

Katten Advises Capstone Green Energy on Transformative $112.5 Million Strategic Investment

March 31, 2026

A multidisciplinary Katten team led by Capital Markets Partner and Co-Chair Mark Wood served as legal counsel to Capstone Green Energy Holdings, Inc. (the Company) (OTCQX: CGEH) in connection with a $112.5 million strategic investment led by Monarch Alternative Capital LP ("Monarch"). The transaction includes Monarch's purchase of $80 million in senior convertible preferred stock and $15 million of common stock, along with a concurrent private placement (the "PIPE") of approximately $17.5 million of common stock (or pre-funded warrants) to accredited investors at $4.50 per share. $85 million of the proceeds of the transaction will be used to fully redeem the preferred equity interest in Capstone Green Energy LLC (through which the Company operates its business) held by Capstone Distributor Support Services LLC, an entity controlled by Goldman Sachs, resulting in Capstone Green Energy LLC becoming a wholly owned subsidiary of the Company. The Company intends to use the remainder of the net proceeds for growth initiatives, such as expanding into the AI data center market, building its engineering and technology capabilities, increasing capacity, improving cost-out measures, and for general working capital.

The Katten team included Capital Markets Partners Elizabeth McNichol and Jonathan Weiner, and Associates Delaney Battle and Audrey Nelson; Private Credit Partner Kirby Chin and Associate Karim Popatia; Transactional Tax Planning Partner Todd Hatcher and Associate Jeff Ng; Employee Benefits and Executive Compensation Partner Mitch Pahl and Associate Neal Patel; and Private Equity/Mergers and Acquisitions Partner Josh Feiger and Associate Jesse O'Connell.

"Capstone Green Energy Secures Transformative $112.5 Million Strategic Investment to Streamline Its Capital Structure," CapstoneGreenEnergy.com, March 30, 2026

CONTACTS

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