

April 8, 2022



Hannon Armstrong Prices Private Offering of \$200 Million Green Exchangeable Senior Notes

ANNAPOLIS, Md.--(BUSINESS WIRE)-- Hannon Armstrong Sustainable Infrastructure Capital, Inc. ("Hannon Armstrong" or the "Company") (NYSE: HASI), a leading investor in climate solutions, today announced that it has priced its private offering of \$200 million in aggregate initial principal amount of 0.00% green exchangeable senior notes due 2025 (the "Notes") by its indirect subsidiaries, HAT Holdings I LLC ("HAT I") and HAT Holdings II LLC ("HAT II," and together with HAT I, the "Issuers"). At issuance, the Notes will be guaranteed by the Company, Hannon Armstrong Sustainable Infrastructure, L.P. and Hannon Armstrong Capital, LLC, and will be exchangeable for the Company's common stock under certain circumstances. The settlement of the Notes is expected to occur on April 13, 2022, subject to customary closing conditions.

Upon any exchange of the Notes, holders will receive a number of shares of the Company's common stock equal to the product of (i) the aggregate initial principal amount of Notes to be exchanged, divided by \$1,000 and (ii) the applicable exchange rate, which will initially be 17.6873, equivalent to an initial exchange price of approximately \$56.54 per share, plus cash in lieu of fractional shares. The exchange price represents a premium of approximately 32.50% above the last reported sale price of the Company's common stock on the New York Stock Exchange on April 7, 2022. The Notes will not bear regular interest and the principal amount of the Notes will accrete at a rate that provides holders with an aggregate yield to maturity of 3.25% if the Notes are not exchanged for the Company's common stock at or prior to maturity. The exchange rate for the Notes will not increase on account of the accretion of the Notes' principal amount. The shares of the Company's common stock issuable upon exchange of the Notes will have certain registration rights. The Issuers have granted to the initial purchasers of the Notes an option to purchase, during the 13-day period beginning on, and including the first date on which the Notes are issued, up to \$30 million additional aggregate initial principal amount of the Notes.

The Company intends to utilize the net proceeds of this offering to acquire or refinance, in whole or in part, new and/or existing eligible green projects, which include assets that are neutral to negative on incremental carbon emissions. In addition, these eligible green projects may include projects with disbursements made during the twelve months preceding the issue date of the Notes and those with disbursements to be made following the issue date. Prior to the full investment of such net proceeds, the Company intends to invest such net proceeds in interest-bearing accounts and short-term, interest-bearing securities which are consistent with the Company's intention to continue to qualify for taxation as a REIT.

The Notes and the related guarantees are being offered only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). The Notes and the related guarantees will not be registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent an effective registration statement or an applicable exemption from the registration requirements of the Securities Act or any state securities laws.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Hannon Armstrong

Hannon Armstrong (NYSE: HASI) is the first U.S. public company solely dedicated to investments in climate solutions, providing capital to assets developed by leading companies in energy efficiency, renewable energy, and other sustainable infrastructure markets. With more than \$8 billion in managed assets as of December 31, 2021, our core purpose is to make climate positive investments with superior risk-adjusted returns.

Forward-Looking Statements

Some of the information in this press release contains 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 in this press release, 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 the Company’s Annual Report on Form 10-K for the Company’s fiscal year ended December 31, 2021, which was filed with the U.S. Securities and Exchange Commission (“SEC”), as well as in other reports that the Company files with the SEC.

Forward-looking statements are based on beliefs, assumptions and expectations as of the date of this press release. The Company disclaims 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 press release.

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INVESTOR RELATIONS INQUIRIES

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