November 16, 2026

Capstone Energy+ Secures $25 Million Refinancing and Reports Second Quarter Fiscal 2027 Financial Results

Three-year senior secured financing led by Monarch eliminates December 2026 debt maturity

Second quarter revenue of $22.4 million; Parts and Services revenue increases 11% to $8.7 million

Quarter-end cash and restricted cash of $24.5 million; net loss of $4.0 million and adjusted EBITDA of $(1.0) million

LOS ANGELES--(BUSINESS WIRE)-- **Capstone Energy+, Inc. (NASDAQ: CEPL) ("Capstone" or the "Company")**, a leading provider of clean gas turbine energy solutions for industrial and commercial businesses, as well as solutions designed for emerging data center applications, today announced a $25.0 million, three-year senior secured note agreement (the "2026 Notes") with Monarch Alternative Capital LP ("Monarch"), and reported financial results for the second quarter of fiscal 2027, ended September 30, 2026.

Strengthening the Capital Structure

The Company used approximately $24.5 million of net proceeds from the 2026 Notes, together with cash on hand, to repay its existing Exit Notes before their scheduled December 7, 2026 maturity.

The 2026 Notes mature three years after closing and bear monthly interest at SOFR plus 6.00% per annum through the second anniversary, increasing to SOFR plus 7.50% thereafter. The initial spread is 100 basis points below the financing spread of the Exit Notes, which the Company estimates would produce approximately $250,000 in annual pre-tax interest savings.

Capstone may prepay the 2026 Notes without a fee during the first six months and thereafter at a 1.00% premium through maturity. The agreement also permits pursuit of an asset-based revolving credit facility of up to $30.0 million, subject to mandatory repayment of a portion of the 2026 Notes with facility proceeds. The Company expects to account for repayment of the Exit Notes as a debt extinguishment in the third quarter of fiscal 2027.

Management Commentary

"This financing represents an important step in strengthening our financial foundation and addressing a near-term maturity as we continue Capstone's transformation," said Vince

Canino, President and Chief Executive Officer of Capstone Energy+. “We appreciate Monarch’s continued partnership. The more favorable initial financing terms and additional flexibility provide a stronger platform from which to execute our priorities and pursue future growth opportunities.”

Turning to the Company’s quarterly performance, Canino added, “Our second-quarter performance fell short of expectations. Our focus is on improving rental fleet utilization, restoring margins, strengthening cash generation, and converting commercial opportunities into profitable growth. There were some bright spots, such as, Parts and Services growth of 11%, Product gross margin improvement of 5 points, and additional new business in Argentina, New Mexico and Gabon demonstrates continued demand across our markets.”

Second Quarter Fiscal 2027 and Recent Operational Highlights

- Secured a 2.6 MW order for LNG-related natural gas compression infrastructure in Argentina, comprising two C1000S units and one C600S unit for a facility in Río Negro Province.
- Received a 2 MW follow-on order from a major U.S. midstream operator in New Mexico; the customer’s fleet will expand to 12 C1000S systems across six interconnected natural gas facilities.
- Commissioned a 2 MW combined heat and power installation at Scripps Mercy Hospital San Diego, designed to provide electricity, thermal energy and island-mode capability.
- Expanded Energy-as-a-Service through a 36-month lease-to-own C600 project with Maurel & Prom in Gabon, converting recovered associated gas into onsite electricity.
- Commenced trading on the Nasdaq Global Market under the ticker symbol CEPL on July 8, 2026.
- Appointed energy infrastructure executive Brandon Schwertner to the Board of Directors on October 26, 2026.

Fiscal Second Quarter 2027 Financial Results

Revenue was $22.4 million, compared with $28.4 million in the comparable prior-year quarter, reflecting timing of large product orders and shipments and lower rental utilization. Parts and services revenue increased 11% to $8.7 million.

Gross profit was $5.0 million, compared with $9.0 million; gross margin was approximately 22%, compared with approximately 32%. Lower rental revenue and service-related costs were partially offset by improved product and accessories gross profit.

Net loss was $4.0 million, compared with net income of $0.8 million driven by decline in gross profit coupled with investments in R&D and sales and marketing. Reported net loss per share was $0.15, compared with reported net loss per share of $0.89 in the prior-year quarter, which included a significant non-cash accretion charge.

Adjusted EBITDA was $(1.0) million, compared with $4.5 million in the prior-year quarter.

Adjusted EBITDA is a non-GAAP measure; reconciliation follows in the tables below.

Cash and restricted cash totaled $24.5 million at September 30, 2026, compared with $28.9 million at March 31, 2026. Net cash used in operating activities for the first six months of fiscal 2027 was $0.9 million, compared with $1.0 million in the prior-year period.

Earnings Conference Call and Webcast Details

Capstone will host its fiscal second quarter 2027 financial results conference call and webcast today, Monday, November 16, 2026, at 1:45 p.m. Pacific Time / 4:45 p.m. Eastern Time.

Participant Dial-In Details:

- North America Toll-Free: (833) 461-5787
- International Toll: +1 (585) 542-9983
- Conference ID: 768 250 803

Webcast Access:

The live webcast will be available via the Investor Relations section of Capstone's website or directly at: Capstone Energy+, Inc. Q2 F2027 Earnings Webcast.

Following prepared remarks, management will host a question-and-answer session for analysts and address select questions submitted by webcast participants.

Participants are invited to submit questions in advance by emailing ir@capstoneenergyplus.com. Following the live Q&A session, management will address pre-submitted questions as time permits, with priority given to those most requested or relevant to the Company's business and financial results.

A replay of the webcast will be archived on the Company's website for a minimum of 90 days.

About Capstone Energy+

For nearly four decades, Capstone Energy+ has designed, developed, and delivered proven on-site energy solutions that help businesses operate with certainty in an increasingly constrained power environment. Our evolution from "Green" to "Plus" reflects who we are today, delivering clean, innovative energy solutions that go beyond electricity.

Capstone Energy+: On Site. On Demand. Always On.

With more than 10,800 units shipped across 89 countries through our global distributor network, Capstone provides highly reliable, low-maintenance, fuel-flexible power systems engineered for mission-critical operations. Built on our core 30kW, 65kW, and 200kW gas turbine platforms, our scalable multi-megawatt solutions are designed for rapid deployment, continuous operation, and simplified maintenance.

Capstone Energy+ serves critical industries including data centers, hospitals, agriculture, and industrial facilities where uptime and energy certainty are essential. Beyond power

generation, our solutions support the circular economy by converting waste streams into usable fuel and capturing waste heat to produce valuable thermal energy with a lower carbon footprint.

To support evolving customer needs, Capstone also offers flexible Energy as a Service solutions, including power purchase or energy service agreements (PPAs/ESAs), leasing, rentals, and embedded service contracts (ESCs) designed to reduce upfront costs, accelerate deployment, and provide life-cycle cost predictability.

Our modular plug-and-play architecture enables customers to scale quickly, reduce integration risk, and adapt to growing energy demands with resilient, always-available power solutions.

For more information about the Company, please visit www.CapstoneEnergyPlus.com

Follow Capstone Energy+ on X, LinkedIn, Instagram, Facebook, and YouTube.

Cautionary Notes

This release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including statements related to anticipated interest savings and financial flexibility, expected accounting treatment, future profitability and the growth of the business. 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 Company’s liquidity position and ability to access capital, including the Company’s ability to repay or refinance outstanding indebtedness; changes in SOFR; liquidity and access to capital; customer demand and project timing; rental utilization; refinancing and repayment obligations; the Company’s ability to realize the anticipated benefits of its financial restructuring; the Company’s ability to comply with the restrictions imposed by covenants contained in the Monarch financing agreement; the uncertainty associated with the imposition of tariffs and trade barriers and changes in trade policies; employee attrition, and the Company’s ability to retain senior management and other key personnel; 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; the financial performance of the oil, natural gas and AI industries and other general business, industry and economic conditions; the impact of a rapidly changing regulatory environment affecting the AI industry. and the impact of litigation and regulatory proceedings. 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 risk factors contained in our most recent Annual Report on Form 10-K and quarterly report on Form 10-Q. 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, future events, or for any other reason.

Non-GAAP Financial Measures

EBITDA and adjusted EBITDA are non-GAAP financial measures that remove the impact of certain non-cash and non-recurring costs. Management believes that the use of such non-GAAP financial measures provides investors with additional useful information with respect to the impact of various adjustments, which we view as a better measure of our operating performance. Refer to the attached table for the reconciliation of such non-GAAP financial measures to the most comparable GAAP financial measure.

CAPSTONE ENERGY+, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	September 30, 2026 (Unaudited)	March 31, 2026
Assets		
Current Assets:		
Cash	$ 23,751	$ 28,179
Restricted cash	716	715
Accounts receivable, net of allowances of $1,395 at September 30, 2026 and $1,337 at March 31, 2026	11,137	12,911
Inventories	22,294	22,106
Prepaid expenses and other current assets	3,502	3,924
Total current assets	61,400	67,835
Property, plant, equipment and rental assets, net	13,350	16,185
Intangible assets, net	5,050	5,546
Finance lease right-of-use assets	4,120	4,789
Operating lease right-of-use assets	8,172	9,859
Non-current portion of inventories	3,691	2,736
Other assets	4,609	4,500
Total assets	$ 100,392	$ 111,450
Liabilities, Temporary Equity and Stockholders' Deficit		
Current Liabilities:		
Accounts payable	$ 13,060	$ 17,614
Accrued expenses	4,267	7,029
Accrued warranty reserve	946	971
Deferred revenue, current	11,430	10,040
Deferred acquisition costs, current	1,827	1,726
Finance lease liability, current	1,249	1,520
Operating lease liability, current	2,333	1,862
Factory protection plan liability	6,094	4,698
Exit notes, net of discount, current	25,344	25,320
Total current liabilities	66,550	70,780
Deferred revenue, non-current	525	648
Deferred acquisition costs, non-current	491	1,430
Finance lease liability, non-current	562	991
Operating lease liability, non-current	6,351	8,132
Total liabilities	74,479	81,981
Commitments and contingencies (Note 12)		
Temporary equity:		
Redeemable preferred stock, $0.001 par value; 1,000,000 shares authorized, 80,000 shares issued and outstanding at September 30, 2026 and March 31, 2026 respectively (Note 13)	75,920	73,936
Total temporary equity	75,920	73,936
Stockholders' deficit:		
Common stock, $0.001 par value; 100,000,000 shares authorized, 32,750,702 shares issued and outstanding at September 30, 2026 and 30,163,613 shares issued and outstanding at March 31, 2026	35	30

Non-voting common stock, $0.001 par value; 600,000 shares authorized, 333,120 shares issued and outstanding at September 30, 2026 and March 31, 2026 respectively	1	1
Additional paid-in capital	929,015	930,234
Accumulated deficit	(978,185)	(974,175)
Treasury stock, at cost; 325,293 shares at September 30, 2026 and 269,603 shares at March 31, 2026	(873)	(557)
Total stockholders' deficit	(50,007)	(44,467)
Total liabilities, temporary equity and stockholders' deficit	$ 100,392	$ 111,450

CAPSTONE ENERGY+, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenue, net:				
Product and accessories	$ 11,874	$ 16,112	$ 24,838	$ 31,832
Parts and services	8,700	7,861	18,422	15,799
Rentals	1,850	4,412	4,087	8,625
Total revenue, net	22,424	28,385	47,347	56,256
Cost of goods sold:				
Product and accessories	9,809	14,162	18,622	28,680
Parts and services	6,340	3,201	12,207	6,960
Rentals	1,274	2,060	2,757	4,090
Total cost of goods sold	17,423	19,423	33,586	39,730
Gross profit	5,001	8,962	13,761	16,526
Operating expenses:				
Research and development	1,126	809	2,347	1,624
Selling, general and administrative	7,301	6,794	13,873	13,715
Total operating expenses	8,427	7,603	16,220	15,339
Income (loss) from operations	(3,426)	1,359	(2,459)	1,187
Other income (expense), net	9	541	(218)	977
Interest income	237	53	396	107
Interest expense	(863)	(1,115)	(1,720)	(2,126)
Income (loss) before provision for income taxes	(4,043)	838	(4,001)	145
Provision for income taxes	4	4	9	9
Net income (loss)	$ (4,047)	$ 834	$ (4,010)	$ 136
Net loss per share of common stock and non-voting common stock—basic and diluted	$ (0.15)	$ (0.89)	$ (0.17)	$ (0.93)
Weighted average shares used to calculate basic net loss per share of common stock and non-voting common stock	34,414	19,412	34,389	19,390

CAPSTONE ENERGY+, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended September 30,	
	2026	**2025**
Cash Flows from Operating Activities:		
Net income (loss)	$ (4,010)	$ 136
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,183	1,956

Amortization of financing costs and discounts	25	44
Paid-in-kind interest expense	—	999
Interest related to deferred acquisition costs	162	—
Non-cash lease expense	1,047	1,492
Non-cash cost of assets sold	3,500	—
Provision for credit loss expense	172	276
Inventory write-down	—	553
Provision for warranty expenses	58	160
Gain on termination of lease	(50)	—
Stock-based compensation	765	460
Changes in operating assets and liabilities:		
Accounts receivable	1,602	(9,392)
Inventories	(1,143)	(39)
Lease receivable	78	292
Prepaid expenses, other current assets and other assets	237	(34)
Accounts payable	(4,551)	5,424
Accrued expenses	(1,772)	(311)
Operating lease liability, net	(622)	(1,551)
Accrued salaries and wages and long-term liabilities	(1,132)	(175)
Accrued warranty reserve	(83)	(49)
Deferred revenue	(1,955)	(2,134)
Deposits	3,222	—
Factory protection plan liability	1,396	848
Net cash used in operating activities	(871)	(1,045)
Cash Flows from Investing Activities:		
Total business combination consideration, net of cash acquired	—	1,410
Payment of deferred acquisition costs	(1,000)	—
Expenditures for property, plant, equipment and rental assets	(1,684)	(381)
Net cash (used in) provided by investing activities	(2,684)	1,029
Cash Flows from Financing Activities:		
Acquisition of treasury stock	(173)	(208)
Repayment of finance lease obligations	(699)	(750)
Net cash used in financing activities	(872)	(958)
Net decrease in cash and restricted cash	(4,427)	(974)
Cash and restricted cash, Beginning of Period	28,894	8,671
Cash and restricted cash, End of Period	$ 24,467	$ 7,697
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ 1,690	$ 1,114
Income taxes	$ 18	$ 116
Supplemental Disclosures of Non-Cash Information:		
Right-of-use assets obtained in exchange for operating lease obligations	$ —	$ 1,419
Right-of-use assets obtained in exchange for finance lease obligations	$ —	$ 1,720
Acquisition of treasury stock with accrued liabilities	$ 143	$ 46
Settlement of lease liabilities through accounts receivable	$ —	$ 979
Operating lease modified to finance lease	$ —	$ 614
Accounts payable negotiated in lease modification	$ —	$ 1,289

CAPSTONE ENERGY+, INC. AND SUBSIDIARIES
PRESENTATION OF NON-GAAP FINANCIAL MEASURES
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Net Income (Loss)	$ (4,047)	$ 834	$ (4,010)	$ 136
Interest expense	863	1,115	1,720	2,126
Provision for income taxes	4	4	9	9
Depreciation and amortization	1,015	1,030	2,183	1,956
EBITDA	$ (2,165)	$ 2,983	$ (98)	$ 4,227
Stock-based compensation	400	111	765	460
Restructuring expense	34	71	59	260
Financing expense	610	441	856	496
Shareholder litigation	—	—	—	—
Extraordinary legal costs	104	21	100	(4)
Restatement & SEC investigation costs	—	(4)	—	333
Merger and acquisition expense	3	904	45	1,453
Adjusted EBITDA	$ (1,014)	$ 4,527	$ 1,727	$ 7,225

To supplement the Company's unaudited financial data presented on a generally accepted accounting principles (GAAP) basis, management has presented Adjusted EBITDA, a non-GAAP financial measure. This non-GAAP financial measure is 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 this metric. Accordingly, disclosure of this non-GAAP financial measure provides investors with the same information that management uses to understand the company's economic performance year-over-year.

EBITDA is defined as net income (loss) before interest, provision for income taxes and depreciation and amortization expense. Adjusted EBITDA is defined by the Company as EBITDA before stock-based compensation, restructuring, financing, shareholder litigation, non-recurring legal, and restatement and SEC investigation expenses. Restructuring expenses relate to the Chapter 11 bankruptcy filing and financing expenses related to the evaluation and negotiation of the Company's senior indebtedness. Shareholder litigation expense resulting from the restatement of the Company's financials and related legal expenses. Restatement expenses are professional fees related to the restatement of the Company's prior year financials. SEC investigation expenses relate to the costs arising from the restatement of the Company's financials. Merger and acquisition expense relates to expenses incurred for the acquisition of Cal Microturbine.

While management believes that the Company's presentation of Adjusted EBITDA provides useful supplemental information to investors, there are limitations associated with the use of this non-GAAP financial measure. Adjusted EBITDA is 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 methods of calculation. Adjusted EBITDA is not a measure of the Company's liquidity or financial performance under GAAP, is 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.

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