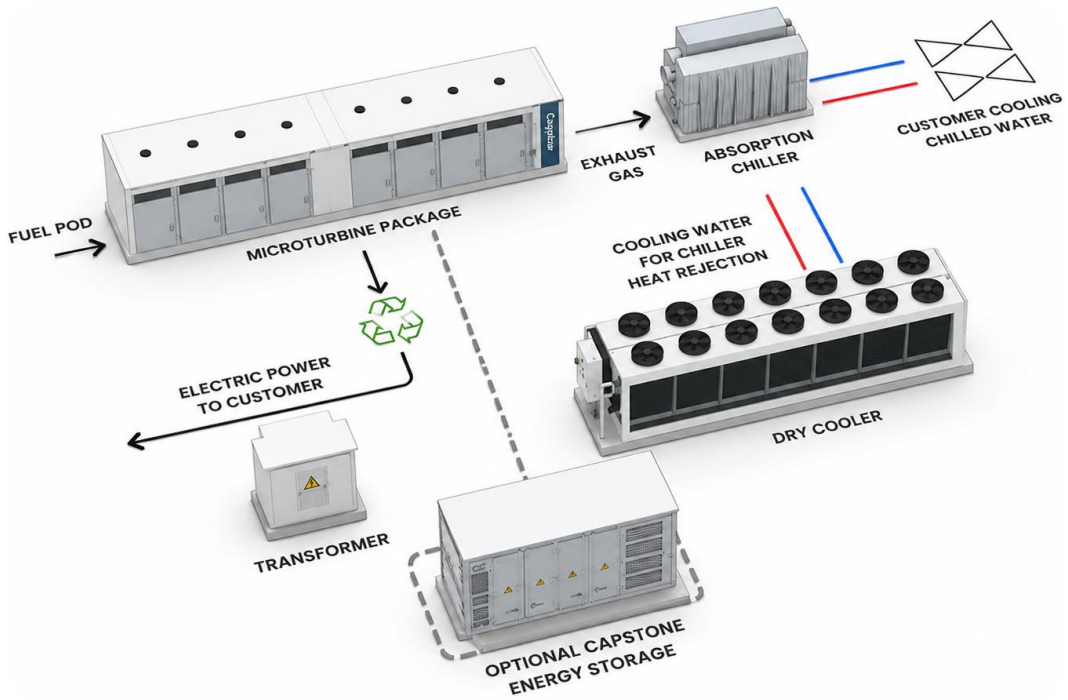
Source: Investor Presentation

Appendix - Data Center Deal

Ready to Employ Strategy for the Data Center Deal

Data Center Solution

ESP (Energy Surplus Program) is intended to bring together established technologies into a unified architecture designed to support AI-driven workloads



Microturbine Power + **Absorption Chillers** + **Dry Coolers** + **Energy storage** + **Microgrid Controls**

Potential Clients of Capstone

Company	Scale	Fit	Window
Aligned AI DC	50+ campuses ~$40B acq. Oct '25 100+ MW/campus	**C1000S · C1250S** CHP → PUE reduction Dispatchable backup + BESS	generation uncovered BESS covers 1 of 50+ campuses
DataBank Colocation	70+ sites 25+ markets $4.7B raised '25	**C600S · C1000S** Modular per-site EaaS Removes CapEx barrier	no generation deal Grid-dependent at 70+ sites Uptime SLA exposure at edge
GridFree AI Infrastructure	~5 GW planned 3 sites, >1.5 GW ea. South Dallas cluster Seed, $5M	**C1250S** 800 VDC / NVIDIA 1 MW rack	no OEM locked South Dallas One launching now ~5 GW to fill
Iron Mountain Colocation	31 DCs, 7 countries 63 MW leased '25 3× footprint planned	**C800S · C1000S** Bypass grid queue for new builds	PPAs ≠ dispatchable backup New builds won't have PPAs at Day 1
Applied Digital AI DC	400 MW Ellendale 430 MW Delta Forge ~$12B lease backlog Nasdaq: APLD	**C1250S** 800 VDC / NVIDIA rack match Modular fill pre-2028	B&W not online until 2028; sites live now B&W = utility-scale; C1250S complementary
Tract DC land developer	25,000+ acres 25+ GW planned 13+ sites (TX, NV, AZ, UT, VA) Berkshire Partners	**C1000S · C1250S** Bridge power pre-utility delivery Explicit supplemental gen. provisions	BTM OEM needed now Fleet DC seeking 350 MW temp. gas (NV, pending approval) TX utility delivery 2028 Gas pipeline not until Nov '28

Source: Company Websites

Appendix – Regulatory

Policy Changes

National Large-Load Rule

U.S. energy regulators are drafting the first nationwide rulebook for how very large electricity users, essentially any data center that needs more than 20 megawatts, connect to the power grid. Until now, a data center could simply request a connection and count on the grid to supply the power. Under the approach being developed, big new users would instead be expected to line up their own dedicated power supply as part of getting connected, with faster approvals for those that do. The effort was set in motion by a U.S. Department of Energy directive in October 2025, and regulators have signaled they will act around the middle of 2026; though the rule is still a draft and the final details are not yet fixed.

Texas Senate Bill 6

Texas runs its own electricity grid, separate from the national system, and in June 2025 it passed a state law (Senate Bill 6) setting new conditions for large power users; roughly those of 75 megawatts and above. New facilities must install equipment that lets the grid operator switch them off during emergencies, and when the grid is short of power they can be told to either cut their usage or run their own backup generation. They also have to help pay the cost of connecting and disclose their power plans up front. Because Texas is one of the country's biggest magnets for data centers, these rules touch a large share of new construction.

Lost Tax Credit

Federal clean-energy credit now requires zero emissions – gas units excluded since 2025

Buyers lost the tax break on Capstone's units

Electrification Push

California pushes buildings off gas: zero-emission heaters by 2030, 60+ local bans

Shrinks the market for gas systems

Interconnection Hurdles

Even on-site units must clear utility hookup rules (Rule 21, SB 1339) and fees

Approval and hookup costs slow deployments

PJM

FERC ordered PJM to fast-track on-site generators co-located with large loads

On-site power now beats grid connection in PJM

SPP

90-day approval for large loads paired with on-site generation via HILL initiative

Grid alone still takes years

FERC 2222

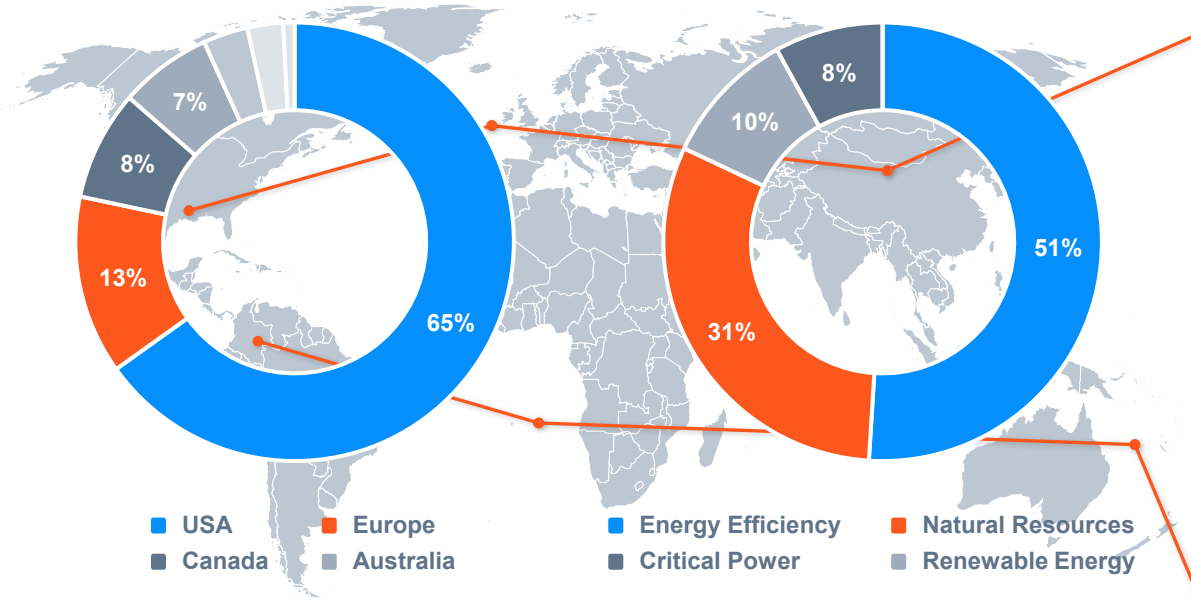
Microturbines and fuel cells can sell power into wholesale markets. Rollout by 2027/2029

New wholesale revenue stream for Capstone

Appendix - Geographical Presence

Making Use of North American Energy Demand

Geographical Distribution



- **Global footprint -** installed in more than 80 countries

Strong presence in North America - Oil & gas, DC, utilities, hospitals, CHP

Growing Latin American business - oil fields and industrial facilities, often fueled by associated gas that would otherwise be flared.

Energy-sector exposure in the Middle East and Africa - remote oil & gas operations where reliability and low maintenance are critical

European CHP Market - lower-emission distributed energy solutions

Case Study 1

Louisiana Blockchain and Cryptocurrency Mining

- remote cryptocurrency mining data centre needed reliable, low-cost, environmentally friendly power
- site had access to **associated natural gas (waste gas)** from nearby oil wells
- Capstone installed a **C1000S (1 MW) microturbine** under a long-term rental
- microturbine used waste gas as fuel, **reducing energy costs**, lowering emissions, and providing high reliability
- customer ordered a **second C1000S** just one year later

Case Study 2

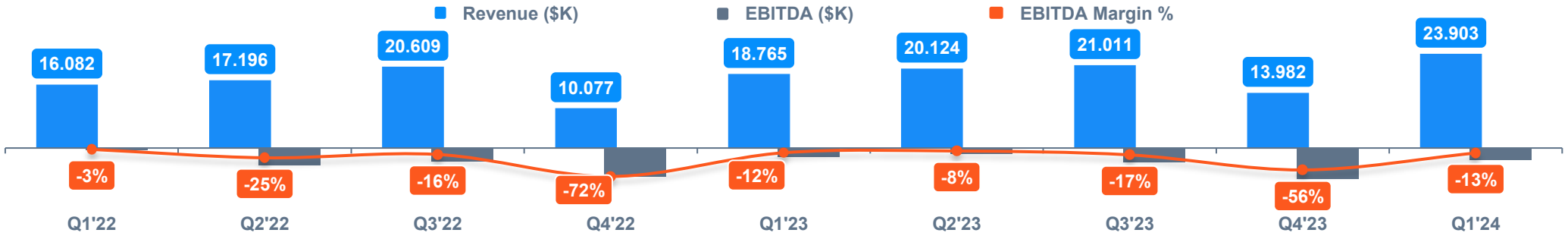
Ecopetrol

- wanted to reduce emissions and eliminate routine gas flaring
- installed a C1000S at oil field, using gas from oil production **instead of flaring it**
- After 18 months, Ecopetrol ordered two additional C1000S, replacing aging reciprocating engines
- reduced fuel consumption and maintenance requirements, eliminated gas flaring,
- saved approximately **$600,000**, reduced CO_2 emissions by **900 tons**, and improved efficiency from roughly **18–20% to 31.5%**

Appendix – Financials

Detailed Overview of Insolvency Proceedings

Insolvency Proceedings



Restructuring of Goldman's $73M Debt

(Nov 2023)

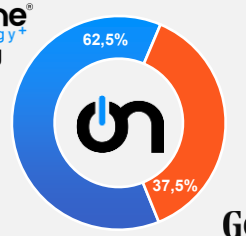
Senior Secured Principal	$53,0
Interest & Fees	$4,0
DIP Debt	$12,0
DIP Commitment Fee	$0,6
DIP Interest	$0,8
New Money Exit Notes	$3,0
Total Debt	**$73,3**
Preferred Units	- $13,9
Exit Notes	- $24,1
Financial Gain	**$35,3**

all numbers in USD Million

Capital Structure

(Dec 2023)

Capstone energy+ Holding



Goldman Sachs

Goldman's 37.5% non-dilutable equity stake in the operating subsidiary, carrying veto rights over all major corporate decisions

$21,1 Exit Roll Up Notes and $7,0 Exit New Money Notes

Monarch Recapitalisation

MONARCH ALTERNATIVE CAPITAL — Nasdaq NYSE — STOP

March 31, 2026 Monarch Close

Transaction closes; uplisting clock starts

12-Month Deadline

Preferred dividend step-up triggered

18-Month Hard Cut

Final contractual deadline

Enforcement Mechanism

Preferred dividend step-up activated if 12-month deadline missed

Financial penalty creates direct economic cost to management/equity holders

Monarch Capital holds enforcement rights via preferred equity terms

Appendix – Risks

Risks Overview for the Capstone Energy +

O1 **Manufacturing scale-up –** Van Nuys re-layout to 350–700 MW/yr is unproven; ramp delays or yield issues choke the data-center growth case.

O2 **Technology & roadmap timing** - 800 VDC platform and C1250 must land in sync with NVIDIA's 2027 1 MW-rack transition; slippage or a competitor first-mover risk

M3 **Customer concentration –** Few large, lumpy data-center orders drive volumes; loss or delay of one materially distorts growth optics.

M4 **Competitive pressure –** Bloom Energy and GE Vernova squeeze positioning and pricing.

F5 **Dilution overhang –** $80M Monarch convertible preferred (senior, liquidation pref) plus PIPE and future raises cap common-equity upside.

F6 **Growth-funding gap –** $ 27.5M growth capital may be insufficient to fund the ramp, risking another dilutive raise.

L7 **Emissions & gas headwinds –** Lost 2025 clean-energy credit, California gas bans and NOx/Title V permitting cap deployment until 5 ppm liners ship

W8 **Key-person dependence –** Thin team (~100 FTEs) and new CEO/CFO scaling a turnaround into a growth platform

Operations (O) – Market (M) – Financial (F) – Legislation (L) – Workforce (W)

Appendix – Catalysts

Defined Events And Execution Risks Framing The Path To A Higher Valuation

Catalyst	Type	Influenced factor	Estimated impact on share price
DC Deal	Soft	Revenue & Valuation Multiple	A single 100 MW data center contract would compress the implied FY28E sales multiple, opening significant room for a higher valuation. ↑
NASDAQ / NYSE Uplisting	Hard	Liquidity	Contractually mandated within 12 months, representing a natural catalyst. The move from low volume OTCQX trading to a major exchange opens institutional demand and index eligibility ↑
FS Publication	Hard	Revenue & Margin Growth	Continued top line growth alongside an expanding adjusted EBITDA margin confirms the turnaround quarter after quarter and reduces the risk in the equity story ↑
Execution Risk	Soft	Revenue visibility	Data center contracts are complex and a failure or delay to close them ↓
Equity Dilution	Hard	Share count & EPS	Monarch's exit via relisting on a national exchange could trigger a secondary offering or share distribution, diluting existing holders during the transition period ↓

Capstone Peer Group

Tier 1 & 2 Peers

Tier 1

Bloomenergy

Produces fuel cells for on-site power generation - the same core business model as Capstone. Tier 1 because it is the single closest comparable: distributed generation, data center end-market, 800 VDC roadmap.

GE VERNOVA

GE's power spin-off covering gas turbines, grid and electrification. Tier 1 because it is the largest direct beneficiary of AI-driven power demand - the same structural growth theme behind Capstone's equity story.

VERTIV.

Builds power and cooling infrastructure for data centers. Tier 1 because it partners with NVIDIA on 800 VDC architecture - the exact technology pathway Capstone is pursuing with its product roadmap.

Tier 2

EATON

Diversified electrical components supplier across industrial and data center markets. End-market overlap with Capstone but positioned as a component supplier, not a power generator.

FuelCell Energy

Stationary fuel cell power generation - technologically close to Capstone. Included for product comparability despite negative forward revenue growth.

SOLARIS OILFIELD INFRASTRUCTURE

Provides mobile power infrastructure for oil and gas sites. It shares Capstone's on-site generation model, but Tier 2 because it serves a single niche vertical rather than the broader power market.

CATERPILLAR®

Diversified heavy industrial with a power generation segment. Included as a broad industrial benchmark given partial product overlap.

Cummins

Manufactures engines, generators and backup power systems. Operationally adjacent to distributed generation with an established standby and prime power business.

Appendix – 800 VDC Detailed

Transitioning from VAC to VDC

A simple component modification
The current Capstone microturbine system relies on double conversion from high-frequency AC to DC, then from DC to low-voltage AC (e.g., 480VAC at 60 Hz). The new High Voltage Direct Current ("HVDC") microturbine system will have higher efficiency via single conversion of the turbine generator's AC power directly to an HVDC microgrid.

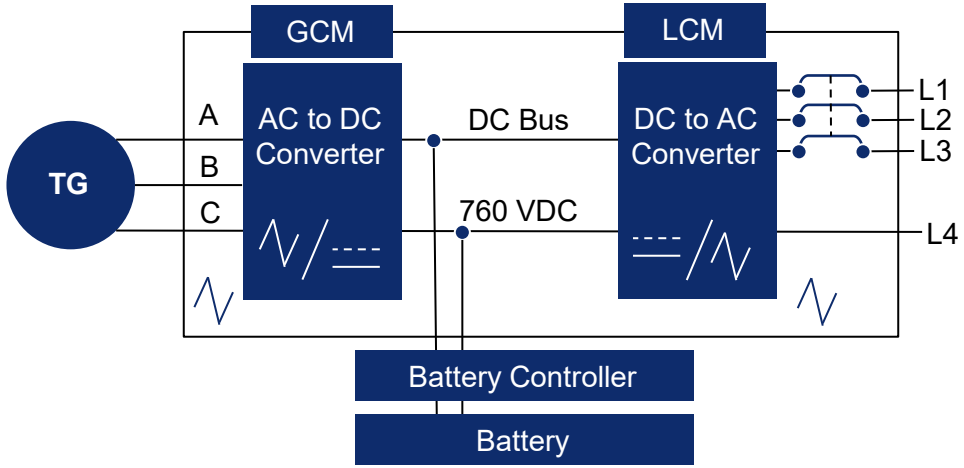
Key Advantages

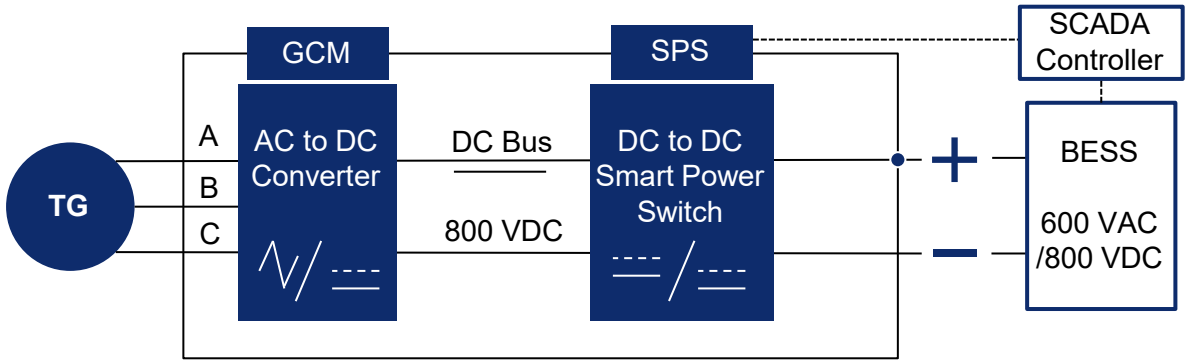
- No AC grid required – TRUE stand-alone microgrid solution
- Quicker response to load changes vs traditional reciprocating engine generators
- Cleaner power through inverter-based power electronics

Future Microturbine HVDC

- Built-in redundancy and backup BESS for load transients and Microturbine bay service
- No exhaust after treatment, motor mounts, heat rejection radiator, sound attenuation, enclosure
- High combined cycle efficiency through heat recovery of high-quality exhaust

Current Microturbine





Appendix

DCF

DCF Valuation	FY 2024A	FY 2025A	FY 2026A	FY 2027A	FY 2028A	FY 2029A	FY 2030A	FY 2031A	FY 2032A	FY 2033A	FY 2034A	FY 2035A	FY 2036A	TV
Valuation Date: Jun 14, 2026	31Mar 2024	31Mar 2025	31Mar 2026	31Mar 2027	31Mar 2028	31Mar 2029	31Mar 2030	31Mar 2031	31Mar 2032	31Mar 2033	31Mar 2034	31Mar 2035	31Mar 2036	Mar 31, 2030
in € thousands									*Fading Period -->*					
Net Sales	**91.219**	**85.564**	**110.789**	**180.296**	**252.038**	**479.808**	**636.171**	**682.328**	**736.914**	**795.867**	**859.536**	**928.299**	**1.002.563**	
Growth YoY (%)	*n.a.*	*(6,2%)*	*29,5%*	*62,7%*	*39,8%*	*90,4%*	*32,6%*	*7,3%*	*8,0%*	*8,0%*	*8,0%*	*8,0%*	*8,0%*	
Gross Profit	76.935	62.266	71.257	112.026	156.004	294.179	384.278	401.602	433.730	468.428	505.902	546.375	590.085	
Gross Profit Margin (%)	*84,3%*	*72,8%*	*64,3%*	*62,1%*	*61,9%*	*61,3%*	*60,4%*	*58,9%*	*58,9%*	*58,9%*	*58,9%*	*58,9%*	*58,9%*	
EBITDA	16.813	601	9.846	18.688	25.962	52.456	74.609	90.940	98.215	106.072	114.558	123.722	133.620	
EBITDA Margin (%)	*18,4%*	*0,7%*	*8,9%*	*10,4%*	*10,3%*	*10,9%*	*11,7%*	*13,3%*	*13,3%*	*13,3%*	*13,3%*	*13,3%*	*13,3%*	
EBIT	**12.825**	**-3.257**	**5.790**	**13.632**	**19.885**	**43.792**	**62.785**	**77.600**	**83.808**	**90.513**	**97.754**	**105.574**	**114.020**	
EBIT Margin (%)	*14,1%*	*(3,8%)*	*5,2%*	*7,6%*	*7,9%*	*9,1%*	*9,9%*	*11,4%*	*11,4%*	*11,4%*	*11,4%*	*11,4%*	*11,4%*	
- Provision for Income Taxes	14	175	301	3.267	5.170	11.386	16.324	20.176	23.452	25.329	27.355	29.543	31.907	
Tax rate (%)	*28,0%*	*28,0%*	*28,0%*	*28,0%*	*28,0%*	*28,0%*	*28,0%*	*28,0%*	*28,0%*	*28,0%*	*28,0%*	*28,0%*	*28,0%*	
NOPLAT	**12.811**	**-3.432**	**5.489**	**10.365**	**14.715**	**32.406**	**46.461**	**57.424**	**60.355**	**65.184**	**70.399**	**76.031**	**82.113**	
+ Depreciation & Amort.	3.988	3.858	4.056	5.056	6.077	8.664	11.824	13.340	13.340	13.340	13.340	13.340	17.321	
+/- Change in NWC	-12.531	1.886	1.174	5.117	3.195	18.582	3.179	737	737	737	737	737	737	
- Capital Expenditures	-4.674	-879	-6.995	-12.867	-15.567	-32.845	-26.755	-21.321	-20.321	-19.321	-18.321	-17.321	-17.321	
														g = 03%
Unlevered FCF	**-406**	**1.433**	**3.724**	**7.671**	**8.420**	**26.807**	**34.708**	**50.180**	**54.111**	**59.940**	**66.154**	**72.786**	**82.850**	**909.492**
in % of Net Sales	*(0,4%)*	*1,7%*	*3,4%*	*4,3%*	*3,3%*	*5,6%*	*5,5%*	*7,4%*	*7,3%*	*7,5%*	*7,7%*	*7,8%*	*8,3%*	
Reinvestment Rate, % NOPLAT	*103,2%*	*141,8%*	*32,2%*	*26,0%*	*42,8%*	*17,3%*	*25,3%*	*12,6%*	*10,3%*	*8,0%*	*6,0%*	*4,3%*	*(0,9%)*	
Partial Period Adjustment			0,21	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	
Adjusted UFCFs			**766**	**7.671**	**8.420**	**26.807**	**34.708**	**50.180**	**54.111**	**59.940**	**66.154**	**72.786**	**82.850**	**909.492**
WACC (%)			*12,38%*	*12,38%*	*12,38%*	*12,38%*	*12,38%*	*12,38%*	*12,38%*	*12,38%*	*12,38%*	*12,38%*	*12,38%*	*12,38%*
Periods for Discounting			0,21	1,21	2,21	3,21	4,21	5,21	6,21	7,21	8,21	9,21	10,21	10,21
Discount Factor			0,98	0,87	0,77	0,69	0,61	0,54	0,48	0,43	0,38	0,34	0,30	0,30
PV of Adjusted UFCFs			**747**	**6.664**	**6.509**	**18.438**	**21.243**	**27.328**	**26.222**	**25.846**	**25.383**	**24.850**	**25.169**	**276.298**

Appendix

Equity Bridge, Share Price & WACC Claculations

PV Sum of Adjusted UFCFs	43,0%	208.400
PV of Terminal Value	57,0%	276.298
Enterprise Value (EV)	100,0%	**484.698**
- Total Debt (incl. Leases)		-42.973
+ Cash & ST Investments		8.671
= (Net Debt)		**-34.302**
- Preferred Shares		0
- Non-controlling Interests		-14
- Long-Term Provisions		0
Implied Equity Value		**450.382**
Common Shares Out		30.220
Non-voting Common Shares Out		1
Fully Diluted Shares Out		**30.221**
Implied Price per Share		**14,90**
Current Share Price		11,79
Upside Potential		***26,41%***

WACC Calculation		Comments
Financials as of Q3 2026		
Cost of Equity		
Risk-free Rate	*4,46%*	*--> 10Y US Treasury Yield*
Unlevered Beta (β_{UL})	***1,31***	*--> Tab: Unlevered Beta*
Implied D/E Ratio	*(5,15%)*	*--> Net Debt as of Q3 2026 / Market Cap, as of Jun 14, 2026*
Relevered Beta	1,25	*--> Relevered ß = Unlevered ß * (1+D/E)*
Market Risk Premium	*3,95%*	*--> Implied equity market risk premium*
Country Risk Premium (CRP CoE)	*0,00%*	*--> An additional CRP for CoE has been disregarded due to revenue majority in the US*
Inflation Differential	*0,00%*	*--> Inflation Differential has been disregarded*
Size Premium	*3,00%*	*--> Size premium based on OTC limited liquidity and access to the institutional investors*
Cost of Equity (CoE)	***12,38%***	*--> Rf + Relevered Beta * MRP + CRP + Inflation Diff. + Size Premium*
Cost of Debt		
Risk-free Rate	*4,46%*	*--> 10Y US Treasury Yield*
Credit spread	*1,70%*	*--> Tab: Credit Spread*
Country Risk Premium (CRP CoD)	*0,00%*	*--> An additional CRP for CoD has been disregarded*
Inflation Differential	*0,00%*	*--> Inflation Differential has been disregarded*
Size Premium	*3,00%*	*--> Size premium based on OTC limited liquidity and access to the institutional investors*
Cost of Debt (CoD)	***9,16%***	*--> Rf + Credit Spread + CRP Debt + Inflation Diff. + Size Premium*
Effective Tax Rate (t)	*28,0%*	*--> State Tax Rate (=California CTR) + Federal TR * (1- State TR)*
Cost of Debt (After-tax)	***6,60%***	*--> Cost of Debt * (1- t)*
WACC Calculation		
Net Debt (EoP)	(18.359,0)	*--> Net Debt as of Q3 2026*
Market Cap, as of Jun 14, 2026	356.293,8	*--> Market Cap, as of Jun 14, 2026*
Implied EV	**337.934,8**	*--> Net Debt + Market Cap, as of Jun 14, 2026*
Equity / Value *(capped at 100%)*	*100,0%*	*--> Market Cap, as of Jun 14, 2026 / Implied EV*
Debt / Value	*0,0%*	*--> Net Debt / Implied EV*
WACC (Modigliani Miller)	***12,38%***	*--> % Equity * CoE + % Debt * CoD (After-tax)*

Appendix

Sensitivities

Sensitivity - Enterprise Calue

	TV g				
WACC	2,0%	2,5%	3,0%	3,5%	4,0%
11,38%	520.684	539.108	559.730	582.969	609.355
11,88%	486.416	502.307	519.987	539.777	562.076
12,38%	455.663	469.446	**484.698**	501.667	520.661
12,88%	427.932	439.948	453.179	467.820	484.110
13,38%	402.819	413.342	424.878	437.582	451.640

Sensitivity - Share Price

	TV g				
WACC	2,0%	2,5%	3,0%	3,5%	4,0%
11,38%	16,09	16,70	17,39	18,15	19,03
11,88%	14,96	15,49	16,07	16,73	17,46
12,38%	13,94	14,40	**14,90**	15,46	16,09
12,88%	13,02	13,42	13,86	14,34	14,88
13,38%	12,19	12,54	12,92	13,34	13,81

Sensitivity - Equity Value

	TV g				
WACC	2,0%	2,5%	3,0%	3,5%	4,0%
11,38%	486.368	504.792	525.414	548.653	575.039
11,88%	452.100	467.991	485.672	505.461	527.761
12,38%	421.347	435.130	**450.382**	467.351	486.345
12,88%	393.616	405.632	418.863	433.505	449.794
13,38%	368.503	379.026	390.562	403.266	417.324

Sensitivity - Share Price Upside

	TV g				
WACC	2,0%	2,5%	3,0%	3,5%	4,0%
11,38%	*36,5%*	*41,7%*	*47,5%*	*54,0%*	*61,4%*
11,88%	*26,9%*	*31,3%*	*36,3%*	*41,9%*	*48,1%*
12,38%	*18,3%*	*22,1%*	***26,4%***	*31,2%*	*36,5%*
12,88%	*10,5%*	*13,8%*	*17,6%*	*21,7%*	*26,2%*
13,38%	*3,4%*	*6,4%*	*9,6%*	*13,2%*	*17,1%*

Appendix

Operating Model – P&L

Income Statement	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026A	FY 2027A	FY 2028A	FY 2029A	FY 2030A	FY 2031A
FY End	31Mar 2021	31Mar 2022	31Mar 2023	31Mar 2024	31Mar 2025	31Mar 2026	31Mar 2027	31Mar 2028	31Mar 2029	31Mar 2030	31Mar 2031
Product & Accessories	*36.517*	*32.720*	*35.033*	*49.107*	*40.219*	*56.070*	*95.067*	*135.052*	*264.019*	*351.377*	*375.324*
Parts & Service	*31.119*	*31.244*	*38.849*	*30.681*	*30.939*	*39.082*	*66.263*	*94.134*	*184.027*	*244.917*	*261.608*
Rentals	*0*	*0*	*0*	*11.431*	*14.406*	*15.637*	*18.966*	*22.852*	*31.761*	*39.878*	*45.396*
Total Revenue	**67.636**	**63.964**	**73.882**	**91.219**	**85.564**	**110.789**	**180.296**	**252.038**	**479.808**	**636.171**	**682.328**
Product & Accessories	*-42.025*	*-37.106*	*-39.938*	*-51.259*	*-39.200*	*-50.463*	*-81.282*	*-114.524*	*-219.664*	*-286.723*	*-296.506*
Parts and Service	*-18.756*	*-21.217*	*-24.880*	*-16.460*	*-13.660*	*-12.506*	*-21.204*	*-30.123*	*-58.889*	*-78.373*	*-83.715*
Rentals	*0*	*0*	*0*	*-9.216*	*-9.406*	*-8.288*	*-9.540*	*-11.357*	*-15.627*	*-19.181*	*-21.381*
COGS	**-60.781**	**-58.323**	**-64.818**	**-76.935**	**-62.266**	**-71.257**	**-112.026**	**-156.004**	**-294.179**	**-384.278**	**-401.602**
Gross Profit	**6.855**	**5.641**	**9.064**	**14.284**	**23.298**	**39.532**	**68.270**	**96.034**	**185.628**	**251.893**	**280.726**
Gross Margin %	*10,1%*	*8,8%*	*12,3%*	*15,7%*	*27,2%*	*35,7%*	*37,9%*	*38,1%*	*38,7%*	*39,6%*	*41,1%*
SG&A	-16.939	-20.327	-21.971	-28.187	-22.347	-28.916	-47.057	-65.782	-122.351	-162.224	-173.994
R&D	-2.417	-3.359	-2.376	-2.463	-2.667	-3.434	-5.589	-7.813	-14.874	-19.721	-21.152
Other Income	4.993	642	-33	674	2.317	2.665	3.064	3.524	4.052	4.660	5.359
Restructuring Items	-4.282	1.950	0	32.505	0	0	0	0	0	0	0
EBITDA	**-11.790**	**-15.453**	**-15.316**	**16.813**	**601**	**9.846**	**18.688**	**25.962**	**52.456**	**74.609**	**90.940**
EBITDA Margin %	*-17,4%*	*-24,2%*	*-20,7%*	*18,4%*	*0,7%*	*8,9%*	*10,4%*	*10,3%*	*10,9%*	*11,7%*	*13,3%*
D&A	-1.452	-1.915	-3.177	-3.988	-3.858	-4.056	-5.056	-6.077	-8.664	-11.824	-13.340
EBIT	**-13.242**	**-17.368**	**-18.493**	**12.825**	**-3.257**	**5.790**	**13.632**	**19.885**	**43.792**	**62.785**	**77.600**
EBITDA Margin %	*-19,6%*	*-27,2%*	*-25,0%*	*14,1%*	*-3,8%*	*5,2%*	*7,6%*	*7,9%*	*9,1%*	*9,9%*	*11,4%*
Interest Income	30	21	141	110	186	623	718	579	927	1.256	1.510
Interest Expense	-5.156	-5.004	-6.163	-5.529	-3.944	2.998	1.368	0	0	0	0
EBT	**-18.368**	**-22.351**	**-24.515**	**7.406**	**-7.015**	**9.411**	**15.718**	**20.464**	**44.719**	**64.040**	**79.110**
Provision for Income Taxes	19	19	7	14	175	301	3.267	5.170	11.386	16.324	20.176
Net Income (Loss)	**-18.387**	**-22.370**	**-24.522**	**7.392**	**-7.190**	**9.110**	**12.451**	**15.294**	**33.333**	**47.716**	**58.934**
Net Income Margin %	*-27,2%*	*-35,0%*	*-33,2%*	*8,1%*	*-8,4%*	*8,2%*	*6,9%*	*6,1%*	*6,9%*	*7,5%*	*8,6%*

Source: Valuation

Appendix

Operating Model – Balance Sheet (Assets)

> Balance Sheet (Condensed)	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026A	FY 2027A	FY 2028A	FY 2029A	FY 2030A	FY 2031A
FY End	31Mar 2021	31Mar 2022	31Mar 2023	31Mar 2024	31Mar 2025	31Mar 2026	31Mar 2027	31Mar 2028	31Mar 2029	31Mar 2030	31Mar 2031
Current Assets											
Cash	49.533	22.559	12.839	2.085	8.671	25.920	13.971	18.188	33.291	36.466	47.449
Accounts Receivables	20.593	15.894	7.102	6.552	7.037	9.106	15.807	23.478	46.009	61.874	67.298
Inventories	11.829	30.167	37.328	20.642	16.615	19.522	31.920	44.878	85.433	117.915	126.532
Lease Receivable	0	0	0	0	113	264	264	264	232	0	0
Prepaid Expenses and Other	4.953	5.519	7.447	5.449	3.653	4.432	6.310	7.561	9.596	6.362	6.823
Total Current Assets	**86.908**	**74.139**	**64.716**	**34.728**	**36.089**	**59.244**	**68.272**	**94.369**	**174.561**	**222.617**	**248.103**
Non-Current Assets											
PPE and Rental Assets	9.630	17.792	24.275	25.854	19.362	22.301	30.112	39.602	63.783	78.714	86.696
Finance Lease RoU Assets	0	246	4.529	4.391	3.787	0	0	0	0	0	0
Operating Lease RoU Assets	0	5.959	8.808	12.279	8.282	7.549	7.675	8.490	11.401	15.229	18.668
Non-Current Portion of Inventories	1.845	1.680	3.112	3.917	3.464	3.464	3.464	3.464	3.464	3.464	3.464
Lease Receivable	0	0	0	0	1.175	760	496	232	0	0	0
Other Assets	7.639	2.676	2.591	3.037	2.705	2.705	2.705	2.705	2.705	2.705	2.705
Total Non-Current Assets	**19.114**	**28.353**	**43.315**	**49.478**	**38.775**	**36.780**	**44.452**	**54.492**	**81.353**	**100.112**	**111.533**
Total Assets	**106.022**	**102.492**	**108.031**	**84.206**	**74.864**	**96.023**	**112.724**	**148.861**	**255.914**	**322.729**	**359.636**

Appendix

Operating Model – Balance Sheet (Liabilities & Equity)

> Balance Sheet (Condensed)	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026A	FY 2027A	FY 2028A	FY 2029A	FY 2030A	FY 2031A
FY End	31Mar 2021	31Mar 2022	31Mar 2023	31Mar 2024	31Mar 2025	31Mar 2026	31Mar 2027	31Mar 2028	31Mar 2029	31Mar 2030	31Mar 2031
Current Liabilities											
Accounts Payable	19.767	25.130	30.290	15.094	14.092	16.204	25.474	35.902	68.508	90.542	99.025
Accured Expenses	0	0	0	3.118	3.113	3.658	5.954	8.323	15.519	20.576	22.069
Accured Salaries	1.889	1.147	1.223	1.220	1.172	1.402	2.281	3.189	5.946	7.883	8.455
Accured Warranty Reserve	5.850	1.483	1.576	1.437	1.070	1.492	2.529	3.593	7.024	9.348	9.985
Deferred Revenue	6.374	14.835	23.372	11.183	13.351	16.901	25.430	31.542	52.701	59.629	63.693
Finance Lease Liability	0	89	773	964	2.017	0	0	0	0	0	0
Operating Lease Liability	0	586	2.492	4.041	3.539	1.678	1.706	1.887	2.534	3.384	4.728
Factory Protection Plan Liability	0	9.170	10.844	7.259	6.256	7.903	13.399	19.034	37.211	49.523	52.898
Exit New Money Notes	0	50.949	50.983	28.911	7.968	24.213	0	0	0	0	0
Other Current Liabilities	576	0	0	0	0	0	0	0	0	0	0
Total Current Liabilites	**34.456**	**103.389**	**121.553**	**73.227**	**52.578**	**73.450**	**76.772**	**103.470**	**189.442**	**240.887**	**260.855**
Non-Current Liabilities											
Deferred Revenue	765	981	817	675	598	598	598	598	598	598	598
Finance Lease Liability	0	190	2.903	2.300	248	0	0	0	0	0	0
Operating Lease Liability	0	0	6.588	8.527	4.988	6.117	6.214	6.848	9.113	12.090	14.185
Other Non-Current Liabilites	57.627	5.619	265	264	24.213	0	0	0	0	0	0
Total Non-Current Liabilities	**58.392**	**6.790**	**10.573**	**11.766**	**30.047**	**6.715**	**6.812**	**7.446**	**9.711**	**12.688**	**14.783**
Total Liabilies	**92.848**	**110.179**	**132.126**	**84.993**	**82.625**	**80.165**	**83.585**	**110.916**	**199.153**	**253.575**	**275.638**
Shareholders' Equity											
Additional Paid-In Capital	934.381	946.969	955.228	955.145	955.407	969.917	970.746	971.905	974.055	976.905	979.962
Accumulated Deficit	-919.271	-952.583	-977.202	-969.810	-977.000	-967.890	-955.439	-947.792	-931.126	-921.583	-909.796
Temporary Equity	0	0	0	13.859	13.859	13.859	13.859	13.859	13.859	13.859	13.859
Other Stocks	-1.936	-2.073	-2.121	19	-27	-27	-27	-27	-27	-27	-27
Total Shareholders' Equity	**13.174**	**-7.687**	**-24.095**	**-787**	**-7.761**	**15.858**	**29.139**	**37.945**	**56.761**	**69.154**	**83.998**
Total Liabilities and Equity	**106.022**	**102.492**	**108.031**	**84.206**	**74.864**	**96.023**	**112.724**	**148.861**	**255.914**	**322.729**	**359.636**

Appendix

Operating Model – Cash Flow Statement (Operating)

Cash Flow Statement	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026A	FY 2027A	FY 2028A	FY 2029A	FY 2030A	FY 2031A
FY End	31Mar 2021	31Mar 2022	31Mar 2023	31Mar 2024	31Mar 2025	31Mar 2026	31Mar 2027	31Mar 2028	31Mar 2029	31Mar 2030	31Mar 2031
Net Income (Loss)	**-18.387**	**-22.370**	**-24.522**	**7.392**	**-7.190**	**9.110**	**12.451**	**15.294**	**33.333**	**47.716**	**58.934**
D&A	1.452	1.915	3.177	3.988	3.858	4.056	5.056	6.077	8.664	11.824	13.340
Amortization of Financing Costs	623	35	68	53	71	0	0	0	0	0	0
Paid-In-Kind Interest Expense	0	0	0	1.957	3.199	0	0	0	0	0	0
Non-Cash Lease Expense	0	0	1.330	3.431	3.996	5.627	1.678	1.706	1.887	2.534	3.384
Provision for Credit Loss Expense	-228	391	4.277	439	823	0	0	0	0	0	0
Inventory Write-Down	305	791	961	779	900	0	0	0	0	0	0
Provision for Warranty Expenses	5.930	646	592	32	-184	0	0	0	0	0	0
Loss on Disposal of Equipment	-1	0	0	0	67	0	0	0	0	0	0
Stock-Based Compensation	937	1.245	863	2.057	262	510	829	1.159	2.150	2.850	3.057
Non-Cash Reorganization Items	0	0	0	-35.255	0	0	0	0	0	0	0
Other Adjustments	4.660	-1.293	0	0	0	0	0	0	0	0	0
Adj. to Net Income (Loss)	**13.678**	**3.730**	**11.268**	**-22.519**	**12.992**	**10.193**	**7.563**	**8.942**	**12.700**	**17.207**	**19.781**
Accounts Receivable	-4.125	-3.383	4.060	-571	-2.083	-2.069	-6.701	-7.671	-22.531	-15.865	-5.424
Inventories	8.702	-9.105	-11.521	15.382	7.628	-2.907	-12.397	-12.958	-40.555	-32.482	-8.617
Lease Receivable	0	0	0	0	-1.288	264	264	264	264	232	0
Prepaid Expenses	653	164	-1.210	871	2.128	-779	-1.879	-1.251	-2.035	3.234	-462
Accounts Payable	4.652	5.098	5.660	-12.337	-1.002	2.112	9.271	10.428	32.605	22.035	8.483
Accrued Expenses	0	0	0	3.583	-268	545	2.295	2.369	7.196	5.057	1.493
Operating Lease Liability	0	-613	-1.304	-3.413	-4.041	-1.840	-1.678	-1.706	-1.887	-2.534	-3.384
Accrued Salaries	245	-743	77	15	-94	230	879	908	2.757	1.938	572
Accrued Warranty Reserve	-2.014	-5.013	-499	-171	-183	422	1.037	1.064	3.431	2.324	637
Deferred Revenue	-1.703	3.229	8.373	-12.305	2.092	3.550	8.528	6.112	21.160	6.928	4.064
Factory Protection	0	1.508	1.674	-3.585	-1.003	1.647	5.496	5.636	18.177	12.312	3.375
Changes in Working Capital	**6.410**	**-8.858**	**5.310**	**-12.531**	**1.886**	**1.174**	**5.117**	**3.195**	**18.582**	**3.179**	**737**
Operating Cash Flow	**1.701**	**-27.498**	**-7.944**	**-27.658**	**7.688**	**20.477**	**25.131**	**27.431**	**64.614**	**68.103**	**79.453**

Appendix

Operating Model – Cash Flow Statement (Investing & Financing)

Cash Flow Statement	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026A	FY 2027A	FY 2028A	FY 2029A	FY 2030A	FY 2031A
FY End	31Mar 2021	31Mar 2022	31Mar 2023	31Mar 2024	31Mar 2025	31Mar 2026	31Mar 2027	31Mar 2028	31Mar 2029	31Mar 2030	31Mar 2031
Investing Cash Flow	**-3.209**	**-9.924**	**-8.222**	**-4.674**	**-879**	**-6.995**	**-12.867**	**-15.567**	**-32.845**	**-26.755**	**-21.321**
Finance Lease Principal	0	0	0	12.000	0	-2.265	0	0	0	0	0
Proceeds from 3-Year Term Note	20.833	0	0	3.000	0	0	0	0	0	0	0
Proceeds from Note Exit	0	0	0	7.000	0	0	0	0	0	0	0
Debt Issuance Costs	0	0	0	-244	0	0	0	0	0	0	0
Repayment of Notes Payable	-691	-685	-804	-178	-223	-7.968	-24.213	0	0	0	0
Dividends	0	0	0	0	0	0	0	-7.647	-16.666	-38.173	-47.148
Other Stock Changes	15.831	11.133	7.250	0	0	14.000	-0	-0	0	-0	0
Financing Cash Flow	**35.973**	**10.448**	**6.446**	**21.578**	**-223**	**3.767**	**-24.213**	**-7.647**	**-16.666**	**-38.173**	**-47.148**
Net Increase (Decrease) in Cash	**34.465**	**-26.974**	**-9.720**	**-10.754**	**6.586**	**17.249**	**-11.949**	**4.217**	**15.103**	**3.175**	**10.984**
Cash (BoP)	15.068	49.533	22.559	12.839	2.085	8.671	25.920	13.971	18.188	33.291	36.466
Cash (EoP)	**49.533**	**22.559**	**12.839**	**2.085**	**8.671**	**25.920**	**13.971**	**18.188**	**33.291**	**36.466**	**47.449**

Appendix

Company Comparable Analysis

Trading Multiples (Forward Financials)

Select:	NTM

		Trading Multiples (Forward)	Ticker	Country	Market Cap	EV / Revenue	EV / EBITDA	EV / EBIT	P / E
	#	Company Name			€ thousands	NTM	NTM	NTM	NTM
							N/A	*N/A*	*N/A*
Tier 1	01.	Bloom Energy	NYSE:BE	USA	86.041	18,1x	88,7x	128,4x	110,0x
	02.	GE Vernova	NYSE:GEV	USA	279.130	5,0x	36,8x	47,4x	56,9x
	03.	Vertiv Holdings	NYSE:VRT	USA	125.780	7,8x	31,9x	33,6x	43,3x
Tier 2	04.	Eaton Corporation	NYSE:ETN	Ireland	151.961	5,2x	22,0x	25,1x	28,1x
	05.	FuelCell Energy	NASDAQ:FCEL	USA	1.324	5,1x	-14,4x	-5,7x	-5,8x
	06.	Solaris Energy	NYSE:SEI	USA	4.338	6,7x	14,9x	23,3x	50,2x
	07.	Caterpillar	NYSE:CAT	USA	405.270	5,7x	26,2x	30,9x	34,8x
	08.	Cummins	NYSE:CMI	USA	88.251	2,5x	13,7x	16,5x	21,6x

Tier 1 and Tier 2 Peer Companies are equally wheighted with 0,5

Q1	**4,4x**	**15,8x**	**19,5x**	**25,6x**
Mean	**7,7x**	**32,5x**	**43,9x**	**47,9x**
Median	**6,5x**	**25,8x**	**35,3x**	**42,5x**
Q3	**12,2x**	**56,4x**	**78,2x**	**76,2x**

#	Capstone Energy+	OTCQX:CGEH	USA	413.960	2,2x	21,7x	29,7x	3,9x

Select:	NTM

EV / Sales

Multiple		LTM Sales	EV	Net Debt	NCI + Pref. Ei	Equity Value	Shares Out.	Implied Price
Q1	4,4x	85.564	377.335	34.302	13.859	329.174	30.220	10,9
Mear	7,7x		657.291			609.130		20,2
Medi	6,5x		557.892			509.731		16,9
Q3	12,2x		1.040.084			991.923		32,8

Appendix – Capacity for DC Deal & Financial Health

Capstone's Capacity Expansion through Layout Improvement

Period	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E
	31Mar 2027	31Mar 2028	31Mar 2029	31Mar 2030	31Mar 2031
BASE					
Inputs					
Shifts	1	1	1	1	1
Labor availability %	100,00%	100,00%	100,00%	100,00%	100,00%
Supply-chain availability %	50,00%	100,00%	100,00%	100,00%	100,00%
Calculations					
Theoretical nameplate MW	350	350	350	350	350
Combined realization %	35%	50%	75%	100%	100%
Achievable production MW	**123**	**175**	**263**	**350**	**350**
Cross-checks					
% of single-shift nameplate	*35,00%*	*50,00%*	*75,00%*	*100,00%*	*100,00%*
Implied C1000-equivalent units/year	*122,5*	*175*	*262,5*	*350*	*350*
Achievable vs historical peak	*111,36%*	*159,09%*	*238,64%*	*318,18%*	*318,18%*

Achievable Production MW					
Bear	***70***	***88***	***105***	***105***	***105***
Base	***175***	***350***	***350***	***350***	***350***
Bull	***350***	***350***	***350***	***525***	***700***

Capacity Ceiling Schedule

Shared Fixed Inputs

Build positions	7	<-- Note 1
MW per position (C1000-equivalent)	1	<-- Note 2
Production weeks per year	50	
Turns per position per week	1	
Historical peak output (reference)	110	<-- Note 3
Single-shift theoretical capacity	350	<-- Note 6

Static Feasibility Check

Facility size (sq ft)	42.300	<-- Note 4
Assumed production-floor share %	60,00%	<-- Note 5
Production-floor area (sq ft)	25.380	
Build positions that fit	7	<-- Note 1

Note 1: Assumption, cross-checked by the feasibility test (7 fit in the floor area). 350 MW = 7 x 1 x 50 x 1. Derived from management's disclosures.

Note 2: Derived from management's disclosures.

Note 3: Capstone's peak annual MW shipped in the mid-2010s volume era.

Note 4: 42,300 sq ft, from the 10-K.

Note 5: Assumed portion of the facility that's production floor vs. office/warehouse/test

Note 6: Build positions x MW per position x production weeks per year