



INVESTING
IN
CLIMATE
SOLUTIONS®

CORPORATE PROFILE

February 2023



FORWARD LOOKING STATEMENTS

Some of the information contained herein are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used herein, words such as "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may," "target," or similar expressions, are intended to identify such forward-looking statements. Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the forward-looking statements include those discussed under the caption "Risk Factors" included in our Form 10-K that will be filed for the year ended December 31, 2022 (the "Form 10-K"), which will be filed with the U.S. Securities and Exchange Commission (SEC), as well as in other reports that we file with the SEC.

Other important factors that we think could cause our actual results to differ materially from expected results are summarized below, including the impact of the Inflation Reduction Act ("IRA") and on the U.S., regional and global economies, the U.S. climate solutions market and the broader financial markets. Other factors besides those listed could also adversely affect us. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Forward-looking statements are based on beliefs, assumptions and expectations as of December 31, 2022. The guidance discussed herein reflects our estimates of (i) yield on our existing portfolio; (ii) yield on incremental portfolio investments, inclusive of our existing pipeline; (iii) the volume and profitability of transactions; (iv) amount, timing, and costs of debt and equity capital to fund new investments; (v) changes in costs and expenses reflective of our forecasted operations; (vi) disruptions to the renewable energy supply chain that may result from changes in the regulatory environment and other factors, (vii) the general interest rate and market environment, (viii) the impact of the Inflation Reduction Act on our industry and our business, and (ix) our ability to expand into new climate solutions markets. All guidance is based on current expectations regarding economic conditions, the regulatory environment, the dynamics of the markets in which we operate and the judgment of our management team, among other factors. In addition, actual dividend distributions are subject to approval by our Board of Directors on a quarterly basis. We have not provided GAAP guidance as discussed in the Supplemental Financial Data slides of this presentation. We disclaim any obligation to publicly release the results of any revisions to these forward-looking statements reflecting new estimates, events or circumstances after the date of this presentation.

This presentation refers to certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Reconciliations of those non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix herein.

Estimated carbon savings are calculated using the estimated kilowatt hours, gallons of fuel oil, million British thermal units of natural gas and gallons of water saved as appropriate, for each project. The energy savings are converted into an estimate of metric tons of CO₂ equivalent emissions based upon the project's location and the corresponding emissions factor data from the U.S. Government and International Energy Agency. Portfolios of projects are represented on an aggregate basis. The carbon and water savings information included in this presentation is based on data from a third-party source that we believe to be reliable. We have not independently verified such data, which involves risks and uncertainties and is subject to change based on various factors.

Past performance is not indicative nor a guarantee of future returns.

WHO WE ARE

HASI
LISTED
NYSE

First U.S. public company
solely dedicated to investments
in climate solutions

Climate Positive Investor

\$9.8 Billion
Managed Assets

16%
Annual Total Return¹

Markets & Asset Classes

Behind-the-Meter

Energy Efficiency
Distributed Solar
Storage

Grid-Connected

Wind
Solar
Storage

Sustainable Infrastructure

Ecological Restoration
RNG
Transport

BUSINESS MODEL

Dual income streams:



Investment
Income

On Balance Sheet
Predictable
Diversified
Uncorrelated



Fee Income

Securitizations
Advisory
Programmatic
Deep investor base

Illustrative Summary¹

	% of assets
Gross Asset Yield²	8.0%
- Interest Expense	(4.0%)
= Net Investment Margin	4.0%
+ Gain on Sale & Fees	1.5%
- SG&A	(1.5%)
= Illustrative ROA	4.0%
Assets/Equity	2.5x
Illustrative ROE	10%

Our dual revenue model is driven by
relatively stable investment margins and robust gain on sale

PROGRAMMATIC INVESTMENT PLATFORM

Clients include >40 leading clean energy and infrastructure companies



Behind-the-Meter

>20 clients



Grid-Connected

>15 clients

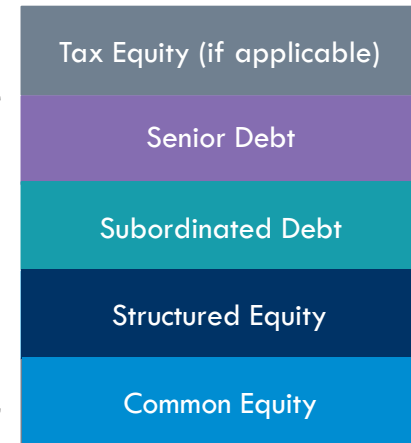


Sustainable Infrastructure

>5 clients



Typical Asset
Capital Stack Position



Our programmatic client relationships drive execution efficiency
for asset-level investments and pipeline growth

PORTFOLIO EXPANDS 19% YOY AND 10% QOQ

Markets¹



Behind-the-Meter

Yield: 7.9%

Avg. Investment: \$10m

3 GW



Grid-Connected

Yield: 7.0%

Avg. Investment: \$17m

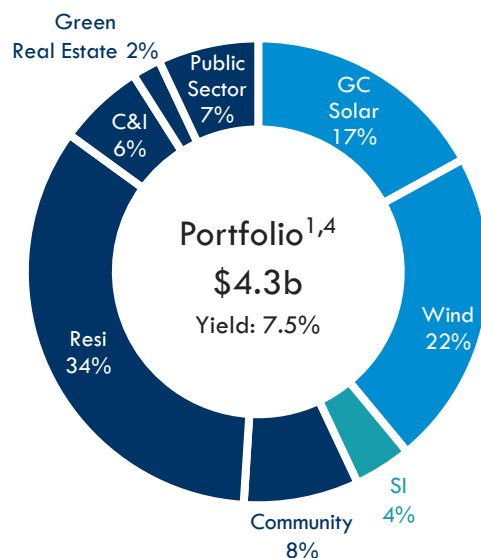
9 GW



Sustainable Infrastructure²

Yield: 7.4%

Avg. Investment: \$27m



Portfolio Change	(\$m) ⁴
Beginning Portfolio (9/30/22)	\$3,922
Funding of new investments	420
Funding of prior investments	38
Principal collections	(45)
Syndications and Securitizations ⁵	(21)
Other	(6)
Ending Portfolio (12/31/22)	\$4,308

Anticipated Funding Schedule of Previously Closed Transactions⁶

Period	Closed Transactions
2023	>\$750m

Diversified and Long-Dated Cashflows. 99% of Investments Performing within Expectations.

>340
Total Investments³

\$12m
Average Investment³

17 yrs
WAVG Life

- 1) GAAP-based Portfolio, as of 12/31/22; see Appendix for an explanation of Portfolio Yield.
- 2) Includes all other asset classes that are not specifically designated as BTM or GC
- 3) Individual investments with outstanding balances > \$1m; GAAP-based Portfolio, as of 12/31/22
- 4) Total may not sum due to rounding
- 5) Includes only securitizations of assets on the balance sheet as of the end of the previous quarter (9/30/22)
- 6) Anticipated 12-month funding schedule for closed transactions subject to completion milestones

INVESTMENT SPOTLIGHT: RESIDENTIAL SOLAR

Sunrun Residential Solar Lease Portfolio

- Long-term, predominantly contracted cashflows with average seasoning of ~2 years
- Strong counterparty credit and geographic diversity
- Significant average customer savings relative to baseline utility rates

Strategic Benefits

- Attractive risk-adjusted returns, supporting continued growth in recurring NII
- Eight transaction with Sunrun/Vivint positions us well for more follow-on opportunities in residential solar market with storage, home EV charging, and efficiency add-ons

Key Investment Highlights	
HASI Investment	>\$225m
Client	Sunrun
Structure	Mezzanine Loan
Asset	>45k resi solar systems (>325 MW)
Counterparty Credit	WAVG ¹ FICO: “Very Good”
Contracted Cashflows	81% (20-25yr contracts)
Geographic Diversity	>20 states
CarbonCount	0.23



INVESTMENT SPOTLIGHT: CLEARWAY GC PORTFOLIO

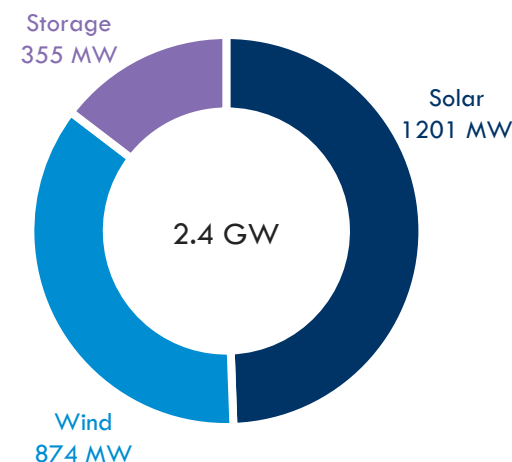
Investment Overview

- Expect ~\$870m preferred equity investment with Clearway Energy, Inc. (CWEN) as equity co-investor across 8 projects, with \$433m funded¹
- 2.4 GW grid-connected wind, solar, and solar + storage projects
- Majority of generation is contracted
 - Predominantly IG corporate, utility, university, and municipal offtakers (including Toyota, Cisco, Lowe's, AEP, and Brown University)
- O&M Provider: Clearway Energy Group
- CarbonCount[®]: 1.06

Strategic Highlights

- First GC solar + storage investment
- Significantly grows portfolio and supports continued growth in recurring NII
- Continued programmatic deal flow with large, ambitious partner focused on U.S. market

Portfolio Technology
(nameplate capacity)



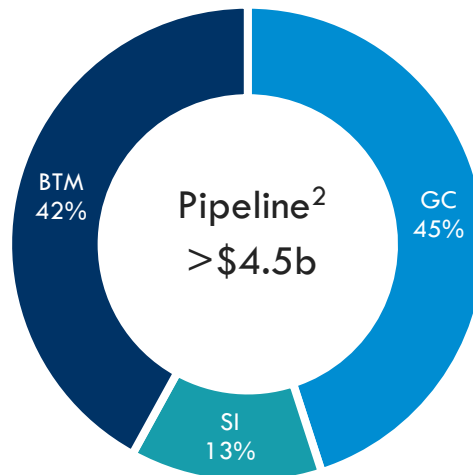
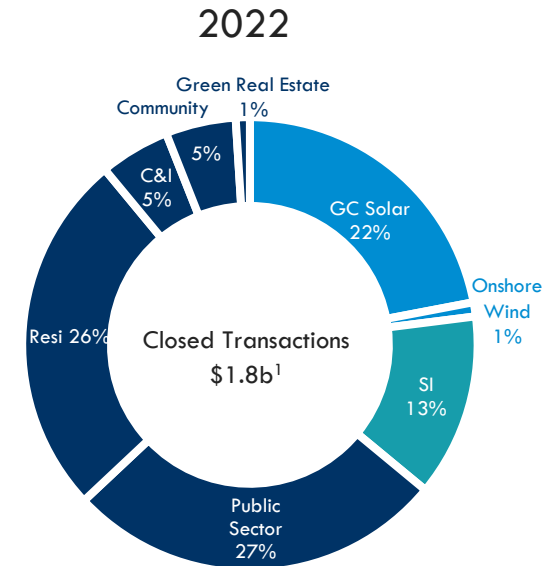
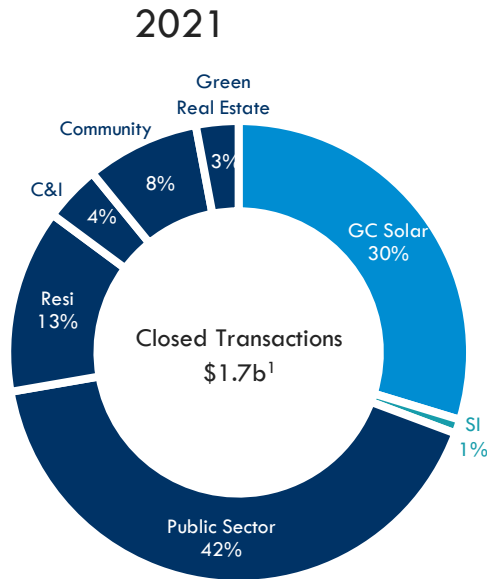
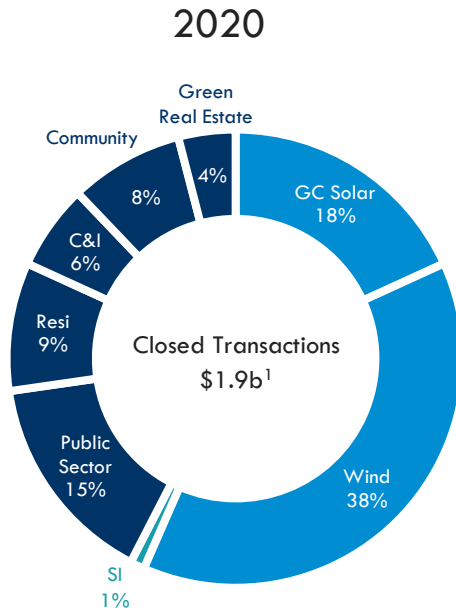
Key Metrics

>14 years
WAVG² Contract Life

IG
WAVG Offtaker
Credit Rating

1.06
CarbonCount[®]

DIVERSITY OF ASSET CLASSES PROVIDE RESILIENT VOLUME



- Well diversified pipeline avoids over-reliance on any one asset class
- Allows participation across entire energy transition market

PUBLIC POLICY SIGNIFICANTLY INCREASES TOTAL ADDRESSABLE MARKET

Client pipeline increasing with long term ITC / PTC policy certainty

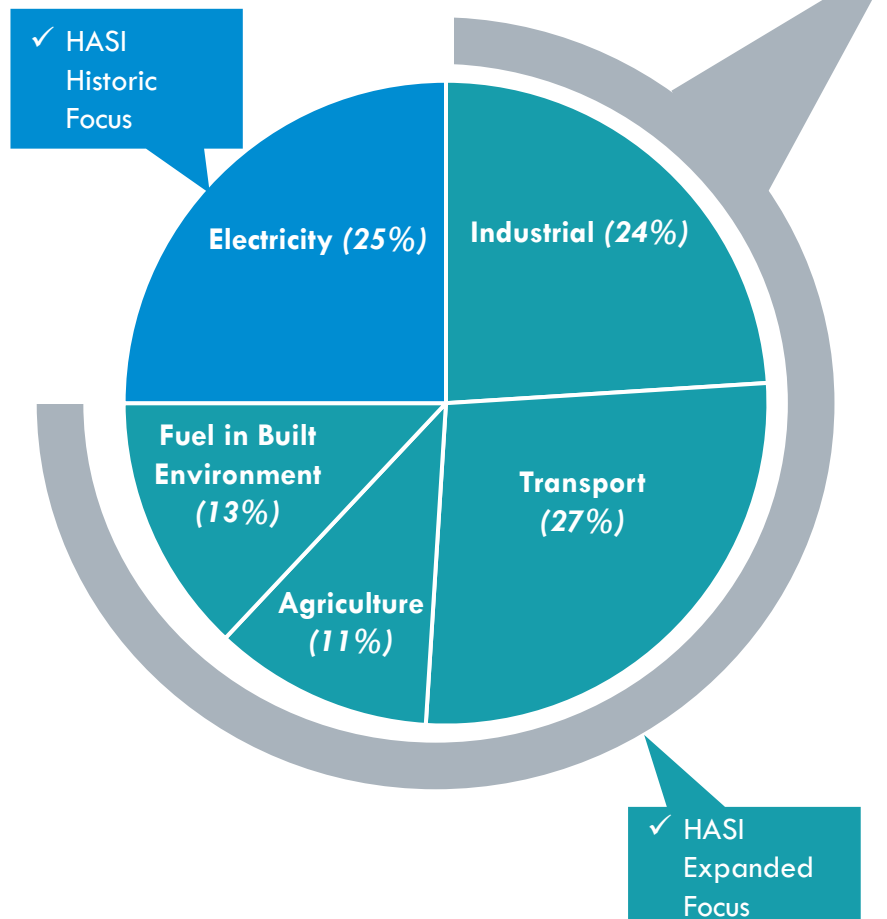
Application of tax credits to new asset classes further accelerates
opportunity

Tax equity market expands with transferability

Emphasis on new transmission and onshoring manufacturing



EXPANDING TO ADDITIONAL CLIMATE SOLUTIONS MARKETS

Carbon is Everywhere U.S. GHG Emissions by Sector



Climate Solutions expanding to include Industrial, Transport, Agriculture, and Built Environment comprising 75% of U.S. GHG emissions¹

Recent Investment Highlights

Clients	AMERESCO 	 Zūm
Asset Class	RNG	Transport
HASI Investment Size	\$125m	\$72m
Wtd. Avg Life	2.7 years	5.1 years
CarbonCount®	0.2	0.04

COMPETITIVE ADVANTAGES



Deep Programmatic Relationships

Long-term zippered relationships built on shared values, established trust. Operating efficiencies.



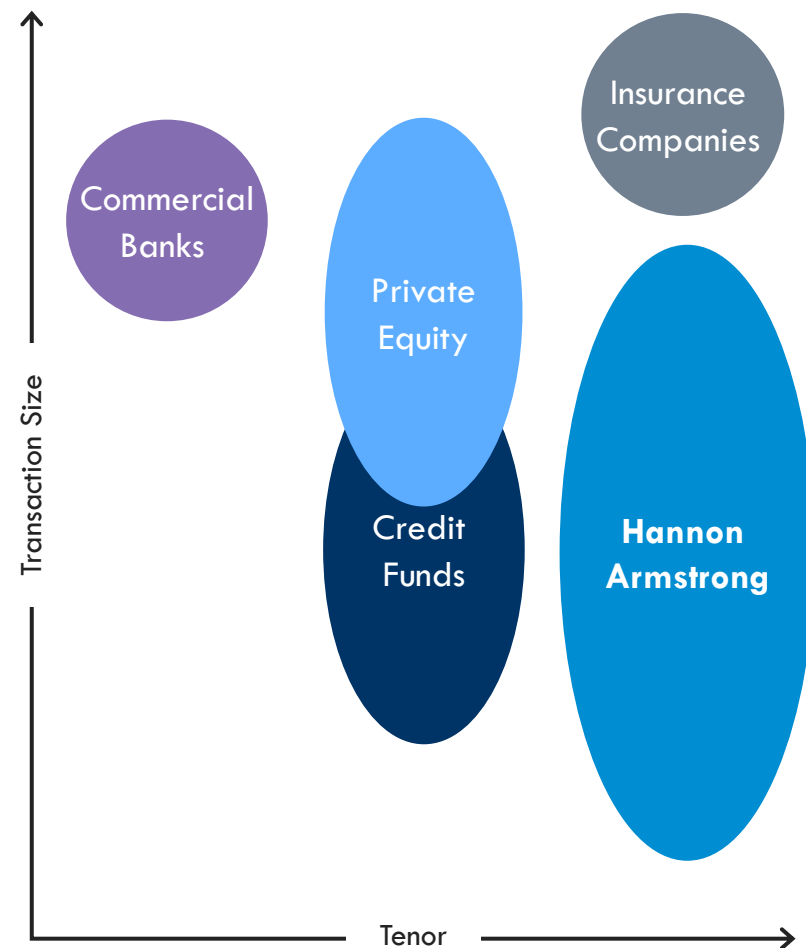
Invest In Real Assets, Not Platforms

We do not compete with our clients



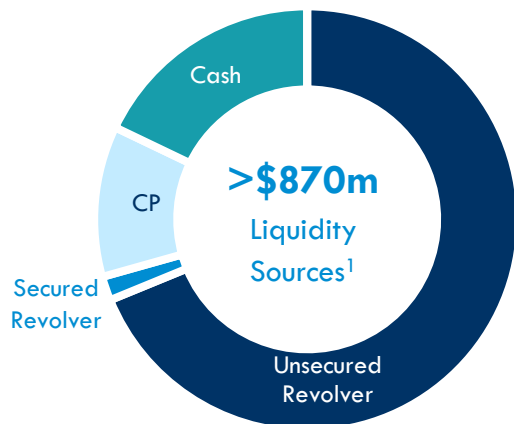
Flexible And Permanent Capital

Invest in assets – both small and large - for life. Flexibility to structure products tailored to address client needs



STRONG LIQUIDITY THROUGH CAPITAL MARKETS DIVERSIFICATION

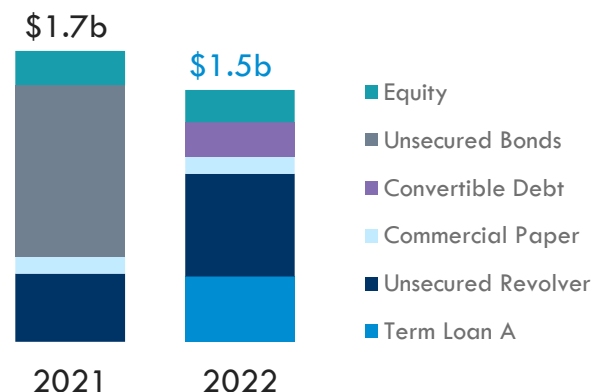
Liquidity Remains Strong



HASI Funding Platform



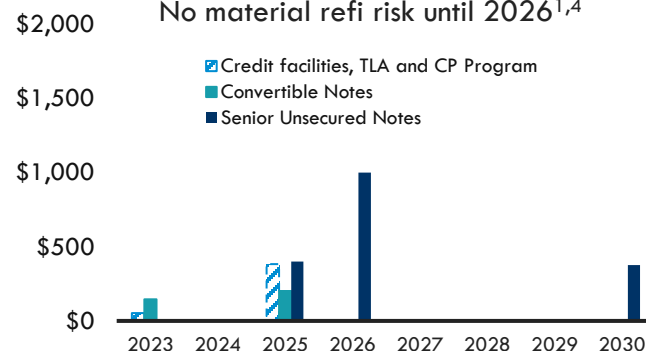
Diversified On-Balance Sheet Funding Sources in 2022²



Conservative Leverage

- 1.8x debt to equity³
- 86% of debt is fixed rate
- Credit rating of Baa3 (Investment Grade) by Moody's, and BB+ by S&P / Fitch

No material refi risk until 2026^{1,4}



1) As of 12/31/22

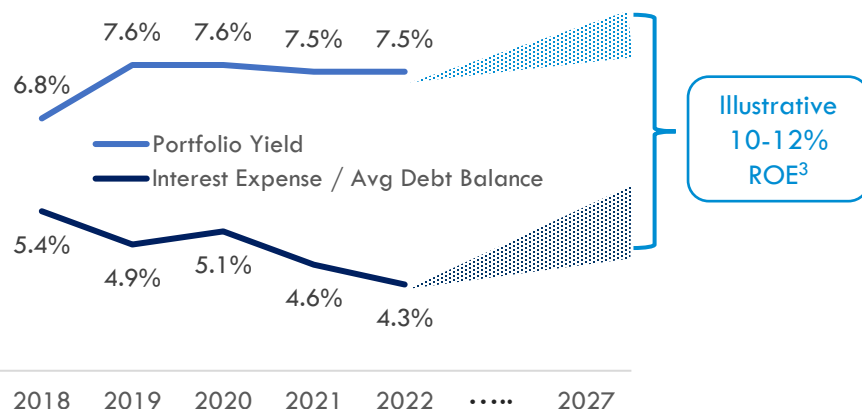
2) Includes drawn and undrawn capacities where applicable

3) Below target limit of less than 2.5x

4) We anticipate that convertible debt may be converted to equity or exchanged for new debt and that the bank debt (including credit facilities) may be extended

NET INTEREST MARGINS AND ROE ARE EXPECTED TO REMAIN CONSISTENT OVER TIME

Portfolio Yield¹ vs. Cost of Debt²



- **Achieving higher yields on new investments**
- **No material refinancing risk until 2026**
- **Managing interest expense.** Lower leverage and private debt can be utilized until public debt market volatility subsides
- **We can maintain attractive margins despite potentially refinancing debt at higher cost.** Even if we increase the coupon on our \$1b debt maturing in 2026 by 3.5-4%, in this hypothetical example, we would maintain our ROE ~10-12%

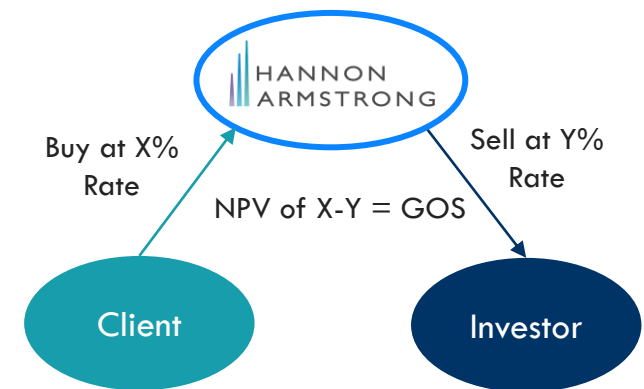
% of assets	Illustrative Business Model	
Gross Asset Yield	7.75 - 8.25%	• Newer business at higher rates gradually increases overall portfolio yield
- Interest Expense	(3.75 - 4.25%)	• Interest expense likely to increase as we issue new debt at higher than historic rates (shown here as a % of assets)
= Net Investment Margin	3.5 - 4.5%	
+ Gain on Sale & Fees	1.5%	• Generally consistent over time and not subject to interest rate risk
- SG&A	(1.5%)	• As the business scales we expect to benefit from operating leverage
= Illustrative ROA	3.5 - 4.5%	
Debt/Equity	~1.7x	• Leverage consistent with recent history
Illustrative ROE	10 - 12%	• Consistent with long term targets; EPS grows in proportion with the balance sheet

SECURITIZATION PLATFORM IS DESIGNED TO AVOID INTEREST RATE AND MARKET RISK

- **Resilient to interest rate fluctuations.** We price the purchase of receivables from our clients after negotiating the sale price with our investors, so subsequent changes in rates do not impact profitability. The vast majority of transactions are simultaneous purchase/sale or utilize rate locks
- **Bilateral transactions outside the ABS market.** Typically with insurance companies with long history of transacting with HASI and non-cyclical demand as they use these transactions to match fund long term insurance liabilities
- **Profitable even in recessions.** >20 years of transaction history. Generated profits even in 2008-09 financial crisis

- We buy a long-term receivable at X% rate and sell it at Y% with the NPV of the difference being the gain

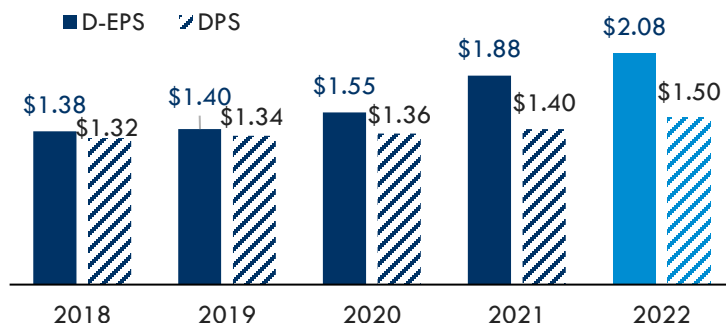
Illustrative Securitization of Receivables



LONG TERM CONSISTENT HIGH GROWTH IN NII AND MANAGED ASSETS

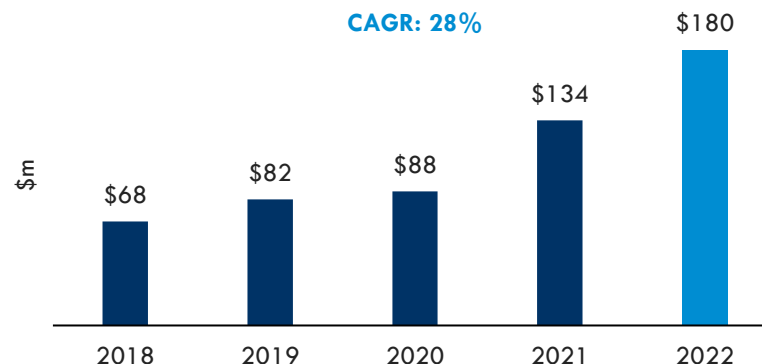
Distributable EPS¹ and DPS²

D-EPS CAGR: 11%



Distributable NII¹

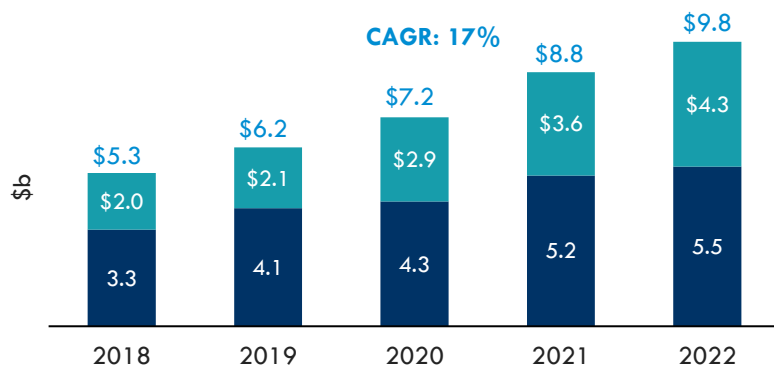
CAGR: 28%



Managed Assets¹

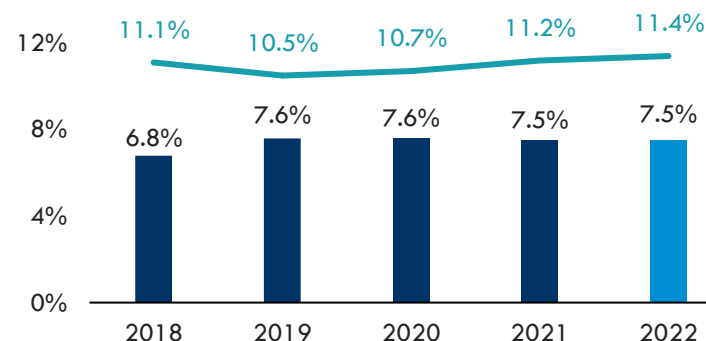
Off Balance Sheet Balance Sheet Portfolio

CAGR: 17%



Portfolio Yield¹ and Distributable ROE³

Portfolio Yield Distributable ROE



1) See Appendix for an explanation of Distributable Earnings, Distributable Net Investment Income, Managed Assets, and Portfolio Yield, including reconciliations to the relevant GAAP measures, where applicable.

2) Dividends per share declared in the year

3) Distributable ROE is calculated using Distributable Earnings for the period and the average of the quarterly ending equity balances



APPENDIX

OUR VISION, PURPOSE, AND VALUES

Our Vision

Every investment improves
our climate future

Our Purpose

Make climate-positive investments with
superior risk-adjusted returns

Our Values

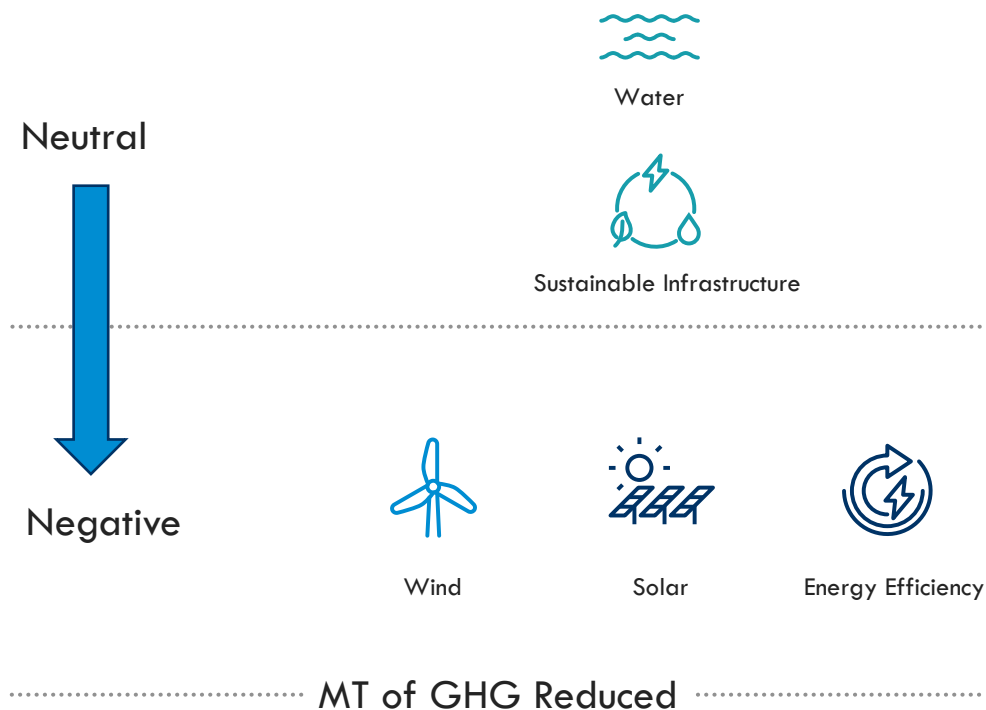
1 | Solve **client** problems

2 | Embrace **collaboration**

3 | Ask good **questions**

OUR INVESTMENT THESIS

We will earn superior risk-adjusted returns by investing on the right side of the climate change line

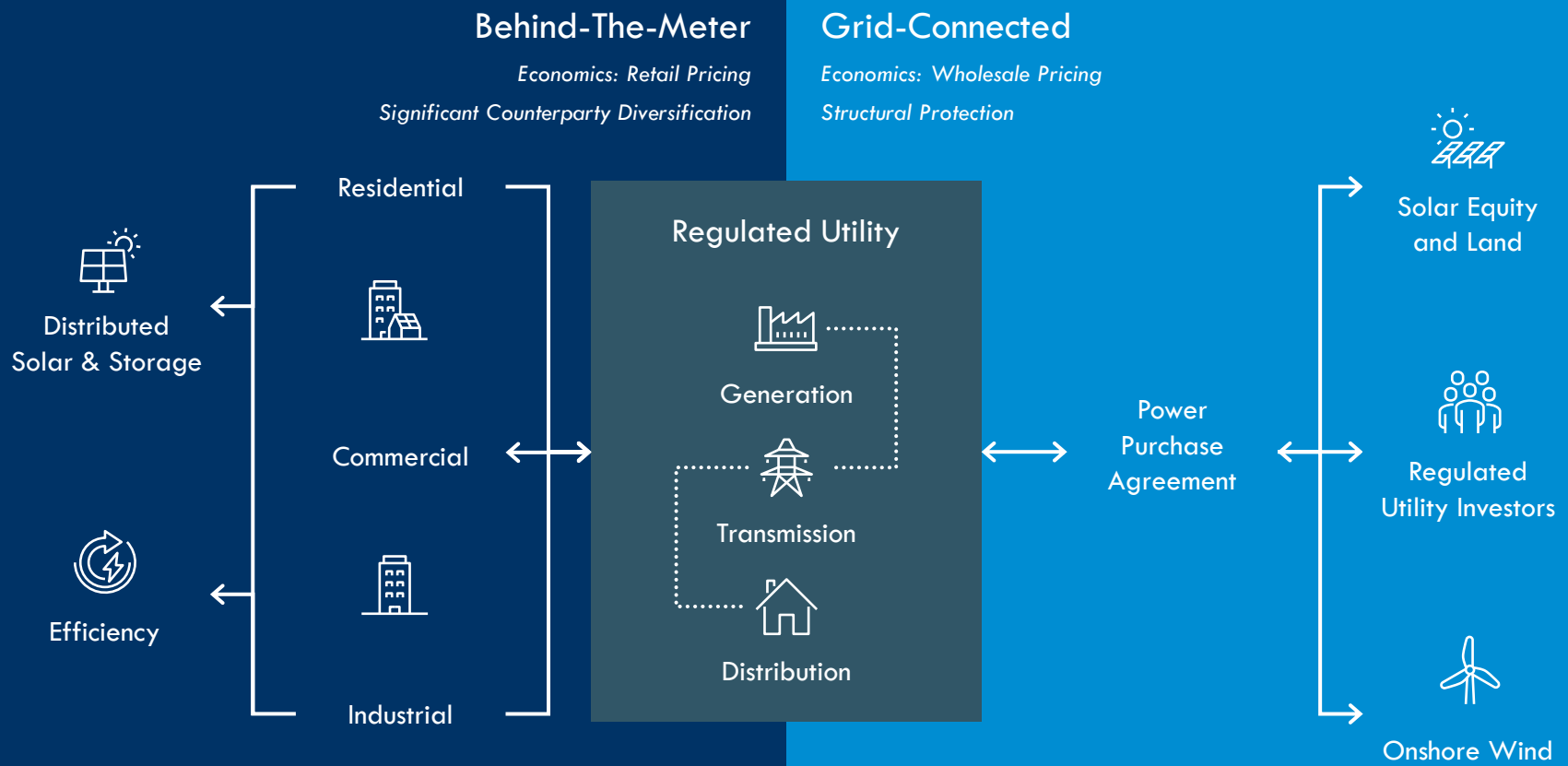


Supporting Pillars

- Smaller increments of capital expenditure create a more diversified portfolio
- More efficient technologies waste less and thus enable higher economic returns (2nd Law of Thermodynamics)
- Internalized externalities and an embedded option on carbon pricing reduce social costs and friction

WHERE WE INVEST

We invest strategically in both behind-the-meter and grid-connected assets to generate superior risk-adjusted returns



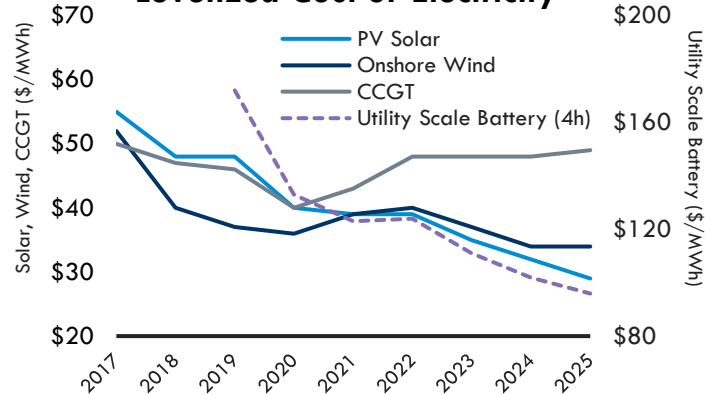
EVOLUTION AS A PUBLIC COMPANY



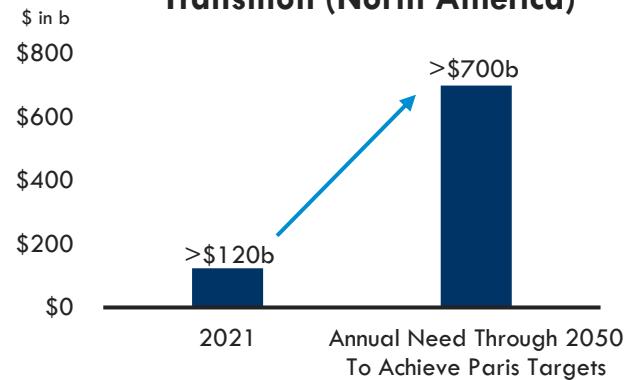
Over the last ten years, we have enhanced our access to the capital markets and expanded into new, growing asset classes to drive growth in Managed Assets

TOTAL ADDRESSABLE MARKET IS LARGE AND EXPANDING

Levelized Cost of Electricity¹



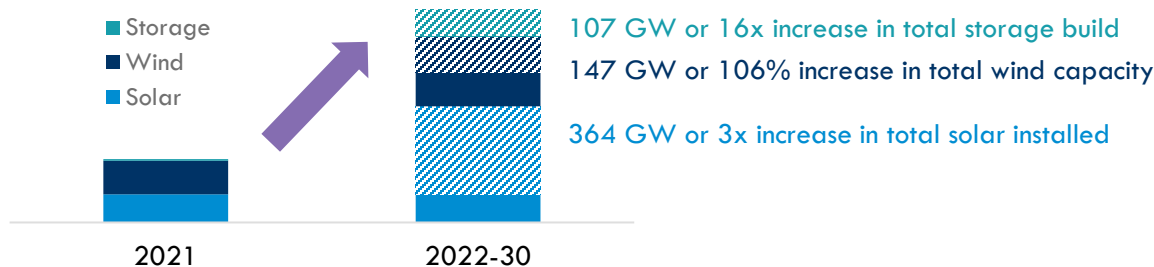
Annual Investment Energy Transition (North America)²



U.S. Government: Target to reduce emissions >50% by 2030³

Corporates: ~1000 with SBTi-approved Net Zero Targets⁴

Clean Energy New Build capacity to increase substantially by 2030 due to the Inflation Reduction Act (IRA)⁵



The U.S. is on the cusp of a full acceleration of the energy transition. Many of our programmatic clients are leading this development.

Cost declines in clean energy are expected to resume, the addressable market remains strong and IRA is expected to catalyze the pace of growth.

1) Bloomberg New Energy Finance (U.S. only) as of 6/30/22
 2) Bloomberg New Energy Finance, Global Financial Markets Association, and Boston Consulting Group
 3) Relative to 2005 baseline
 4) As of 12/31/2021
 5) Source BNEF, 2H22 Clean Energy Outlook

COMPELLING VALUE PROPOSITION

Programmatic Growth

- Robust >\$4.5b pipeline supported by deep relationships with leading clean energy and infrastructure companies

Diversified High-Quality Portfolio

- ~340 investments across ~10 asset classes

Durable Capital Structure

- Credit rating of Baa3/BB+/BB+ (M/S/F), underpinned by prudent 1.8x debt to equity ratio and 86% fixed debt

Industry-Leading ESG

- Leading investor in climate solutions with proprietary tools to evaluate portfolio carbon and water reduction impacts

Proven Track Record

- Outstanding credit history with 99% of investments performing within expectations
- Stable and growing dividend

Annualized Total Return¹

	3yr	5yr	7yr
HASI	1%	8%	11%
S&P 500 ESG Index	9%	10%	11%
FTSE NAREIT Index	0%	4%	5%
Renewable Energy Index ²	-2%	4%	6%

Key Metrics³

5% - 8%

DPS

Compound Annual Growth Guidance⁴

10% - 13%

Distributable EPS

Compound Annual Growth Guidance⁴

\$9.8b

Managed Assets

1) As of 12/31/22

2) Global X Renewable Energy Producers ETF.

3) See Appendix for an explanation of Distributable Earnings and Managed Assets, including reconciliations to the relevant GAAP measures, where applicable.

4) Expectation from 2021 through 2024, relative to the 2020 baseline

ILLUSTRATIVE INVESTMENTS



Renewable Natural Gas

\$125 million

Senior debt investment with an energy service company in a portfolio of operating Landfill Gas (LFG)-to-RNG and Wastewater Treatment Biogas (WWTPB)-to-RNG plants



C&I Solar

<\$50 million

Equity investment with a solar sponsor in a distributed portfolio of ~200 C&I projects, including high credit quality corporates such as FedEx and Target



Wind & Solar

>\$500 million

Equity investment (with preferred cash flow position) with a wind and solar sponsor in a 2.3 GW portfolio, including high credit quality corporate and utility off-takers

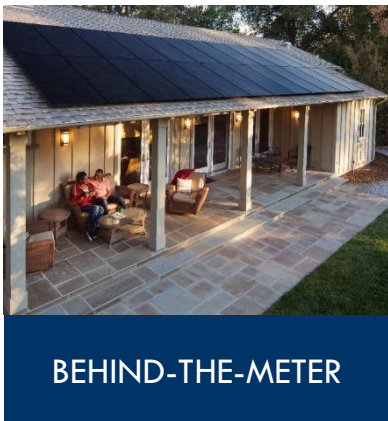


Ecological Restoration

>\$40 million

Receivables investment with an environmental development firm in a tidal restoration project to restore wetland habitat and mitigate flood risk in the Sacramento River Delta

ILLUSTRATIVE INVESTMENTS



Residential Solar

<\$30 million

Investment in a portfolio of high credit quality residential leases with a residential solar provider, diversified across geographic and power markets



Green Real Estate

<\$20 million

Joint venture with government-sponsored enterprises to acquire securitized housing loans that incentivize energy and water efficiency investments



Solar Land

>\$100 million

Acquisition of 4,000 acres of land and lease streams with utilities and solar sponsors, underlying dozens of utility-scale solar projects with a capacity of nearly 700 MW



Fleet Decarbonization

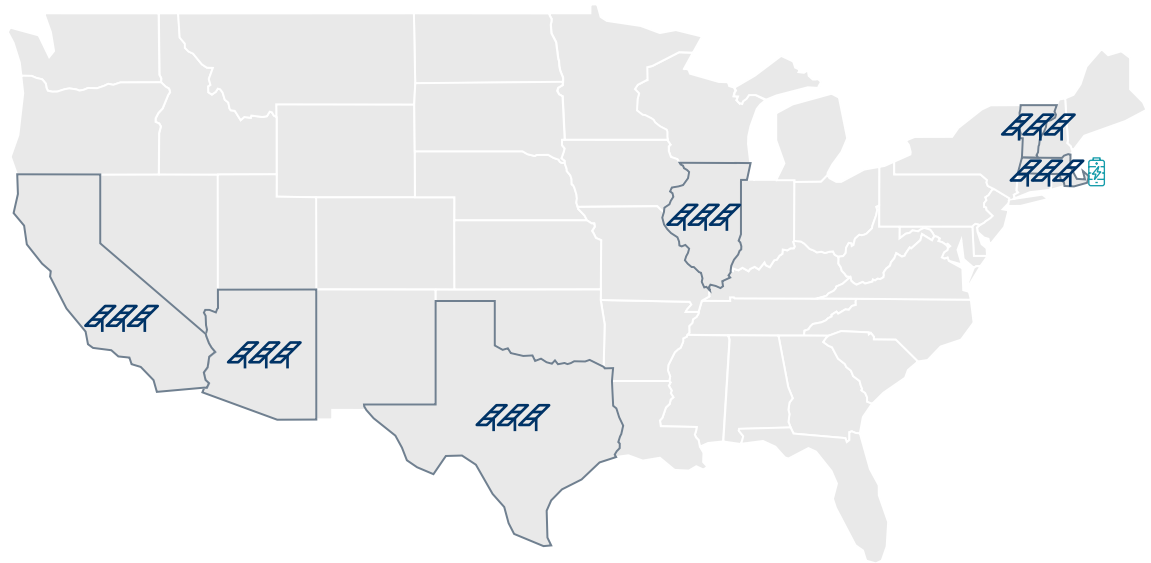
>\$70 million

Investment with a sustainable transportation fleet provider to modernize the fleet services through software for a major metropolitan school district, and eventual electrification of the bus fleet

INVESTMENT SPOTLIGHT: ENGIE BTM PORTFOLIO

Investment Overview

- \$93m preferred equity investment with Morgan Stanley as tax equity and ENGIE as sponsor equity co-investors
- 70 MW community and C&I solar + 8 MW collocated storage projects located across multiple states
- Contracted with highly creditworthy consumer, C&I, and co-operative offtakers
- O&M Provider: ENGIE
- CarbonCount[®]: 0.27



Strategic Highlights

- Unique structure leveraging tax equity financing to bring efficiency to a forward flow of projects
- Significantly grows community and C&I solar portfolios

Key Metrics

24 years

WAVG Contract Life

IG

WAVG Offtaker
Credit Rating

0.27

CarbonCount[®]

POWER OF PROGRAMMATIC RELATIONSHIPS



1

Sponsor



5

Distinct Transactions



>\$800m

Committed Investment

Initiate Client Partnership with ENGIE

2018

- \$50m investment in a C&I solar portfolio located across multiple states



Zippered relationship coupled with access to flexible capital enable the development of solutions embedded across client business units

2020 - 2021

- \$115m structured equity investment in a P3¹ with the University of Iowa to operate and upgrade multiple campus utilities in support of university sustainability objectives
- \$540m structured equity investment in a 2.3 GW portfolio of grid-connected wind and solar projects with high credit quality offtakers
- \$93m structured equity investment in a 70 MW portfolio of community and C&I solar (including co-located storage) located across multiple states
- \$13m securitized debt investment in a U.S. Veterans Administration energy efficiency project through the use of a Master Purchase Agreement



RECENT RESULTS

LEADERSHIP TRANSITION SUPPORTED BY CONTINUITY OF STRATEGY AND STRONG EXECUTION

Increase Dividend and Affirm Guidance

- **FYQ22 Distributable EPS of \$2.08¹ (up 11% YOY) and GAAP EPS of \$0.47**
- Declared dividend of \$0.395 per share
- Affirm guidance for (2021 – 2024)²: Distributable EPS 10% – 13% (CAGR) and DPS: 5% – 8% (CAGR)

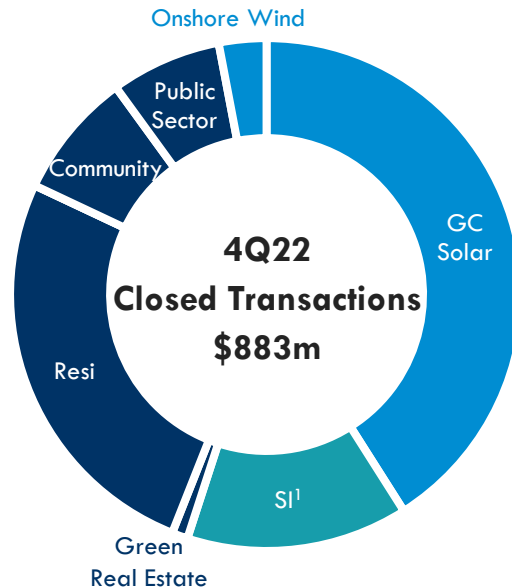
Strong Volume in 4Q22, Expected to Continue into 2023

- Closed \$883m transactions in 4Q22 at an average yield >8% for portfolio investments
- Strong volume expected to continue in 2023 with impacts of IRA emerging in certain asset classes

Experienced Leadership Team will Facilitate Smooth Transition

- Jeff Lipson (CEO) and Marc Pangburn (CFO) have significant tenure with the company
- Jeff Eckel as Executive Chair will remain engaged in strategy

4Q22 VOLUME DISTRIBUTED ACROSS ASSET CLASSES



18

Transactions

8

Programmatic Clients

2 Expansion Clients

1

New Client

CarbonCount Highlight

1.3 GW Grid-Connected portfolio of 17 solar projects and 1 wind project located across Arizona, California, New York, South Dakota, Utah, and Virginia

1.1

carboncount[®]

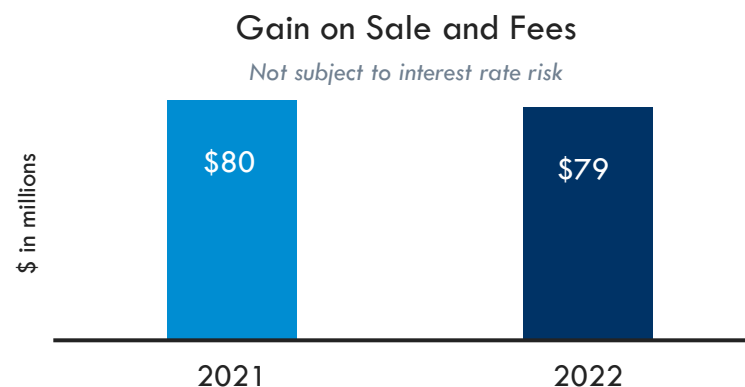
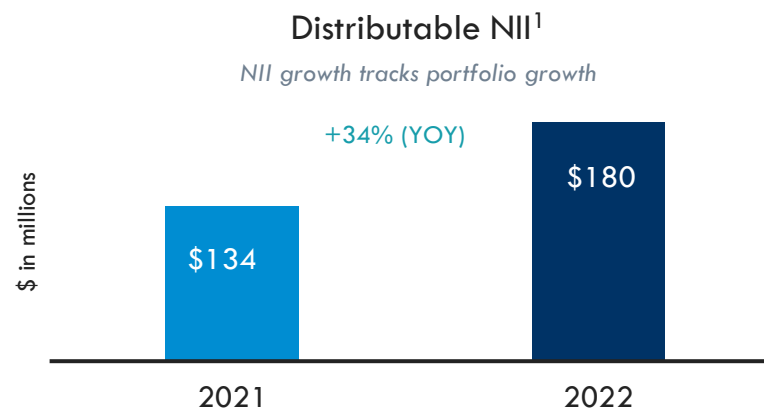
Metric Tons of CO₂
Offset Annually per
\$1000 invested

Long-term, recurring income expected from new on balance sheet transactions in 4Q22 with an average yield >8%.

11% YOY DISTRIBUTE EPS GROWTH CONSISTENT WITH GUIDANCE

Financial Results (FY22)

Results, Unaudited ¹	FY21	FY22	Change YoY
GAAP Diluted EPS	\$1.51	\$0.47	
Distributable EPS	\$1.88	\$2.08	+11%
GAAP NII	\$11.1m	\$45.3m	
Distributable NII	\$134.0m	\$180.2m	+34%
GAAP Gain on Sale and Fees	\$80.4m	\$78.8m	
Transactions Closed	\$1.7b	\$1.8b	
Portfolio ²	\$3.6b	\$4.3b	+19%
Managed Assets	\$8.8b	\$9.8b	
Distributable ROE ³	11.2%	11.4%	



1) See Appendix for an explanation of Distributable Earnings, Distributable Net Investment Income and Managed Assets, including reconciliations to the relevant GAAP measures, where applicable.

2) GAAP-based

3) Distributable ROE is calculated using Distributable Earnings for the period and the average of the quarterly ending equity balances for the period.



DIVERSIFIED HIGH-QUALITY PORTFOLIO

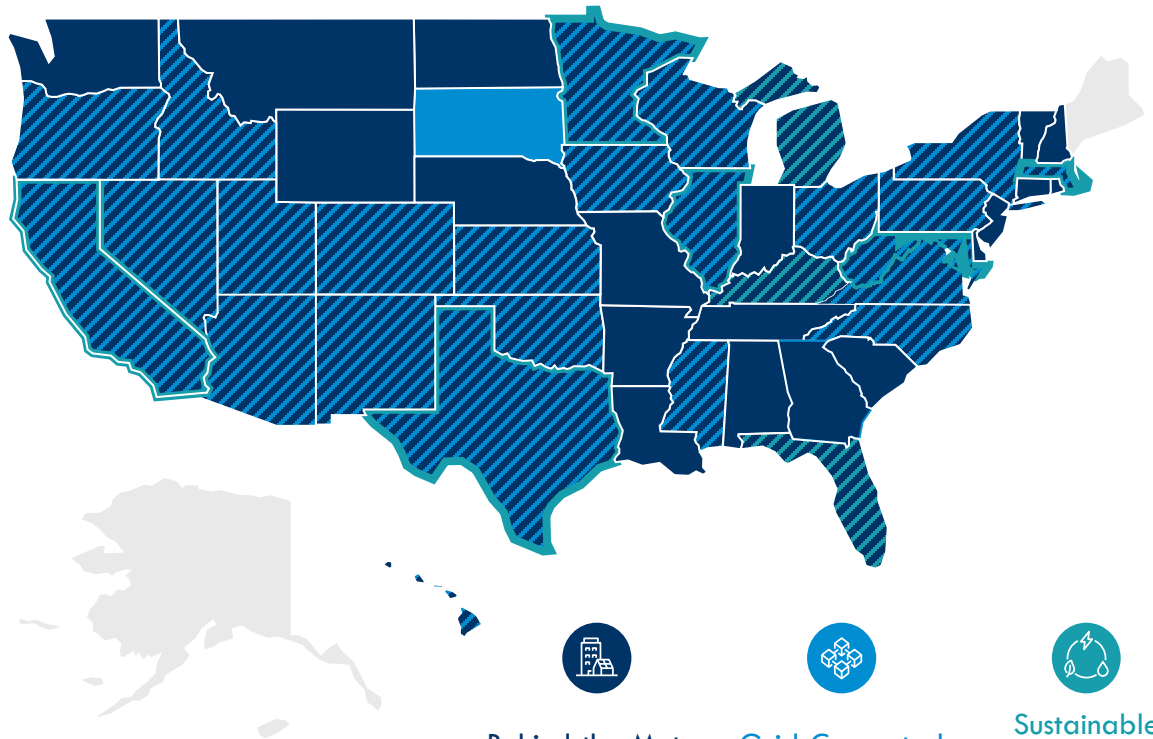
COMPELLING DIVERSITY

Our Managed Assets located across 48 U.S. states¹ support:

>290 Energy Efficiency Investments

>17 GW of Renewables

- 8.6 GW of Grid-Connected Land
- 4.1 GW of Wind
- 1.1 GW of Grid-Connected Solar
- 3.3 GW of Distributed Solar



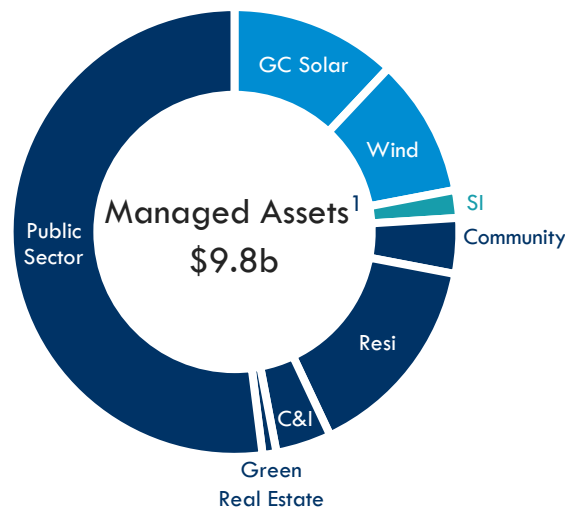
Behind-the-Meter

Grid-Connected

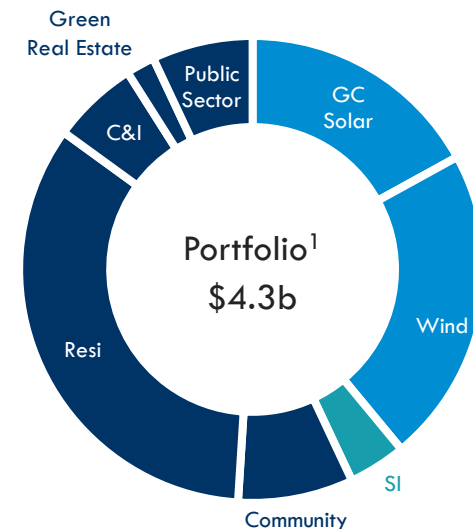
Sustainable
Infrastructure

With assets across the U.S., our Managed Assets benefit from significant technological, geographic, and resource diversity

MANAGED ASSETS AND PORTFOLIO BREAKDOWN



Managed Assets (% of Total)	Asset Class	Portfolio (% of Total)
52%	Public Sector	7%
12%	GC Solar	17%
15%	Residential	34%
10%	Wind	22%
4%	C&I	6%
4%	Community	8%
1%	Green Real Estate ²	2%
2%	Sustainable Infrastructure ³	4%



Managed Assets continue to be dominated by BTM Public Sector.
Portfolio diversity remains strong.

STRONG PORTFOLIO WITH POSITIVE CREDIT ATTRIBUTES

Recent Portfolio Performance

Rating	Description	Performance Metric
1	Performing ¹	99%
2	Slightly below metrics ²	1%
3	Significantly below metrics ³	~0%

Outstanding Credit History

De minimis <20 bps cumulative credit losses since 2012⁴

Positive Credit Attributes

Asset Class	Portfolio (%) ⁶	Structural Seniority	Obligor Credit
Residential	34%	Typically Preferred	>275k consumers WAVG FICO: "Very Good" ⁵
Wind	22%	Preferred	Typically IG corporates or utilities
GC Solar	17%	Super Senior or Preferred	Typically IG corporates or utilities
Community	8%	Typically Preferred	Typically creditworthy consumers and/or IG corporates
C&I	6%	Senior or Preferred	Typically IG corporates
Public Sector	7%	Senior or Preferred	Predominantly IG govt or quasi-govt entities
Green Real Estate	2%	Super Senior or Subordinated Debt	Real-estate secured
Sustainable Infrastructure	4%	Senior	Predominantly IG govt entities

- 1) This category includes our assets where based on our credit criteria and performance to date we believe that our risk of not receiving our invested capital remains low.
- 2) This category includes our assets where based on our credit criteria and performance to date we believe there is a moderate level of risk to not receiving some or all of our invested capital.
- 3) This category includes our assets where based on our credit criteria and performance to date, we believe there is substantial doubt regarding our ability to recover some or all of our invested capital.
- 4) Calculation represents credit losses as a percentage of cumulative originations, excluding equity method investments.
- 5) As of 4Q22; located across 23 states and the District of Columbia; qualitative FICO Rating corresponds to average FICO Score range for consumer obligors (as of lease origination dates).
- 6) Total may not sum due to rounding

RESIDENTIAL SOLAR PORTFOLIO: POSITIVE CREDIT ATTRIBUTES

Customer

- **Priority Payment:** Monthly electricity bill savings typically range from 5% and 30%¹
- **Affordable:** Average monthly payments typically less than \$150 and paid via ACH²
- **Creditworthy:** Higher than average FICO scores
- **Transferrable:** UCC fixture filing typically results in lease transfers or buyouts as part of home sale

Portfolio

- **Diversity:** >275k consumers across 23 states⁵ originated by reputable publicly traded providers

Capital Structure

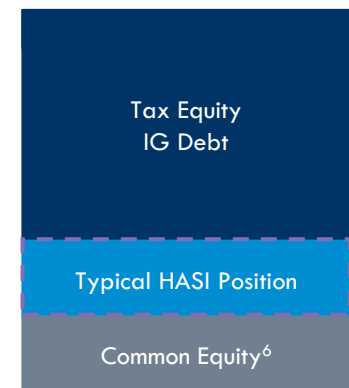
- **Preferred Position:** Structured mezzanine or preferred equity investments
 - Subordinated to investment grade debt and tax equity
 - Senior to first-loss common equity held by providers who are motivated to hit target returns
- **Multiple Sophisticated Investors:** Large institutional investors also underwrite these portfolios
 - Along with rating agencies, require bankruptcy remote entities and backup servicing and transition plans

Internal Rigorous Underwriting and Management

- **Advance Rates:** Reflects expected portfolio default rates based on rating agency analysis and internal stress tests
- **Portfolio Management:** Sophisticated internal capabilities and detailed monthly review

FICO Score	HASI Portfolio ³	United States ⁴
WAVG	747	703
>720	65%	45%
>660	95%	80%

Illustrative Capital Stack



1) Relative to comparable utility rates as of each investment's financial close date

2) Automated clearing house ("ACH")

3) Represents the funded amounts of Portfolio as of FY22.

4) For United States, "Average" represents 2019 average for all U.S. consumers as reported by Experian (January 2020) while ">720" and ">660" represents cumulative U.S. homeowners as reported by Experian (April 2020).

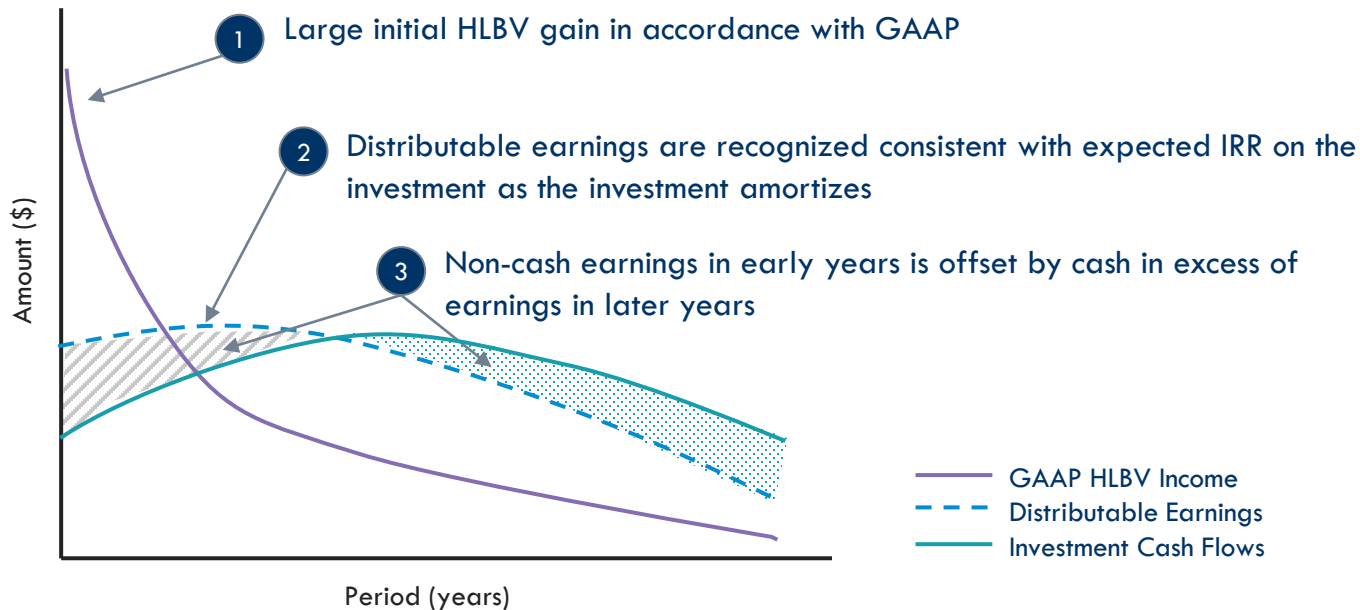
5) In addition to the District of Columbia

6) In our SunStrong Joint Venture with SunPower, we also hold a stake in the common equity tranche.

ILLUSTRATIVE GC SOLAR PROJECT ECONOMICS

EQUITY METHOD INVESTMENT

HASI's Cashflows, Distributable Earnings & GAAP Earnings (HLBV)¹



- Distributions to Tax Equity reduce cash available for equity investors, creating some non-cash earnings in the early years
- GAAP Income, Distributable Income, and Cash Flow are expected to equal over the life of an investment



INDUSTRY LEADING ESG

RECENT ESG ACTIVITY

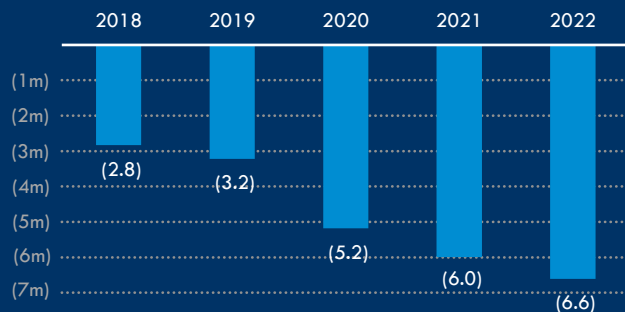
E	Environmental	Co-Founded Emissions First Partnership to improve corporate and investor emissions accounting
S	Social	Declared a Social Dividend of approximately \$1.9m to the HASI Foundation
G	Governance	Separate Chairman and CEO roles



Carbon Emissions¹

CarbonCount[®]: 0.4 (FY22)

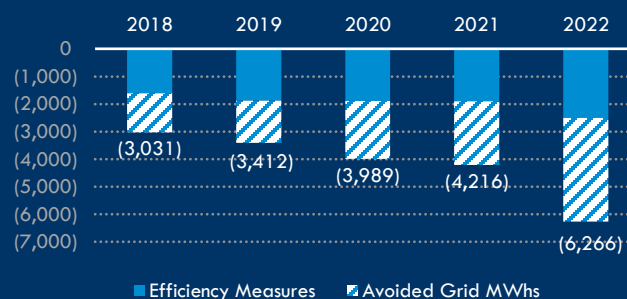
Cumulative Metric Tons of CO₂ Avoided Annually



Water Savings²

WaterCount[™]: 1,180 (FY22)

Cumulative Gallons of Water Saved Annually (million gallons)



1) CarbonCount[®] is a scoring tool that evaluates investments in U.S.-based energy efficiency and renewable energy projects to estimate the expected CO₂ emission reduction per \$1,000 of investment.
 2) WaterCount[™] is a scoring tool that evaluates investments in U.S.-based projects to estimate the expected water consumption reduction per \$1,000 of investment.

CARBONCOUNT[®]: TRANSPARENT, COMPARABLE, ACCOUNTABLE

CarbonCount[®] is a proprietary scoring tool for evaluating investments in U.S. based renewable energy, energy efficiency, and climate resilience projects to determine the efficiency by which each dollar of invested capital reduces annual carbon dioxide equivalent (CO₂e) emissions

Annual Hourly MWh Generation
Avoided by Underlying Renewable
Energy and/or Efficiency Project(s)



Location Specific Hourly Grid
Emissions Factor Metric Tons of CO₂
/ MWh



Total Capital Cost of the Projects

carboncount[®]

Metric Tons of CO₂ Offset
Annually per \$1,000 invested

Indicative CarbonCount[®] by Technology Type

Impact of capacity factor and cost per MW



Onshore Wind



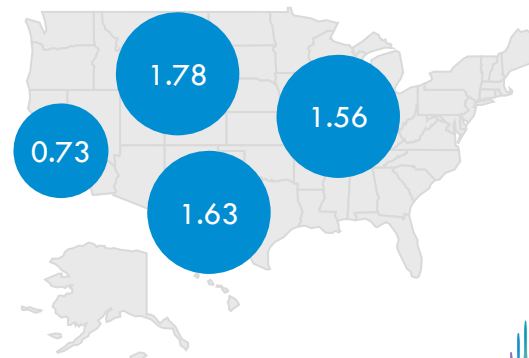
Energy
Efficiency



Residential
Solar

Indicative CarbonCount[®] for an Identical Sample Wind Project in Different Regions

Impact of grid fuel mix



GREEN DEBT ISSUANCES

Sustainable Yield Bonds Off Balance Sheet

Securitizations typically of public sector receivables and managed off balance sheet

Sustainable Yield Bonds On Balance Sheet

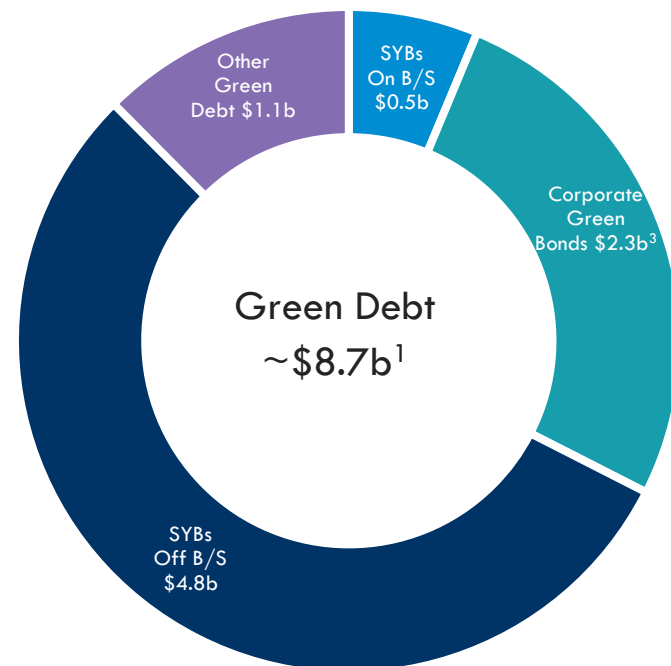
Non-recourse, asset-backed debt managed on balance sheet

Corporate Green Bonds

Senior unsecured or convertible bonds issued as corporate obligations

Other Green Debt

Syndicate Sustainability Linked
Unsecured Revolving Line of Credit and
Term Loan A and Green Carbon Count
Commercial Paper Program²



Since 2013, we have raised ~\$8.7 b of green debt, including securitizations and non-recourse and corporate issuances

1) From 2013 IPO through 12/31/22

2) Represents total commitments of our Sustainability Linked Unsecured RLOC, Sustainability Linked Term Loan A, and Green Carbon Count Commercial Paper Program. As of 12/31/22, our outstanding debt under the Sustainability Linked Unsecured RLOC, Sustainability Linked Term Loan A, and Green Carbon Count Commercial Paper Program was \$0m, \$383m and \$0m, respectively.

3) ICMA's Green Bond Principles applicable to corporate unsecured green bonds and convertible green bonds due 2023 but not necessarily to convertible green bonds due 2022

GREEN BOND FRAMEWORK

In alignment with ICMA's Green Bond Principles (2018)

1

Definition of “Eligible Green Projects”

“Eligible Green Projects” means projects intended to reduce carbon emissions or provide other environmental benefits in the following categories:

1. Behind-the-Meter (“BTM”): Distributed building or facility projects that reduce energy usage or cost through the use of solar generation and energy storage or energy efficient improvements, including heating, ventilation and air conditioning systems (“HVAC”), lighting, energy controls, roofs, windows, building shells, and/or combined heat and power systems
2. Grid-Connected (“GC”): Projects that deploy cleaner energy sources, such as solar and wind to generate power where the off-taker or counterparty is part of the wholesale electric power grid; and
3. Sustainable Infrastructure: Upgraded transmission or distribution systems, water and storm water infrastructure, seismic retrofits and other projects, that improve water or energy efficiency, increase resiliency, positively impact the environment or more efficiently use natural resources.

2

Process for Project Evaluation and Selection

As part of our investment process, we intend to calculate the ratio of the estimated first year of metric tons of carbon emissions avoided (or that will be avoided) by the investment divided by the capital to be invested to understand the impact the investment is expected to have on climate change.

3

Management of Proceeds of the Notes

We intend to utilize the net proceeds of this offering to acquire or refinance, in whole or in part, Eligible Green Projects. Eligible Green Projects may include projects with disbursements made during the twelve months preceding the issue date of the Notes and projects with disbursements to be made following the issue date. Prior to the full investment of such net proceeds, we intend to invest such net proceeds in interest-bearing accounts and short-term, interest-bearing securities which are consistent with our intention to qualify for taxation as a REIT

4

Reporting

During the term of the Notes, until such time as the net proceeds from this offering have been fully allocated to Eligible Green Projects, we will publish annual updates on our website detailing, at a minimum, the allocation of the net proceeds from this offering to specific Eligible Green Projects along with the associated CarbonCount®.



FINANCIALS

CASH FLOW SOURCES AND USES

- Adjusted cash flows from operations plus other portfolio collections have exceeded dividends
- Excess cash flows are reinvested in the portfolio

\$ Millions ¹	2022	2021	2020	2019
Adjusted Cash Flow from Operations Plus Other Portfolio Collections²	\$287	\$259	\$309	\$314
(-) Dividend	(\$132)	(\$114)	(\$100)	(\$86)
(=) Cash Available for Reinvestment	\$155	\$146	\$209	\$227
(-) Investments Funded ³	(\$871)	(\$960)	(\$1,183)	(\$715)
(+) Capital Raised	\$693	\$796	\$1,206	\$540
Other Sources/Uses of Cash	(\$51)	(\$41)	(\$28)	(\$5)
Change in Cash	(\$74)	(\$59)	\$204	\$47

- Certain companies consolidate the projects and include project cash flows in Cash Flows from Operations; since we don't consolidate, we report project cash flows in Cash Flows from Investing

1) Amounts may not sum due to rounding

2) See explanatory notes for an explanation Adjusted Cash Flow from Operations Plus Other Portfolio Collections, including reconciliations to the relevant GAAP measures, where applicable

3) Does not include receivables held-for-sale

ADJUSTED CASH FLOW FROM OPERATIONS PLUS OTHER PORTFOLIO COLLECTIONS

GAAP CASHFLOW STATEMENT

\$ Millions	2022	2021	2020	2019
Cash flows from operating activities				
Net income (loss)	42	127	83	82
Adjustments to reconcile net income to net cash provided by operating activities:		0	0	0
Provision for loss on receivables	13	0	10	8
Depreciation and amortization	4	4	4	4
Amortization of financing costs	12	11	8	6
Equity-based compensation	20	17	17	14
Equity method investments	16	(95)	13	(34)
Non-cash gain on securitization	(29)	(48)	(55)	(57)
Gain (loss) on sale of receivables and investments	(0)	(1)	14	13
Changes in receivables held-for-sale	— (63)	(22)	0	0
Loss on debt extinguishment	-	15	0	0
Changes in accounts payable and accrued expenses	18	11	8	5
Change in accrued interest on receivables and investments	(15)	(1)	(24)	(18)
Other	(18)	(6)	(3)	6
Net cash provided by operating activities	+ 0	13	73	29
Cash flows from investing activities		0	0	0
Equity method investments	(128)	(402)	(886)	(152)
Equity method investment distributions received	+ 110	22	99	71
Proceeds from sales of equity method investments	+ 2	0	0	81
Purchases of and investments in receivables	(727)	(553)	(256)	(498)
Principal collections from receivables	+ 126	149	133	58
Proceeds from sales of receivables	+ 5	76	59	135
Purchases of real estate	(5)	0	0	0
Sales of real real estate	+ 5			
Purchases of investments	(2)	(5)	(40)	(46)
Principal collections from investments	+ -	0	2	7
Proceeds from sales of investments and securitization assets	+ 7	15	69	139
Funding of escrow accounts	-	(12)	(23)	(29)
Withdrawal from escrow accounts	-	2	8	31
Other	15	5	4	2
Net cash provided by (used in) investing activities	(592)	(703)	(832)	(201)
Cash flows from financing activities		0	0	0
Proceeds from credit facilities	100	100	126	102
Principal payments on credit facilities	(150)	(22)	(135)	(328)
Proceeds from issuance of commercial paper notes	-	50	0	0
Principal payments of commercial paper notes	(50)	0	0	0
Proceeds from issuance of non-recourse debt	33	0	16	131
Principal payments on non-recourse debt	+ (31)	(38)	(126)	(207)
Proceeds from issuance of senior unsecured notes	-	1,000	771	507
Proceeds from issuance of term loan	383			
Redemption of senior unsecured notes	-	(500)	0	0
Proceeds from issuance of convertible notes	200	0	144	0
Payments on deferred funding obligations		0	0	(19)
Net proceeds of common stock issuances	189	201	298	138
Payments of dividends and distributions	(132)	(114)	(100)	(86)
Withholdings on employee share vesting	(3)	(14)	(17)	(9)
Redemption premium paid		(14)	0	0
Payment of debt issuance costs	(12)	(18)	0	0
Other	(10)	(0)	(15)	(10)
Net cash provided by (used in) financing activities	517	631	962	219
Increase (decrease) in cash, cash equivalents, and restricted cash	(75)	(59)	204	47
Cash, cash equivalents, and restricted cash at beginning of period	251	310	107	59
Cash, cash equivalents, and restricted cash at end of period	176	251	310	107

Adjusted Cash Flow from Operations Plus Other Portfolio Collections

\$ Millions

2022	287
2021	259
2020	309
2019	314

EXPLANATORY NOTES

Adjusted Cash Flow from Operations plus Other Portfolio Collections

We operate our business in a manner that considers total cash collected from our portfolio and necessary operating and debt service payments to assess the amount of cash we have available to fund investments and distributions. The line items from our Statement of Cash Flows that are relevant to this measure are highlighted in a previous slide. We believe that the aggregate of these items, which combine as a non-GAAP financial measure titled Adjusted Cash Flow from Operations plus Other Portfolio Collections, is a useful measure of the liquidity we have available from our assets to fund both new investments and our regular quarterly dividends. This non-GAAP financial measure may not be comparable to similarly titled or other similar measures used by other companies. There is also not a directly comparable GAAP measure that demonstrates how we consider cash available for dividend payment.

Adjusted Cash Flow from Operations plus Other Portfolio Collections differs from GAAP Net cash provided by operating activities, in that it (A) excludes Changes in receivables held-for-sale, (B) adds cash flow from Equity method investment distributions received, Proceeds from sales of equity method investments, Principal collections from receivables, Proceeds from sales of receivables, Principal collections from investments, and Proceeds from sales of investments and securitization assets, and (C) subtracts Principal payments on non-recourse debt. This measure is not intended to demonstrate an alternative view of cash available from investment returns for dividend payment.

Also, Adjusted Cash Flow from Operations plus Other Portfolio Collections differs from Net cash provided by (used in) investing activities in that by definition it excludes many of the uses of cash used in our investing activities such as in Equity method investments, Purchases of and investments in receivables, Purchases of real estate, Purchases of investments, Funding of escrow accounts, and excludes Withdrawal from escrow accounts, and Other.

In addition, Adjusted Cash Flow from Operations plus Other Portfolio Collections is not comparable to Net cash provided by (used in) financing activities.

SUPPLEMENTAL FINANCIAL DATA

Explanatory Notes

Distributable Earnings and Earnings on Equity Method Investments

We calculate distributable earnings as GAAP net income (loss) excluding non-cash equity compensation expense, provisions for loss on receivables, amortization of intangibles, non-cash provision (benefit) for taxes, gains or (losses) from modification or extinguishment of debt facilities, any one-time acquisition related costs or non-cash tax charges and the earnings attributable to our non-controlling interest of our Operating Partnership. We also make an adjustment to our equity method investments in the renewable energy projects as described below. We will use judgment in determining when we will reflect the losses on receivables in our distributable earnings, and we will consider certain circumstances such as, the time period in default, sufficiency of collateral as well as the outcomes of any related litigation. In the future, distributable earnings may also exclude one-time events pursuant to changes in GAAP and certain other adjustments as approved by a majority of our independent directors.

Certain of our equity method investments in renewable energy and energy efficiency projects are structured using typical partnership “flip” structures where the investors with cash distribution preferences receive a pre-negotiated return consisting of priority distributions from the project cash flows, in many cases, along with tax attributes. Once this preferred return is achieved, the partnership “flips” and the common equity investors, often the operator or sponsor of the project, receive more of the cash flows through its equity interests while the previously preferred investors retain an ongoing residual interest. We have made investments in both the preferred and common equity of these structures. Regardless of the nature of our equity interest, we typically negotiate the purchase prices of our equity investments, which have a finite expected life, based on our underwritten cash flows projects discounted back to the net present value, based on a target investment rate, with the cash flows to be received in the future reflecting both a return on the capital (at the investment rate) and a return of the capital we have committed to the project. We use a similar approach in the underwriting of our receivables.

Under GAAP, we account for these equity method investments utilizing the HLBV method. Under this method, we recognize income or loss based on the change in the amount each partner would receive, typically based on the negotiated profit and loss allocation, if the assets were liquidated at book value, after adjusting for any distributions or contributions made during such quarter. The HLBV allocations of income or loss may be impacted by the receipt of tax attributes, as tax equity investors are allocated losses in proportion to the tax benefits received, while the sponsors of the project are allocated gains of a similar amount. The investment tax credit available for election in solar projects is a one-time credit realized in the quarter when the project is considered operational for tax purposes and is fully allocated under HLBV in that quarter (subject to an impairment test), while the production tax credit required for wind projects and electable for solar projects is a ten year credit and thus is allocated under HLBV over a ten year period. In addition, the agreed upon allocations of the project's cash flows may differ materially from the profit and loss allocation used for the HLBV calculations. We also consider the impact of any other-than-temporary impairment in determining our income from equity method investments.

The cash distributions for those equity method investments where we apply HLBV are segregated into a return on and return of capital on our cash flow statement based on the cumulative income (loss) that has been allocated using the HLBV method. However, as a result of the application of the HLBV method, including the impact of tax allocations, the high levels of depreciation and other non-cash expenses that are common to renewable energy projects and the differences between the agreed upon profit and loss and the cash flow allocations, the distributions and thus the economic returns (i.e., return on capital) achieved from the investment are often significantly different from the income or loss that is allocated to us under the HLBV method. Thus, in calculating Distributable Earnings, for certain of these investments where there are characteristics as described above, we further adjust GAAP net income (loss) to take into account our calculation of the return on capital (based upon the underwritten investment rate) from our renewable energy equity method investments, as adjusted to reflect the performance of the project and the cash distributed. We believe this equity method investment adjustment to our GAAP net income (loss) in calculating our Distributable Earnings measure is an important supplement to the HLBV income allocations determined under GAAP for an investor to understand the economic performance of these investments where HLBV income can differ substantially from the economic returns.

We believe a non-GAAP measure, such as Distributable Earnings, that adjusts for the items discussed above is and has been a meaningful indicator of our economic performance in any one period and is useful to our investors as well as management in evaluating our performance as it relates to expected dividend payments over time. As a REIT, we are required to distribute substantially all of our taxable income to investors in the form of dividends, which is a principal focus of our investors. Additionally, we believe that our investors also use Distributable Earnings, or a comparable supplemental performance measure, to evaluate and compare our performance to that of our peers, and as such, we believe that the disclosure of Distributable Earnings is useful to our investors in any one period.

However, Distributable Earnings does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP), or an indication of our cash flow from operating activities (determined in accordance with GAAP), or a measure of our liquidity, or an indication of funds available to fund our cash needs, including our ability to make cash distributions. In addition, our methodology for calculating Distributable Earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported Distributable Earnings may not be comparable to similar metrics reported by other companies.

SUPPLEMENTAL FINANCIAL DATA

Explanatory Notes

Managed Assets

As we both consolidate assets on our balance sheet and securitize assets, certain of our receivables and other assets are not reflected on our balance sheet where we may have a residual interest in the performance of the investment, such as servicing rights or a retained interest in cash flows. Thus, we present our investments on a non-GAAP managed basis, which assumes that securitized receivables are not sold. We believe that our Managed Asset information is useful to investors because it portrays the amount of both on- and off-balance sheet receivables that we manage, which enables investors to understand and evaluate the credit performance associated with our portfolio of receivables, investments and residual assets in securitized receivables. Our non-GAAP Managed Assets measure may not be comparable to similarly titled measures used by other companies.

Distributable Net Investment Income

Distributable Net Investment Income is calculated as GAAP-based Net Investment Income (Interest Income and Rental Income less Interest Expense) as reported within our financial statements prepared in accordance with US GAAP plus Distributable Earnings from our Equity Method Investments when allocating cash distributions between a return on and return of invested capital plus amortization of real estate intangibles. We utilize this measure in operating our business and believe it is useful information for our investors for the reasons discussed in our core earnings measure.

Portfolio Yield

We calculate portfolio yield as the weighted average underwritten yield of the investments in our Portfolio as of the end of the period. Underwritten yield is the rate at which we discount the cash flows from the assets in our portfolio to determine our purchase price. In calculating underwritten yield, we make certain assumptions, including the timing and amounts of cash flows generated by our investments, which may differ from actual results, and may update this yield to reflect our most current estimates of project performance. We believe that portfolio yield provides an additional metric to understand certain characteristics of our Portfolio as of a point in time. Our management uses portfolio yield this way and we believe that our investors use it in a similar fashion to evaluate certain characteristics of our portfolio compared to our peers, and as such, we believe that the disclosure of portfolio yield is useful to our investors.

Guidance

We expect that annual Distributable Earnings per share will grow at a compounded annual rate of 10% to 13% from 2021 to 2024, relative to the 2020 baseline of \$1.55 per share, which is equivalent to a 2024 midpoint of \$2.40 per share. We also expect growth of annual dividends per share to be at a compounded annual rate of 5% to 8%. This guidance reflects our judgments and estimates of (i) yield on its existing portfolio; (ii) yield on incremental portfolio investments, inclusive of our existing pipeline; (iii) the volume and profitability of transactions; (iv) amount, timing, and costs of debt and equity capital to fund new investments; (v) changes in costs and expenses reflective of our forecasted operations, and (vi) the general interest rate and market environment. All guidance is based on current expectations regarding economic conditions, the regulatory environment, the dynamics of the markets in which we operate and the judgment of our management team, among other factors. In addition, distributions are subject to approval by our Board of Directors on a quarterly basis. We have not provided GAAP guidance as discussed in the Forward-Looking Statements section of the press release.

INCOME STATEMENT

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2022	2021	2022	2021
Revenue				
Interest income	\$ 36,752	\$ 30,536	\$ 134,656	\$ 106,889
Rental income	6,529	6,544	26,245	25,905
Gain on sale of receivables and investments	5,935	13,345	57,187	68,333
Fee income	9,092	3,270	21,649	12,039
Total revenue	58,308	53,695	239,737	213,166
Expenses				
Interest expense	30,524	26,311	115,559	121,705
Provision for loss on receivables	6,576	(2,399)	12,798	496
Compensation and benefits	13,337	13,124	63,445	52,975
General and administrative	7,238	5,093	29,934	19,907
Total expenses	57,675	42,129	221,736	195,083
Income before equity method investments	633	11,566	18,001	18,083
Income (loss) from equity method investments	(27,241)	56,903	31,291	126,421
Income (loss) before income taxes	(26,608)	68,469	49,292	144,504
Income tax (expense) benefit	6,412	(5,648)	(7,381)	(17,158)
Net income (loss)	\$ (20,196)	\$ 62,821	\$ 41,911	\$ 127,346
Net income (loss) attributable to non-controlling interest holders	(268)	401	409	767
Net income (loss) attributable to controlling stockholders	\$ (19,928)	\$ 62,420	\$ 41,502	\$ 126,579
Basic earnings (loss) per common share	\$ (0.22)	\$ 0.73	\$ 0.47	\$ 1.57
Diluted earnings (loss) per common share	\$ (0.22)	\$ 0.71	\$ 0.47	\$ 1.51
Weighted average common shares outstanding—basic	89,601,922	84,698,890	87,500,799	79,992,922
Weighted average common shares outstanding—diluted	89,601,922	88,609,807	90,609,329	87,671,641

BALANCE SHEET

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	December 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	\$ 155,714	\$ 226,204
Equity method investments	1,869,712	1,759,651
Commercial receivables, net of allowance of \$41 million and \$36 million, respectively	1,887,483	1,298,529
Government receivables	102,511	125,409
Receivables held-for-sale	85,254	22,214
Real estate	353,000	356,088
Investments	10,200	17,697
Securitization assets	177,032	210,354
Other assets	119,242	132,165
Total Assets	\$ 4,760,148	\$ 4,148,311
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable, accrued expenses and other	\$ 120,114	\$ 88,866
Credit facilities	50,698	100,473
Commercial paper notes	192	50,094
Term loan facility	379,742	—
Non-recourse debt (secured by assets of \$633 million and \$573 million, respectively)	432,756	429,869
Senior unsecured notes	1,767,647	1,762,763
Convertible notes	344,253	149,731
Total Liabilities	3,095,402	2,581,796
Stockholders' Equity:		
Preferred stock, par value \$0.01 per share, 50,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, par value \$0.01 per share, 450,000,000 shares authorized, 90,837,008 and 85,326,781 shares issued and outstanding, respectively	908	853
Additional paid in capital	1,924,200	1,727,667
Accumulated deficit	(285,474)	(193,706)
Accumulated other comprehensive income (loss)	(10,397)	9,904
Non-controlling interest	35,509	21,797
Total Stockholders' Equity	1,664,746	1,566,515
Total Liabilities and Stockholders' Equity	\$ 4,760,148	\$ 4,148,311

RECONCILIATION OF GAAP NET INCOME TO DISTRIBUTABLE EARNINGS

	For the Three Months Ended December 31, 2022		For the Three Months Ended December 31, 2021	
	(dollars in thousands, except per share amounts)			
	\$	per share	\$	per share
Net income attributable to controlling stockholders ⁽¹⁾	\$ (19,928)	\$ (0.22)	\$ 62,420	\$ 0.71
Distributable earnings adjustments:				
Reverse GAAP (income) loss from equity method investments	27,241		(56,903)	
Add equity method investments earnings	32,802		27,135	
Equity-based compensation charges	2,108		3,544	
Provision for loss on receivables	6,576		(2,399)	
Other adjustments ⁽²⁾	(5,912)		6,890	
Distributable earnings ⁽³⁾	\$ 42,887	\$ 0.47	\$ 40,687	\$ 0.47

(1) The per share amounts represent GAAP diluted earnings per share and is the most comparable GAAP measure to our distributable earnings per share.

(2) See Other adjustments table below.

(3) Distributable earnings per share for the three months ended December, 2022 and 2021, are based on 91,536,442 shares and 87,143,351 shares outstanding, respectively, which represents the weighted average number of fully-diluted shares outstanding including our restricted stock awards, restricted stock units, long-term incentive plan units, and the non-controlling interest in our operating partnership. We include any potential common stock issuances related to share based compensation units in the amount we believe is reasonably certain to vest. As it relates to Convertible Notes, we will assess the market characteristics around the instrument to determine if it is more akin to debt or equity based an expectation of the likelihood of conversion based on current conditions. If the instrument is more debt-like then we will include any related interest expense and exclude the underlying shares issuable upon conversion of the instrument. If the instrument is more equity-like and is more dilutive when treated as equity then we will exclude any related interest expense and include the weighted average shares underlying the instrument.

RECONCILIATION OF GAAP NET INCOME TO DISTRIBUTABLE EARNINGS

	Twelve Months Ended December 31, 2022		Twelve Months Ended December 31, 2021	
	<i>(dollars in thousands, except per share amounts)</i>			
	\$	per share	\$	per share
Net income attributable to controlling stockholders ⁽¹⁾	\$ 41,502	\$ 0.47	\$ 126,579	\$ 1.51
Distributable earnings adjustments:				
Reverse GAAP (income) loss from equity method investments	(31,291)		(126,421)	
Add equity method investments earnings	131,762		103,707	
Equity-based compensation charges	20,101		17,047	
Provision for loss on receivables ⁽²⁾	12,798		496	
(Gain) loss on debt modification or extinguishment	—		16,083	
Other adjustments ⁽³⁾	10,919		21,232	
Distributable earnings ⁽⁴⁾	\$ 185,791	\$ 2.08	\$ 158,723	\$ 1.88

- (1) The per share amounts represent GAAP diluted earnings per share and is the most comparable GAAP measure to our distributable earnings per share.
- (2) In addition to these provisions, in the second quarter of 2022 we wrote-off two commercial receivables with a combined total carrying value of approximately \$8 million which represented assignments of land lease payments from two wind projects that we had originated in 2014 as a part of an acquisition of a large land portfolio. In 2017, the operator of the projects terminated the lease, at which time we filed a legal claim and placed these assets on non-accrual status. In 2019, we received a court decision indicating that the owners of the projects were within their rights under the contract terms to terminate the lease which impacts the land lease assignments to us, at which time we reserved the receivables for their full carrying amount. In the second quarter of 2022, we received a court decision indicating that our appeal was not successful, and accordingly wrote off the full amount of the receivable. We have excluded the write off from Distributable earnings due to the infrequent occurrence of credit losses as well as the unique nature of the receivables, as the assignment of land lease payments from wind projects represent a small portion of our total portfolio.
- (3) See Other adjustments table below.
- (4) Distributable earnings per share for the years ended December 31, 2022 and 2021, are based on 89,355,907 shares and 84,268,341 shares outstanding, respectively, which represents the weighted average number of fully-diluted shares outstanding including our restricted stock awards, restricted stock units, long-term incentive plan units, and the non-controlling interest in our operating partnership. We include any potential common stock issuances related to share based compensation units in the amount we believe is reasonably certain to vest. As it relates to Convertible Notes, we will assess the market characteristics around the instrument to determine if it is more akin to debt or equity based on an expectation of the likelihood of conversion based on current conditions. If the instrument is more debt-like then we will include any related interest expense and exclude the underlying shares issuable upon conversion of the instrument. If the instrument is more equity-like and is more dilutive when treated as equity then we will exclude any related interest expense and include the weighted average shares underlying the instrument.

RECONCILIATION OF GAAP-BASED NII TO DISTRIBUTABLE NII

	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
	<i>(in thousands)</i>			
Interest income	\$ 36,752	\$ 30,536	\$ 134,656	\$ 106,889
Rental income	6,529	6,544	26,245	25,905
GAAP-based investment revenue	43,281	37,080	160,901	132,794
Interest expense	30,524	26,311	115,559	121,705
GAAP-based net investment income	12,757	10,769	45,342	11,089
Equity method earnings adjustment ⁽¹⁾	32,802	14,943	131,762	55,305
(Gain) loss on debt modification or extinguishment ⁽²⁾	—	—	—	16,083
Amortization of real estate intangibles ⁽³⁾	768	772	3,061	3,089
Distributable net investment income	\$ 46,327	\$ 38,676	\$ 180,165	\$ 133,968

(1) Reflects adjustment for equity method investments described above.

(2) Adds back losses related to debt prepayments included in interest expense in our income statement.

(3) Adds back non-cash amortization related to acquired real estate leases.

ADDITIONAL GAAP TO NON-GAAP RECONCILIATIONS

The table below provides a reconciliation of the Other adjustments:

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
Other adjustments				
Amortization of intangibles ⁽¹⁾	\$ 768	\$ 841	\$ 3,129	\$ 3,307
Non-cash provision (benefit) for income taxes	(6,412)	5,648	7,381	17,158
Net income attributable to non-controlling interest	(268)	401	409	767
Other adjustments	\$ (5,912)	\$ 6,890	\$ 10,919	\$ 21,232

(1) Adds back non-cash amortization of lease and pre-IPO intangibles.

The table below provides a reconciliation of GAAP SG&A expenses to Distributable SG&A expenses:

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
GAAP SG&A expenses				
Compensation and benefits	\$ 13,337	\$ 13,124	\$ 63,445	\$ 52,975
General and administrative	7,238	5,093	29,934	19,907
Total SG&A expenses (GAAP)	\$ 20,575	\$ 18,217	\$ 93,379	\$ 72,882
Distributable SG&A expenses adjustments:				
Non-cash equity-based compensation charge ⁽¹⁾	\$ (2,108)	\$ (3,544)	\$ (20,101)	\$ (17,047)
Amortization of intangibles ⁽²⁾	—	(69)	(68)	(218)
Distributable SG&A expenses adjustments	(2,108)	(3,613)	(20,169)	(17,265)
Distributable SG&A expenses	\$ 18,467	\$ 14,604	\$ 73,210	\$ 55,617

(1) Reflects add back of non-cash amortization of equity-based compensation. Outstanding grants related to equity-based compensation are included in the distributable earnings per share calculation.

(2) Adds back non-cash amortization of pre-IPO intangibles.

ADDITIONAL GAAP TO NON-GAAP RECONCILIATIONS

The following is a reconciliation of our GAAP-based Portfolio to our Managed Assets as of December 31, 2022 and December 31, 2021:

	As of	
	December 31, 2022	December 31, 2021
	<i>(dollars in millions)</i>	
Equity method investments	\$ 1,870	\$ 1,760
Commercial receivables, net of allowance	1,887	1,299
Government receivables	103	125
Receivables held-for-sale	85	22
Real estate	353	356
Investments	10	18
GAAP-Based Portfolio	4,308	3,580
Assets held in securitization trusts	5,486	5,199
Managed assets	\$ 9,794	\$ 8,779



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