



Investing in Climate Solutions®

Earnings Presentation

Second Quarter 2025



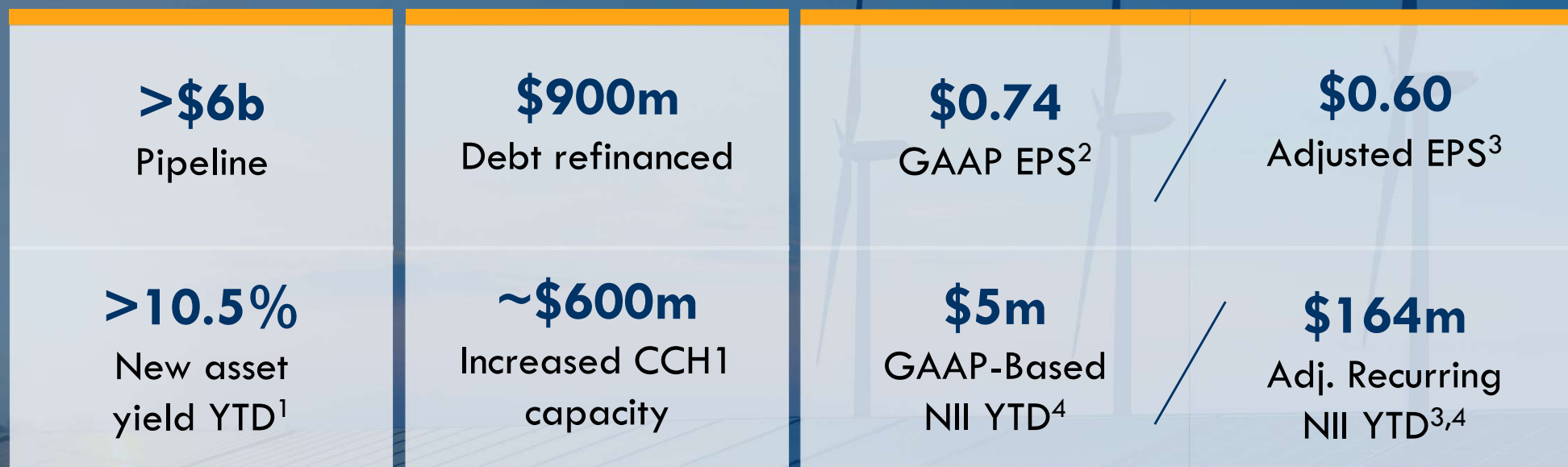
Forward Looking Statements

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 filed for the year ended December 31, 2024 (the "Form 10-K") 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 June 30, 2025. 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. The Company has not provided GAAP guidance as forecasting a comparable GAAP financial measure, such as net income, would require that the Company apply the HLBV method to these investments. In order to forecast under the HLBV method, the Company would be required to make various assumptions related to expected changes in the net asset value of the various entities and how such changes would be allocated under HLBV. GAAP HLBV earnings over a period of time are very sensitive to these assumptions especially in regard to when a partnership transaction flips and thus the liquidation scenarios change materially. The Company believes that these assumptions would require unreasonable efforts to complete and if completed, the wide variation in projected GAAP earnings based upon a range of scenarios would not be meaningful to investors. Accordingly, the Company has not included a GAAP reconciliation table related to any adjusted earnings guidance. We disclaim any obligation to update, or publicly release the results of any update or revisions to, these forward-looking statements, including to reflect 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"). Additional information concerning these non-GAAP financial measures as well as reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix herein. Estimated carbon emission 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 carbon dioxide 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.



Reaffirming Guidance for Adjusted EPS CAGR of 8-10% into 2027⁵

1. Represents yields on new portfolio investments only; excludes follow-on investments of previous transactions. Through 6/30/25
2. On a fully diluted basis

3. Please see Appendix slides 30-31 for an explanation of Adjusted Earnings per Share (EPS) and Adjusted Recurring Net Investment Income, including reconciliations to the relevant GAAP measures
4. Through 6/30/25
5. From 2023 base year

Energy Markets

- Elevated U.S. power demand requires an “all-of-the-above” solution
- Likelihood of higher power prices improve renewable economics
- Renewables are economically viable without incentives
- Storage ITC complements utility-scale and distributed solar through the mid-2030s
- Clean Fuel PTC supports RNG
- Solar/wind ITC sunset provides years of visibility and a path to transition

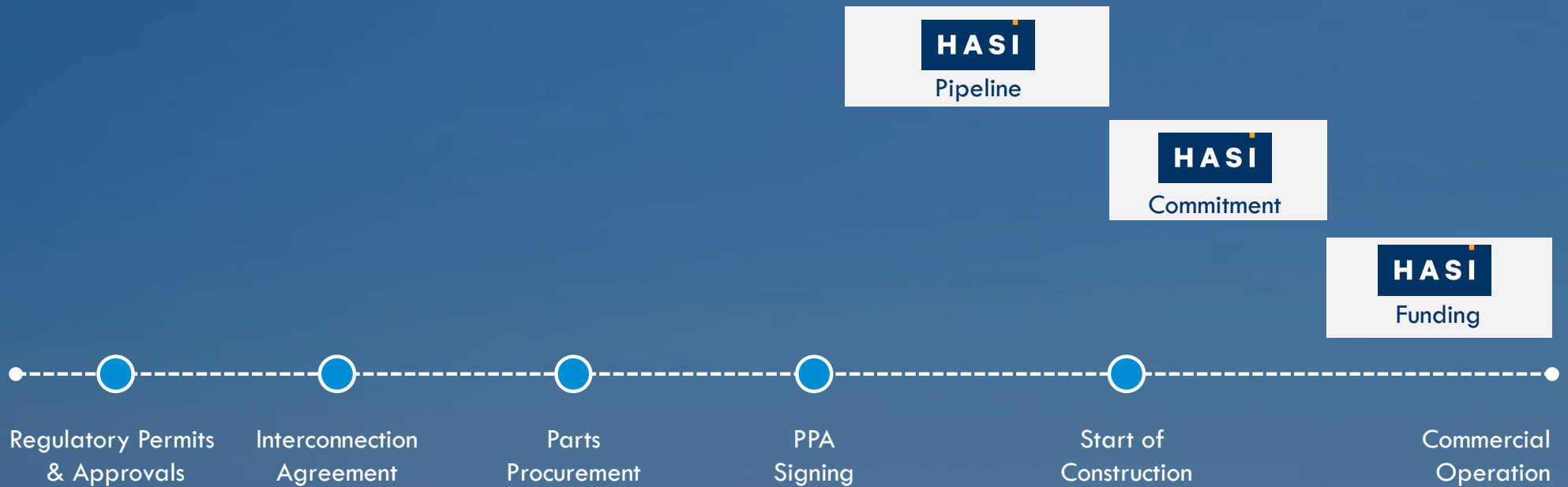
HASI

- Increased value of existing portfolio
- Insulated pipeline
- Diversified investments at the asset level
- HASI capital may replace tax equity
- Capital recycling opportunities
- Less competitive environment emerging

Our Positioning in the Project Lifecycle Minimizes Our Risk

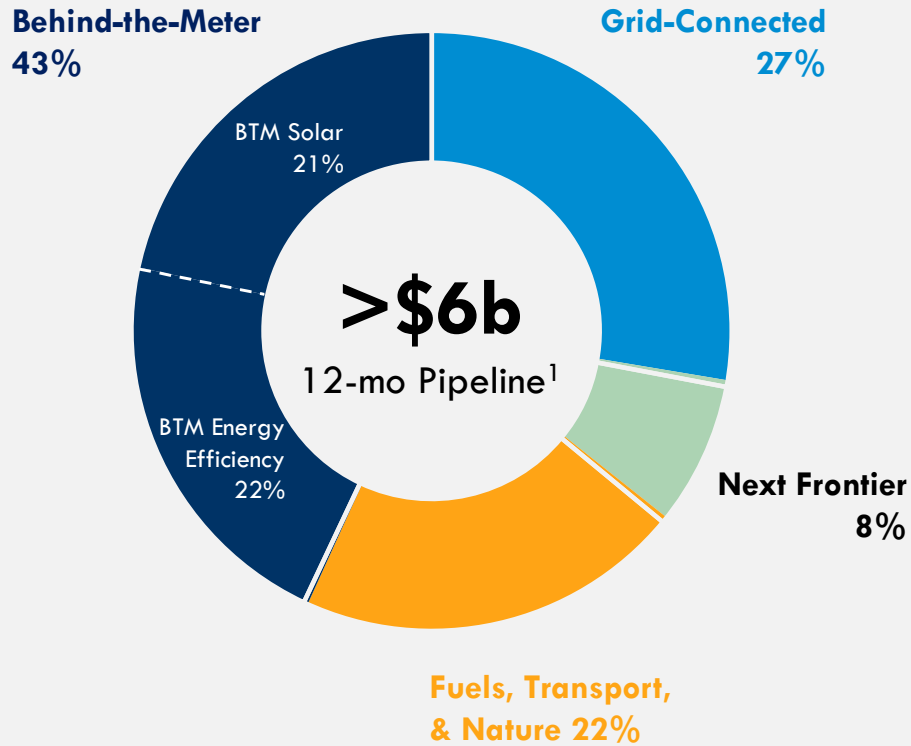


Range of Investment Timing for a Typical Utility-Scale Project



HASI typically funds new investments after the start of construction

Material Growth in our Pipeline in Q2



✓ BTM: Higher retail utility rates improve the value proposition for both rooftop solar and energy efficiency

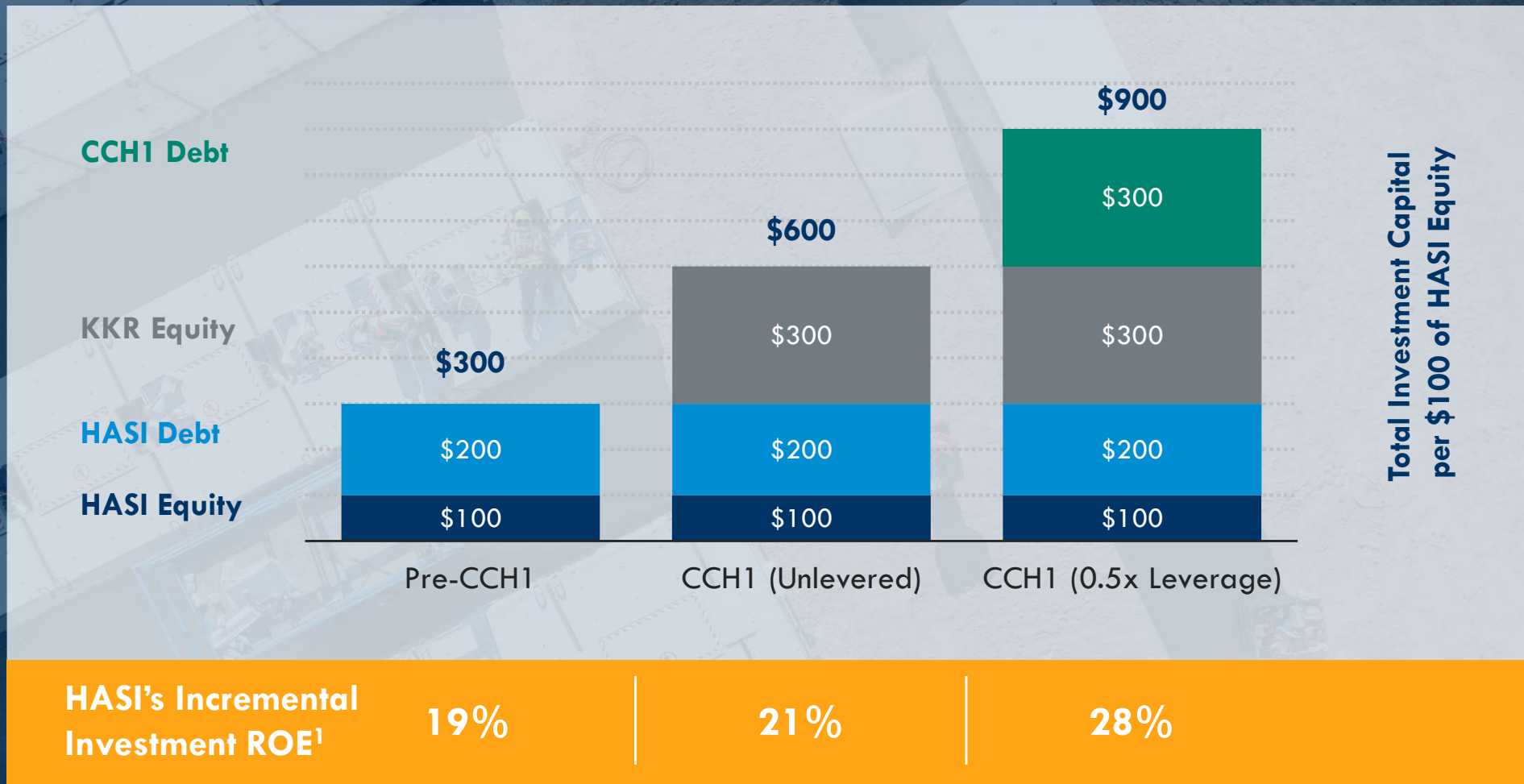
✓ GC: Client activity elevated by strong power demand

✓ FTN: Meaningful market share in RNG in a short period

✓ Next Frontier: Starting to gain traction with our newer asset class targets²

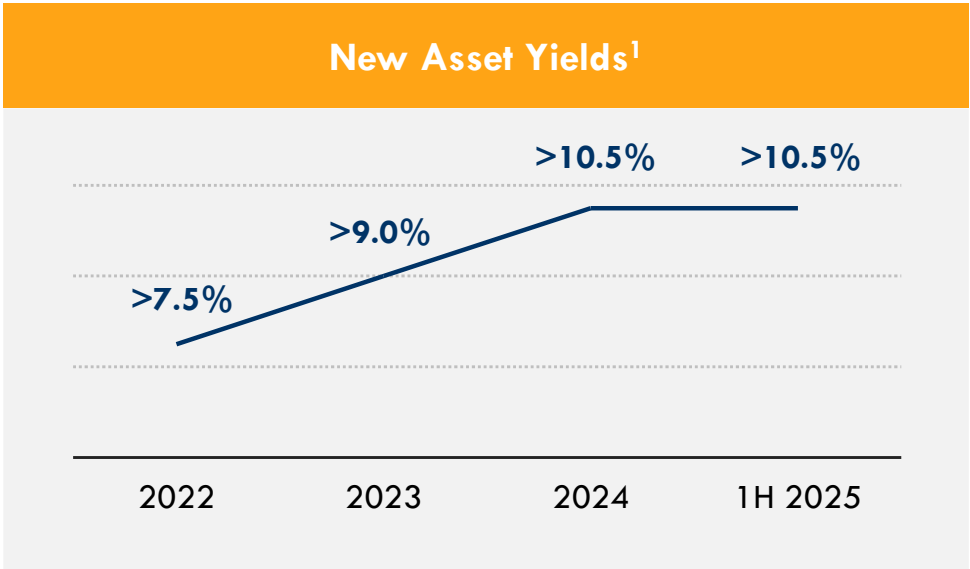
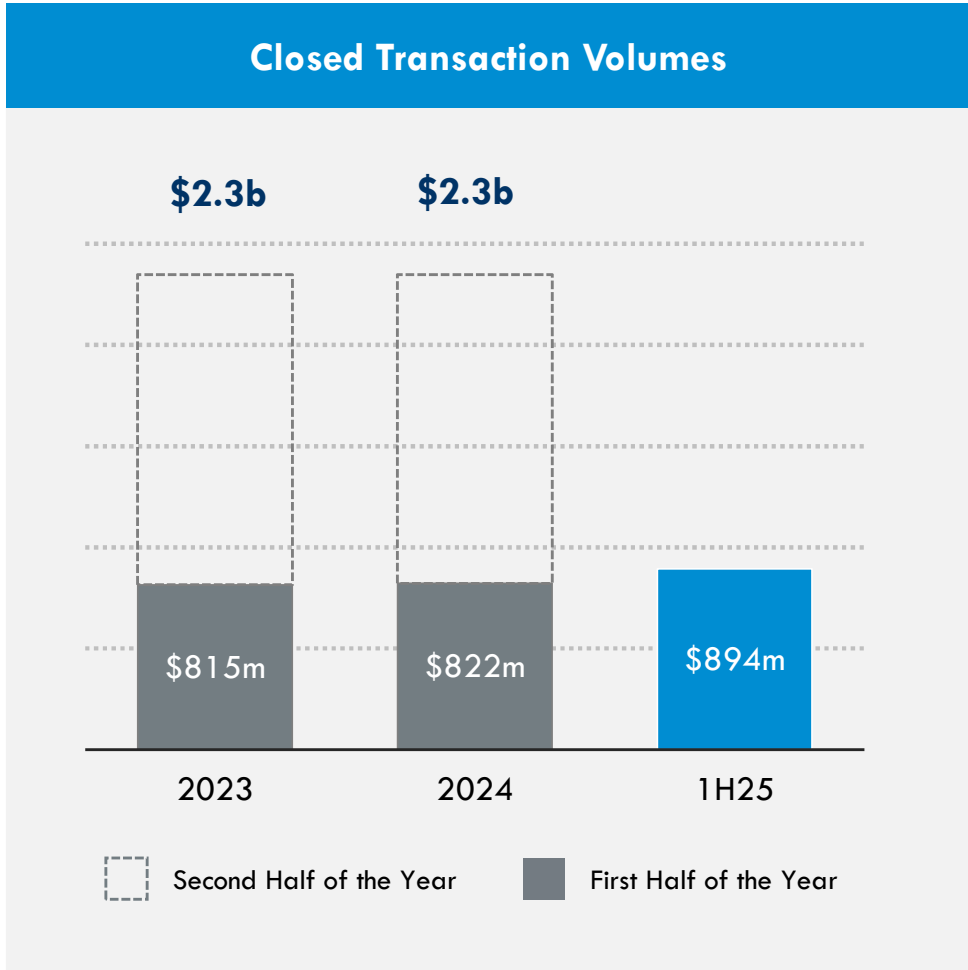
1. As of 6/30/25. Figures may not sum due to rounding
2. Please see Appendix slide 17 for an overview of the "Next Frontier" of asset classes introduced in our Q4 2024 presentation

ROE Continues to be Enhanced by Our Capital Efficiency



1. Assumes unlevered asset yield of 10.5%, cost of HASI debt of 6.5% and cost of CCH1 debt of 6.75%; the second and third columns include annual CCH1 management fees of 0.75% (but excludes CCH1 upfront origination fees)

New Transaction Volumes and New Asset Yields



Closed Transactions by Asset Class (1H25)

Resi Solar & Storage Leases	37%
Public Sector	28%
FTN	28%
GC Solar	5%
C&I and Community Solar	2%

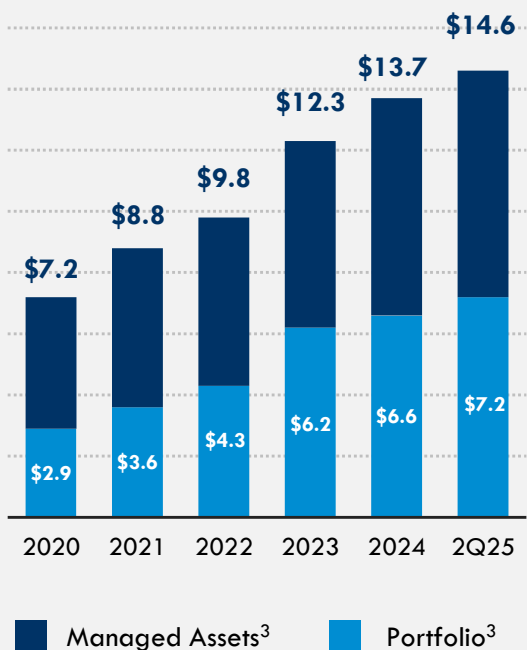
Closed transaction volumes expected to grow Y/Y in 2025

1. Represents yields on new portfolio investments only; excludes follow-on investments of previous transactions

Managed Assets Up 13% Y/Y to \$14.6 Billion

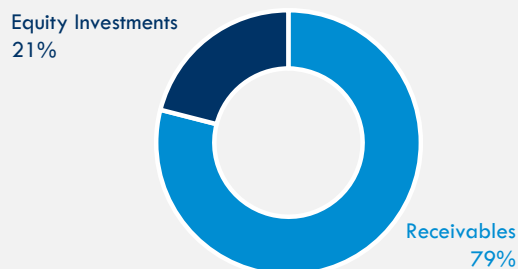


Managed Assets¹

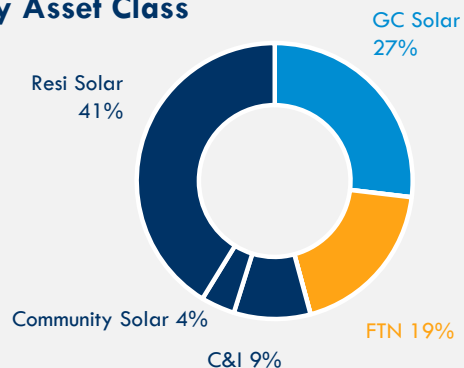


CCH1² CarbonCount[®] Holdings 1 LLC

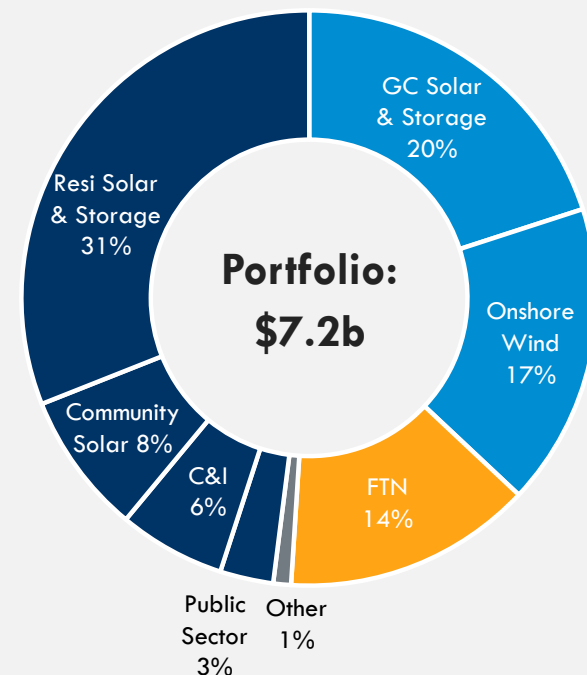
By Investment Type



By Asset Class



Portfolio²



- Up 13% YoY in Q2 2025
- Average annual realized losses remain <10 bps⁴

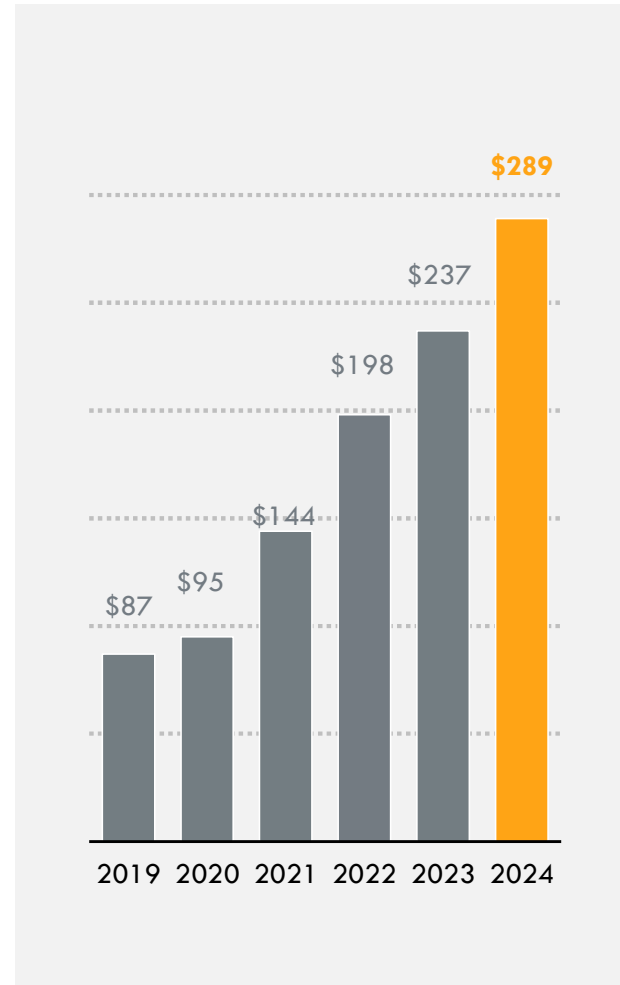
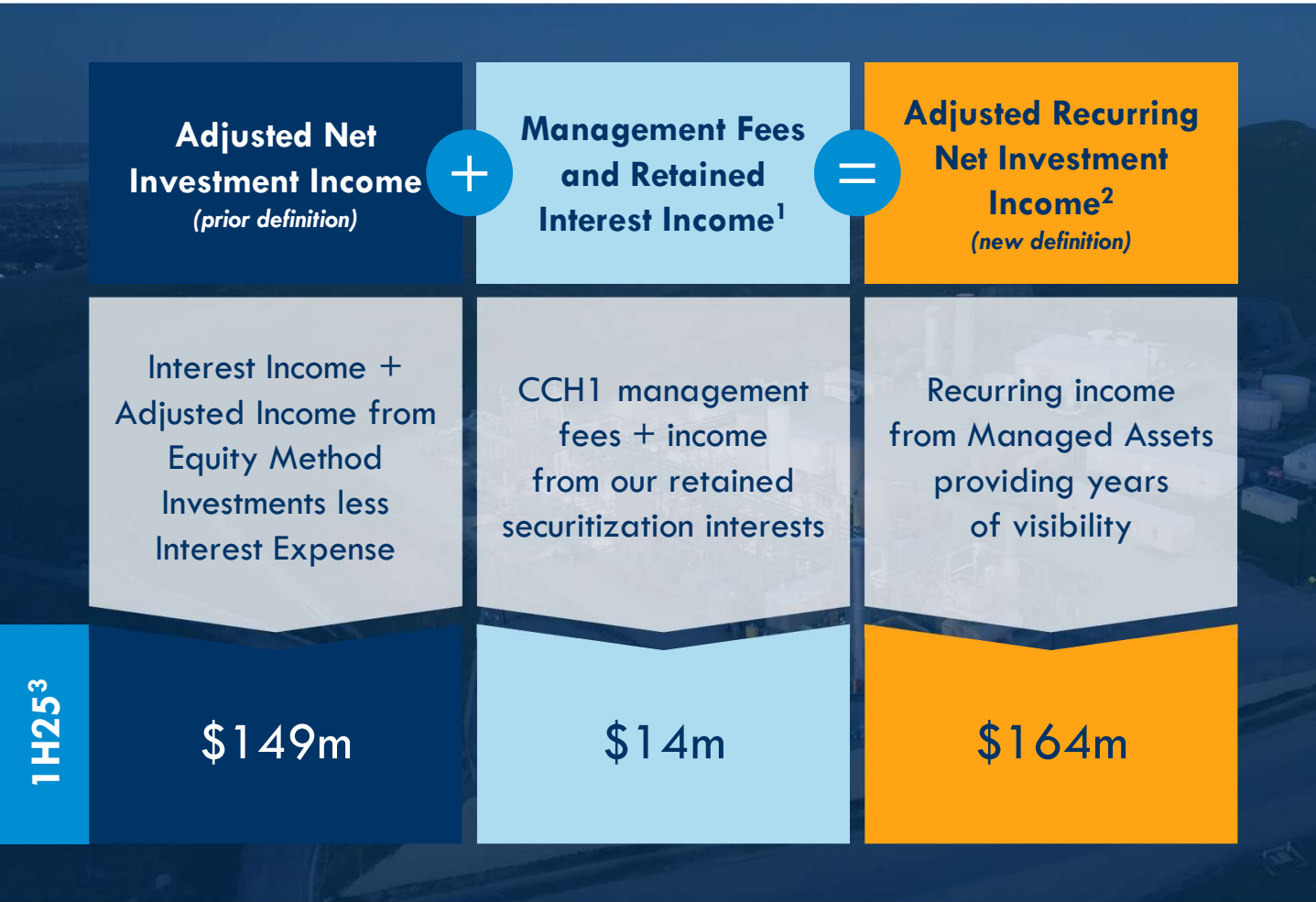
- \$1.1b assets funded
- \$1.5b available capacity remaining

- Up 16% Y/Y in Q2 2025
- Portfolio yield of 8.3%⁵

1. Includes our Portfolio, our partner's share of CCH1 assets, and assets we have securitized off balance sheet
 2. As of 6/30/25
 3. As of the end of each period

4. Please see Appendix slide 19 for a definition of average annual realized losses
 5. Please see Appendix slide 31 for an explanation of Portfolio Yield

Adjusted Recurring Net Investment Income of \$164m YTD



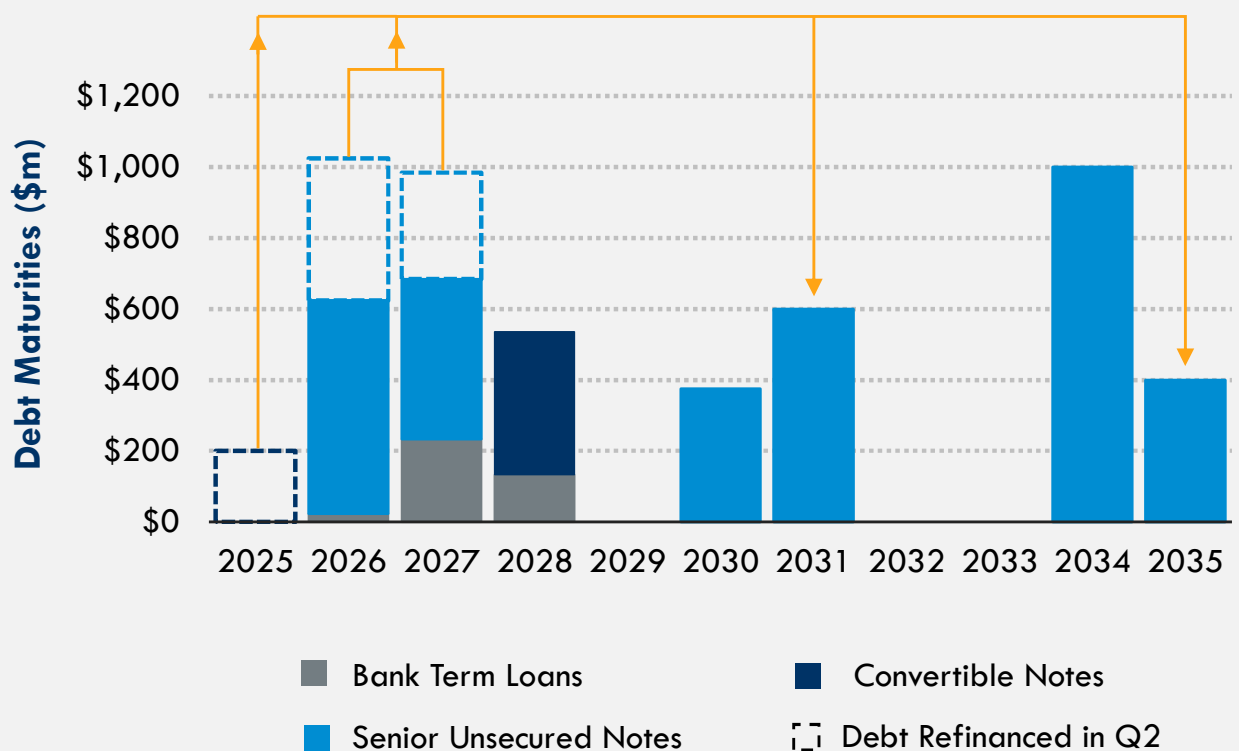
Our Adjusted Recurring Net Investment Income grew at a compounded rate of 27% between 2019 and 2024 and is up 19% YoY in 1H25

1. Management Fees and Retained Interest Income Revenue is adjusted to eliminate HASI's proportionate share of fees from its co-investment structures
2. Please see Appendix for an explanation of Adjusted Recurring Net Investment Income and reconciliation of GAAP-based Net Investment Income
3. Figures may not sum due to rounding

Refinanced \$900m in Near-Term Debt Maturities in Q2



Laddered long-term debt maturities through 2035¹



\$1b of new term debt issued in Q2 2025 in part to repay near-term debt maturities

Following **S&P upgrade**, three IG ratings from S&P (BBB-), Moody's (Baa3) and Fitch (BBB-)

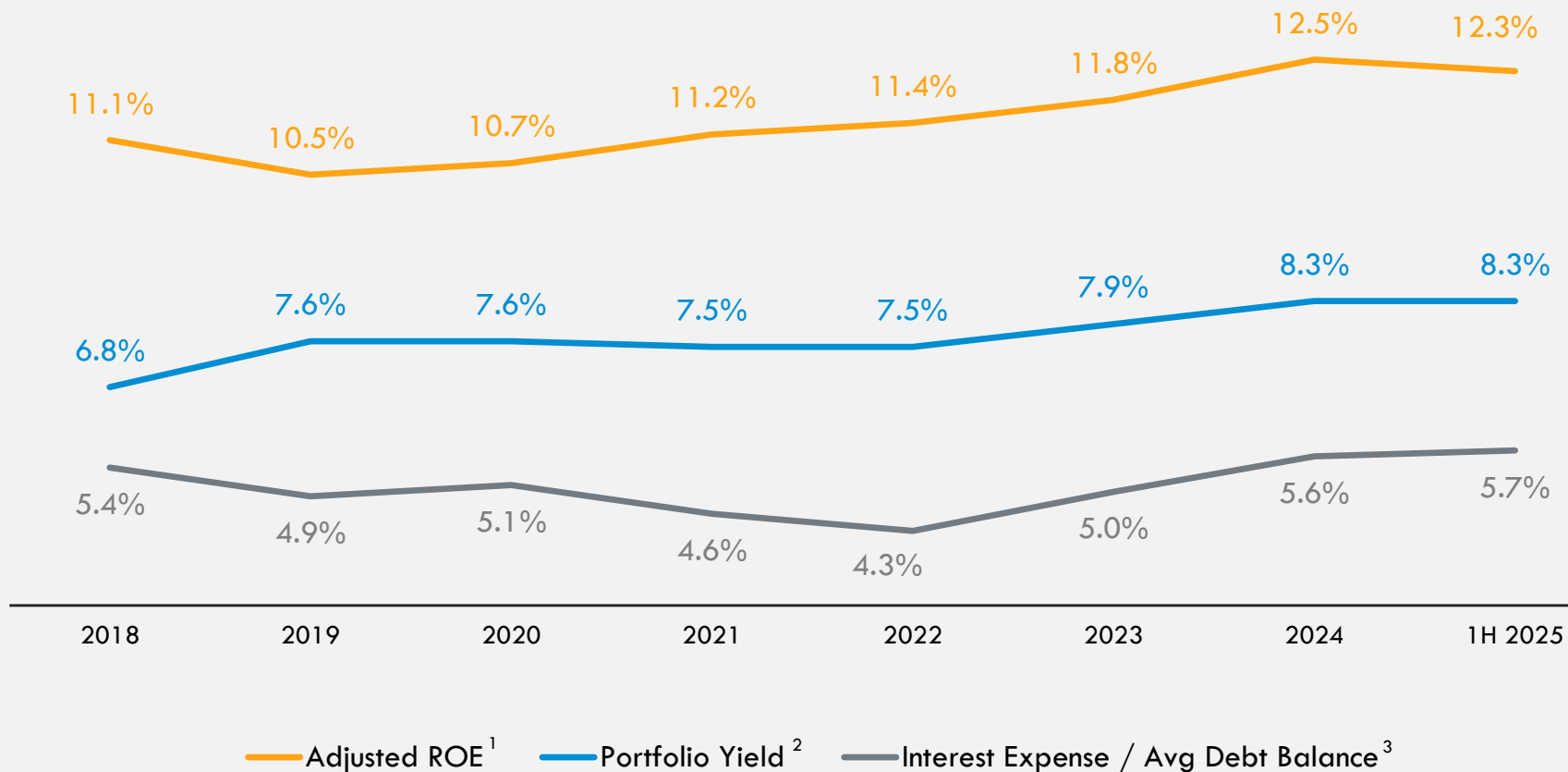
1.8x Debt-to-Equity ratio (within 1.5-2.0 target)

97% of debt fixed or hedged²

Liquidity of \$1.4b at 6/30/25

1. Reflects maturities of term debt only and excludes commercial paper outstanding as of 6/30/25.
 2. Includes fixed rate or hedged base rate debt. See Appendix slide 20 for details on our hedge portfolio

Maintaining Strong Margins Amidst Higher Interest Rates



Adjusted ROE in 1H25 impacted by lower pace of Gain on Sale due to targeted asset rotation strategy in 2024

1. Please see Appendix slide 29 for an explanation of Adjusted ROE
2. As of the end of each period. Please see Appendix slide 31 for an explanation of Portfolio Yield
3. Excludes incremental interest expense related to debt prepayments. Shown here as a % of average debt balance

Q2 2025 Profitability Metrics

	Q2 2024	Q2 2025	1H 2024	1H 2025
GAAP Diluted EPS	\$0.23	\$0.74	\$1.22	\$1.18
GAAP Net Income attributable to Non-Controlling Shareholders	\$26.5m	\$98.4m	\$149.6m	\$155.1m
GAAP-Based Net Investment Income	\$8.6m	(\$3.3m)	\$22.1m	\$5.5m
Adjusted EPS ¹	\$0.63	\$0.60	\$1.31	\$1.23
Adjusted Earnings ¹	\$73.7m	\$75.0m	\$152.6m	\$153.1m
Adjusted Recurring Net Investment Income ¹	\$67.7m	\$85.3m	\$136.9m	\$163.6m
Gain on Sale & Origination Fee and Other Income ²	\$26.4m	\$9.3m	\$56.8m	\$32.7m
Adjusted ROE ³	12.8%	11.9%	13.3%	12.3%

Adjusted Recurring Net Investment Income grew 25% Y/Y in Q2

GAAP-Based Net Investment Income was (\$3.3) because it does not include Income from Equity Method Investments

Gain on Sale declined in Q2 2025 due to typical quarterly fluctuations

Adjusted EPS of \$0.60 in Q2 2025 compared to \$0.63 on higher shares outstanding

1. See Appendix for explanation of Adjusted Recurring Net Investment Income and Adjusted Earnings, including reconciliations to the relevant GAAP measures

2. Not adjusted for the elimination of our proportionate share of fees earned from our co-investment structures

3. Adjusted ROE is calculated using Adjusted Earnings for the period and the beginning and ending equity balances for the period. Refer to reconciliation of GAAP Earnings to Adjusted Earnings

2Q25 Sustainability and Impact Highlights



Submitted feedback to SBTi on draft Corporate Standard to encourage science-based climate action



In coordination with Emissions First Partnership, urged Greenhouse Gas Protocol to adopt impactful emissions-based standard

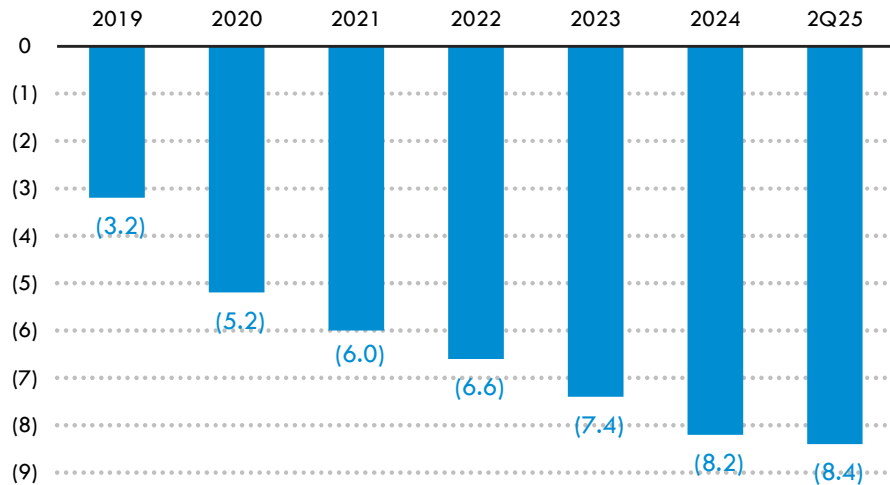


HASI Foundation granted >\$300k to mission-aligned nonprofits



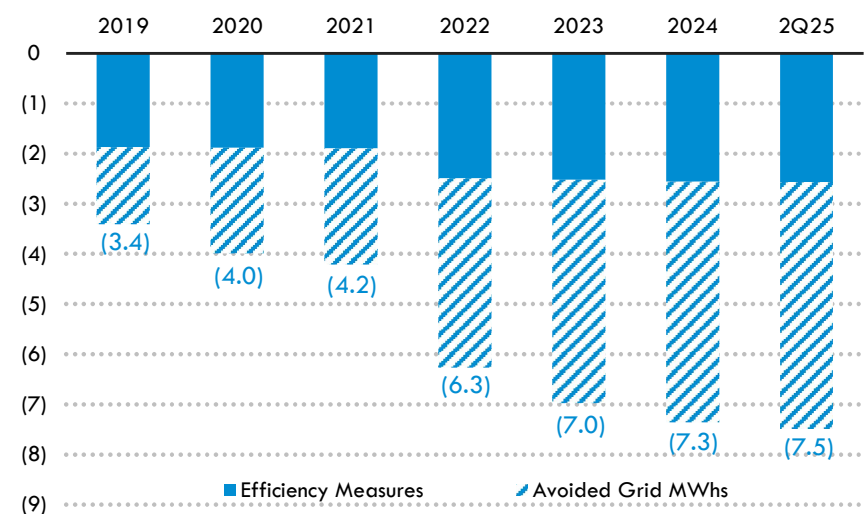
CarbonCount¹ Emissions Avoided: 0.19 (2Q25)

Cumulative Metric Tons of CO₂ Avoided Annually³ (million tons)



WaterCount² Water Savings: 20 (2Q25)

Cumulative Gallons of Water Saved Annually³ (billion gallons)



1. CarbonCount[®] is a proprietary scoring tool for evaluating real assets to determine the efficiency by which each dollar of invested capital avoids annual carbon dioxide equivalent (CO₂e) emissions
 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
 3. Cumulative metric tons of CO₂e emissions avoided and water saved annually through HASI's investments from 2013 through Q2 2025

Guidance for 2027 Supported by Strong Pipeline and Funding Platform

Strong Investment Activity

- Pipeline growth of >\$0.5b QoQ to >\$6b
- Closed transactions on pace to grow YoY in 2025
- New asset yields remain >10.5%

Access to Low-Cost Capital

- Latest issuance of 5- and 10-year unsecured notes at an effective cost of ~6.3%¹
- Continue to opening new, less dilutive sources of capital
- Helping enable incremental investment ROE of >20%

Guidance Reaffirmed

- Adjusted EPS CAGR of 8-10% to 2027²
- Dividend payout ratio of 55-60% by 2027

1. Includes impact of historical hedges
2. Using 2023 base year



Appendix

Our Evolution to the “Next Frontier” of Asset Classes



		The Next Frontier	
		Building Electrification	CHP
		Data Centers	Fuel Cell
		Next-Gen Geothermal	Hydrogen
		Hydropower	Manufacturing
		Natural Gas w/CCUS	Advanced Nuclear
		Other Clean Fuels	Resiliency & Adaptation
		Sustainable Agriculture	Sustainable Aviation Fuel
		Sustainable Materials	Transmission
		RNG	
		Fleet Decarbonization	
		Ecological Restoration	
		Utility-Scale Storage	
		Utility-Scale Solar	
		Onshore Wind	
		C&I	
		Community Solar	
		Residential Solar	
		Public Sector Energy Efficiency	
HASI's Business Today		The Next Frontier	
RNG		RNG	
Fleet Decarbonization		Fleet Decarbonization	
Ecological Restoration		Ecological Restoration	
Utility-Scale Storage		Utility-Scale Storage	
Utility-Scale Solar		Utility-Scale Solar	
Onshore Wind		Onshore Wind	
C&I		C&I	
Community Solar		Community Solar	
Residential Solar		Residential Solar	
Public Sector Energy Efficiency		Public Sector Energy Efficiency	
HASI's Business Foundations		The Next Frontier	
Public Sector Energy Efficiency		Public Sector Energy Efficiency	

Portfolio Bridge: Q1 2025 to Q2 2025



	\$ millions
Portfolio at 3/31/25	\$7,056
Funding of new investments	\$6
Funding of prior investments	\$197
Principal collections ¹	(\$200)
Syndications and securitizations	(\$48)
Other	\$157
Portfolio at 6/30/25	\$7,168

1. Reflects principal collections of receivables and total distributions from our equity method investments

Adjusted Cash Flow from Operations Plus Other Portfolio Collections¹



\$ millions ²	2Q25 (TTM)	2024	2023
Cash collected from our Portfolio	\$659	\$891	\$442
Cash collected from sale of assets ³	\$122	\$325	\$34
Cash used for compensation and benefits and G&A expenses	(\$89)	(\$86)	(\$79)
Interest paid ⁴	(\$211)	(\$173)	(\$138)
Securitization asset and other income	\$44	\$33	\$27
Principal payments on non-recourse debt	(\$8)	(\$73)	(\$22)
Other	\$2	(\$8)	\$2
Adjusted Cash from operations plus other portfolio collections	\$520	\$910	\$266
(-) Dividend	(\$201)	(\$192)	(\$160)
Cash Available for Reinvestment	\$319	\$718	\$106
(-) Investments Funded ⁵	(\$1,155)	(\$1,075)	(\$2,225)
(+) Net Capital Raised	\$819	\$419	\$1,969
Other Sources/Uses of Cash	(\$40)	\$13	\$50
Change in Cash	\$57	\$75	(\$100)

1. See explanatory notes for an explanation of Adjusted Cash Flow from Operations Plus Other Portfolio Collections and Cash Available for Reinvestment

2. Amounts may not sum due to rounding

3. Includes cash from the sale of assets on our balance sheet as well as securitization transactions

4. For 2024, interest paid includes a \$20 million benefit from the settlement of a derivative which was designated as a cash flow hedge. For 2025, interest paid includes a \$18 million benefit from the settlement of a derivative which was designated as a cash flow hedge

5. Does not include receivables held-for-sale

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%

Positive Credit Attributes

Asset Class	Portfolio(%) ⁵	Structural Seniority	Obligor Credit
Residential	31%	Subordinated Debt or Structured Equity	> 380k consumers WAVG FICO: "Very Good" ⁶
GC Solar	20%	Typically Super Senior or Structured Equity	Typically IG corporates or utilities
Wind	17%	Typically Structured Equity	Typically IG corporates or utilities
Fuels, Transport & Nature	14%	Typically Senior	Various incentivized offtakers
Community	8%	Typically Structured Equity	Typically creditworthy consumers and/or IG corporates
C&I	6%	Typically Structured Equity	Typically IG corporates
Public Sector	3%	Senior or Structured Equity	Predominantly IG govt or quasi-govt entities

Outstanding Credit History

Average annual realized loss on Managed Assets (Non-GAAP) ⁴	0.07%
Average annual recognized loss on Managed Assets (GAAP) ⁴	0.12%

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. Average Annual Recognized (GAAP)/ Realized (Non-GAAP) Loss on Managed Assets is the average rate of our annual recognized (GAAP)/ realized (Non-GAAP) losses, calculated as a percentage of recognized (GAAP)/ realized (Non-GAAP) losses incurred in each year relative to average Managed Assets. This metric includes the 10 year period ending June 30, 2025. These losses include both losses related to equity method investments and receivables and investments. | 5. Total may not sum due to rounding | 6. As of June 30, 2025; located across 21 states and the District of Columbia, Puerto Rico and Guam; qualitative FICO Rating corresponds to average FICO Score range for consumer obligors (as of lease origination dates)

Summary of Total Debt and Hedge Portfolio

Debt Facility	Debt Amount (millions) ¹	Effective Interest Rate ²	Maturity Year
Corporate Senior Unsecured Notes	\$600	3.38%	2026
Corporate Senior Unsecured Notes	\$450	7.75%	2027
Term Loan A	\$241	5.76%	2027
Commercial Paper Notes ³	\$357	5.46%	2028
Convertible Notes	\$403	3.75%	2028
Revolving Line of Credit	\$0	N/A	2028
Rhea Debt Facility	\$162	6.70%	2028
Corporate Senior Unsecured Notes	\$375	3.87%	2030
Corporate Senior Unsecured Notes	\$600	6.09%	2031
Corporate Senior Unsecured Notes	\$1,000	6.21%	2034
Corporate Senior Unsecured Notes	\$400	6.57%	2035
Harmony	\$93	6.78%	2042
Other Non-Recourse	\$37	3.15%-7.23%	2026 to 2032

Fixed Rate Debt

Floating Rate Debt, Swapped to Fixed Where Noted Below

Hedged Instrument ¹	Notional (\$ in millions)	Fixed Rate	Hedge Structure	Hedge Period End
Short-term borrowings	\$250	3.695% (Floor) 4.000% (Cap)	Collar	5/26/2026
Term Loan A	\$200	3.788%	Pay fixed / Receive 1-mo Term SOFR	3/27/2033
Rhea Debt Facility	\$165	4.41%	Pay fixed / Receive Daily SOFR	6/10/2033
2026 Sr. Notes ⁴	\$600	3.085%	Fwd-starting Pay Fixed / Receive SOFR	6/15/2033
Short-term borrowings (refinancing to long-term) ¹	\$150	2.98%	Fwd-starting Pay Fixed / Receive SOFR	6/15/2033 ⁶
2027 Sr. Notes ⁵	\$375	3.72%	Fwd-starting Pay Fixed / Receive SOFR	6/15/2037

1. As of 6/30/2025

2. Interest rate includes hedge rate where applicable

3. CP is renewed periodically on short term basis. Maturity of 2028 reflects that of our revolving line of credit, under which capacity is reserved for CP

4. 2026 Sr. Note Hedges have a mandatory early termination provision by 9/15/2026

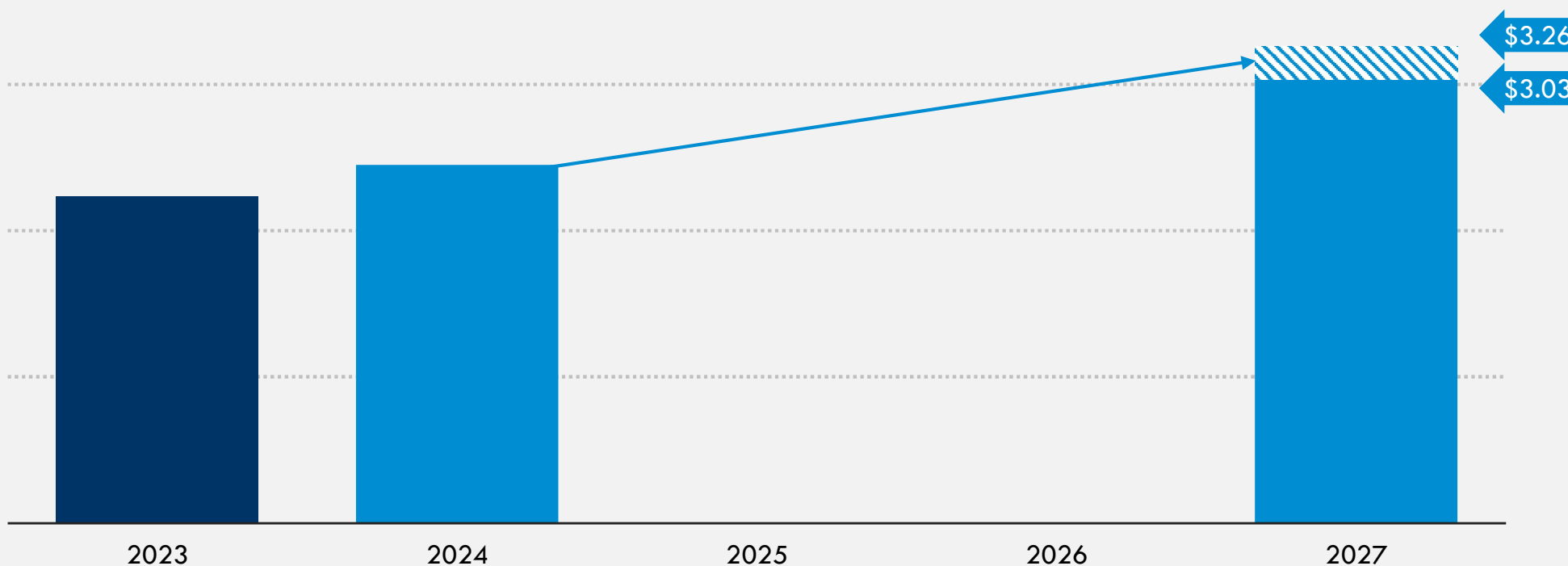
5. 2027 Sr. Note Hedges have a mandatory early termination provision by 6/15/2027

6. Short-term borrowings (refinancing) have a mandatory early termination provision by 12/19/2025

2024-27 Guidance Bridge to Long-Term Business Model



	Adjusted EPS ¹	Dividend
Long-Term Business Model	10% CAGR (Realized 2014-2024 CAGR of 10%)	50% payout ratio ²
2027 Guidance	8-10% CAGR ³	55-60% payout ratio ²



1. Please see Appendix slides 30-31 for explanation of Adjusted Earnings/EPS, including reconciliations to the relevant GAAP measures
2. Payout ratio is as a percentage of Adjusted EPS
3. Using 2023 base year

Income Statement

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue				
Interest and rental income	\$ 67,441	\$ 62,862	\$ 133,918	\$ 133,400
Gain on sale of assets	7,829	25,795	26,497	54,405
Management fees and retained interest income	8,988	5,218	15,987	10,116
Origination fee and other income	1,427	642	6,224	2,411
Total revenue	85,685	94,517	182,626	200,332
Expenses				
Interest expense	79,746	59,530	144,424	121,403
Provision (benefit) for loss on receivables and retained interests in securitization trusts	1,038	(4,198)	4,850	(2,177)
Compensation and benefits	18,131	20,814	43,110	41,490
General and administrative	6,497	7,955	15,874	17,007
Total expenses	105,412	84,101	208,258	177,723
Income (loss) before equity method investments	(19,727)	10,416	(25,632)	22,609
Income (loss) from equity method investments	157,680	26,874	245,667	185,424
Income (loss) before income taxes	137,953	37,290	220,035	208,033
Income tax (expense) benefit	(38,158)	(10,346)	(62,055)	(56,541)
Net income (loss)	\$ 99,795	\$ 26,944	\$ 157,980	\$ 151,492
Net income (loss) attributable to non-controlling interest holders	1,350	404	2,923	1,926
Net income (loss) attributable to controlling stockholders	\$ 98,445	\$ 26,540	\$ 155,057	\$ 149,566
Basic earnings (loss) per common share	\$ 0.80	\$ 0.23	\$ 1.28	\$ 1.31
Diluted earnings (loss) per common share	\$ 0.74	\$ 0.23	\$ 1.18	\$ 1.22
Weighted average common shares outstanding—basic	121,515,164	114,329,692	120,454,366	113,473,750
Weighted average common shares outstanding—diluted	137,740,850	114,433,285	137,830,564	131,922,504

Balance Sheet

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

(UNAUDITED)	June 30, 2025 (unaudited)	December 31, 2024
Assets		
Cash and cash equivalents	\$ 86,508	\$ 129,758
Equity method investments	4,082,998	3,612,394
Receivables, net of allowance of \$55 million and \$50 million, respectively	3,025,993	2,895,837
Receivables held-for-sale	43,489	75,556
Real estate and debt securities	15,903	9,802
Retained interests in securitization trusts, net of allowance of \$3 million and \$3 million, respectively	272,194	248,688
Other assets	69,081	108,210
Total Assets	\$ 7,596,166	\$ 7,080,245
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable, accrued expenses and other	\$ 292,074	\$ 275,639
Credit facilities	1,116	1,001
Commercial paper notes	356,197	100,057
Term loans payable	397,893	407,978
Non-recourse debt (secured by assets of \$305 million and \$307 million, respectively)	126,472	131,589
Senior unsecured notes	3,431,248	3,139,363
Convertible notes	402,531	619,543
Total Liabilities	5,007,531	4,675,170
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, 123,577,987 and 118,960,353 shares issued and outstanding, respectively	1,236	1,190
Additional paid-in capital	2,723,636	2,592,964
Accumulated deficit	(245,392)	(297,499)
Accumulated other comprehensive income (loss)	30,738	40,101
Non-controlling interest	78,417	68,319
Total Stockholders' Equity	2,588,635	2,405,075
Total Liabilities and Stockholders' Equity	\$ 7,596,166	\$ 7,080,245

Statement of Cashflows



HA SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	<u>Six Months Ended June 30,</u>			<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>		<u>2025</u>	<u>2024</u>
Cash flows from operating activities			Cash flows from financing activities		
Net income (loss)	\$ 157,980	\$ 151,492	Proceeds from credit facilities	395,000	616,792
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			Principal payments on credit facilities	(395,000)	(701,792)
Provision for loss on receivables and retained interests in securitization trusts	4,850	(2,177)	Proceeds from issuance of term loan	—	250,000
Depreciation and amortization	418	515	Principal payments on term loan	(11,124)	(561,023)
Amortization of financing costs	7,895	8,192	Proceeds from issuance of non-recourse debt	—	94,000
Equity-based expenses	18,272	17,341	Principal payments on non-recourse debt	(4,950)	(69,958)
Equity method investments	(171,121)	(161,958)	Proceeds from (repayments of) commercial paper notes	256,500	80,000
Non-cash gain on securitization	(11,407)	(53,891)	Proceeds from issuance of senior unsecured notes	996,174	205,500
(Gain) loss on sale of receivables and debt securities	—	8,532	Principal payments on convertible notes	(200,000)	—
Loss on debt extinguishment	10,557	—	Redemption of senior unsecured notes	(700,000)	—
Changes in receivables held-for-sale	(4,285)	(6,750)	Net proceeds of common stock issuances	119,876	82,014
Changes in accounts payable and accrued expenses	30,545	50,801	Payments of dividends and distributions	(102,443)	(93,280)
Change in accrued interest on receivables and debt securities	(27,371)	(33,242)	Redemption premium paid	(6,645)	—
Cash received (paid) upon hedge settlement	17,696	19,261	Payment of financing costs	(7,195)	(19,711)
Other	8,421	(2,002)	Collateral provided to hedge counterparties	(110,320)	(90,860)
Net cash provided by (used in) operating activities	<u>42,450</u>	<u>(3,886)</u>	Collateral received from hedge counterparties	71,890	114,700
Cash flows from investing activities			Other	(6,402)	(1,435)
Equity method investments	(299,980)	(168,896)	Net cash provided by (used in) financing activities	<u>295,361</u>	<u>(95,053)</u>
Equity method investment distributions received	19,529	11,426	Increase (decrease) in cash, cash equivalents, and restricted cash	(46,350)	86,266
Proceeds from sales of equity method investments	—	2,107	Cash, cash equivalents, and restricted cash at beginning of period	150,156	75,082
Purchases of and investments in receivables	(287,049)	(347,343)	Cash, cash equivalents, and restricted cash at end of period	\$ 103,806	\$ 161,348
Principal collections from receivables	172,080	470,788	Interest paid	\$ 146,497	\$ 110,097
Proceeds from sales of receivables	8,344	99,166	Supplemental disclosure of non-cash activity		
Proceeds from sale of real estate	—	115,767	Interests retained from securitization transactions	\$ 18,662	\$ 28,164
Purchases of debt securities and retained interests in securitization trusts	(6,545)	—	Equity method investments retained from securitization and deconsolidation transactions	—	32,564
Collateral provided to hedge counterparties	(4,110)	(1,140)	Equity method investments retained from sale of assets upon establishment of co-investment structure	—	54,655
Collateral received from hedge counterparties	5,340	4,010	Deconsolidation of non-recourse debt	—	51,233
Other	8,230	(680)	Deconsolidation of assets pledged for non-recourse debt	—	51,761
Net cash provided by (used in) investing activities	<u>(384,161)</u>	<u>185,205</u>	Removal of deferred financing obligation upon securitization	29,051	—

Adjusted Cash Flow from Operations Plus Other Portfolio Collections

	For the year ended, December 31, 2023	For the year ended, December 31, 2024	Plus: For the six months ended, June 30, 2025	Less: For the six months ended, June 30, 2024	For the TTM ended, June 30, 2025
	<i>(in thousands)</i>				
Net cash provided by operating activities	\$ 99,689	\$ 5,852	\$ 42,450	\$ (3,886)	\$ 52,188
Changes in receivables held-for-sale	(51,538)	29,273	4,285	6,750	26,808
Equity method investment distributions received ⁽¹⁾	30,140	39,142	19,529	11,426	47,245
Proceeds from sales of equity method investments	—	9,472	—	2,107	7,365
Principal collections from receivables	197,784	600,652	172,080	470,788	301,944
Proceeds from sales of receivables	7,634	171,991	8,344	99,166	81,169
Proceeds from sales of land	—	115,767	—	115,767	—
Principal collections from debt securities ⁽²⁾	3,805	47	253	(75)	375
Proceeds from the sale of a previously consolidated VIE ⁽²⁾	—	5,478	—	—	5,478
Proceeds from sales of debt securities and retained interests in securitization trusts	—	5,390	—	—	5,390
Principal payments on non-recourse debt	(21,606)	(72,989)	(4,950)	(69,958)	(7,981)
Adjusted Cash from Operations plus Other Portfolio Collections	265,908	910,075	241,991	632,085	519,981
Less: Dividends	(159,786)	(192,269)	(102,443)	(93,280)	(201,432)
Cash Available for Reinvestment	<u>\$ 106,122</u>	<u>\$ 717,806</u>	<u>\$ 139,548</u>	<u>\$ 538,805</u>	<u>\$ 318,549</u>

(1) Represents return of capital distributions from our equity method investments included in cash provided by (used in) investing activities section of our statement of cash flows which is incremental to any equity method investment distributions found in net cash provided by operating activities.

(2) Included in Other in the cash provided (used in) investing activities section of our statement of cash flows.

Reconciliation of GAAP Net Income to Adjusted Earnings

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	\$	Per Share	\$	Per Share	\$	Per Share	\$	Per Share
<i>(dollars in thousands, except per share amounts)</i>								
Net income (loss) attributable to controlling stockholders ⁽¹⁾	\$ 98,445	\$ 0.74	\$ 26,540	\$ 0.23	\$ 155,057	\$ 1.18	\$ 149,566	\$ 1.22
Adjustments:								
Reverse GAAP (income) loss from equity method investments	(157,680)		(26,874)		(245,667)		(185,424)	
Adjusted income from equity method investments ⁽²⁾	79,094		59,291		148,956		114,753	
Elimination of proportionate share of fees earned from co-investment structures ⁽³⁾	(1,572)		(111)		(4,275)		(111)	
Equity-based expenses	5,595		8,282		18,272		17,341	
Provision for loss on receivables ⁽⁴⁾	1,038		(4,198)		4,850		(2,177)	
Loss (gain) on debt modification or extinguishment	10,557		—		10,878		—	
Amortization of intangibles	3		3		7		174	
Non-cash provision (benefit) for income	38,158		10,346		62,055		56,541	
Current year earnings attributable to non-controlling interest	1,350		404		2,923		1,926	
Adjusted earnings	<u>\$ 74,988</u>	<u>\$ 0.60</u>	<u>\$ 73,683</u>	<u>\$ 0.63</u>	<u>\$ 153,056</u>	<u>\$ 1.23</u>	<u>\$ 152,589</u>	<u>\$ 1.31</u>
Shares for adjusted earnings per share ⁽⁵⁾	125,312,458		117,506,065		123,970,466		116,453,108	

- (1) The per share data reflects the GAAP diluted earnings per share and is the most comparable GAAP measure to our adjusted earnings per share.
- (2) This is a non-GAAP adjustment to reflect the return on capital of our equity method investments as described below in the "Supplemental Financial Data" section on Slide 30.
- (3) This adjustment is to eliminate the intercompany portion of both up-front origination fees and ongoing asset management received from co-investment structures that for GAAP net income is included in the Equity method income line item. Since we remove GAAP Equity method income for purposes of our Adjusted Earnings metric, we add back the eliminations through this adjustment.
- (4) In addition to these provisions, in the six months ended June 30, 2024, we concluded that an equity method investment, along with certain loans we had made to this investee, were not recoverable. The equity method investment and loans had a carrying value of \$0 due to the losses already recognized through GAAP income from equity method investments as a result of operating losses sustained by the investee. We have excluded this write-off from Adjusted earnings, as this investment was an investment in a corporate entity which is not a part of our current investment strategy and is immaterial to our Portfolio. The loss associated with this investment is included in our Average Annual Realized Loss on Managed Assets metric discussed under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form-Q.
- (5) Shares used to calculate adjusted earnings per share represent the weighted average number of shares outstanding including our issued unrestricted common shares, 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 the value of the underlying shares compared to the conversion price. 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. We will consider the impact of any capped calls in assessing whether an instrument is equity-like or debt-like.

Reconciliation of GAAP-based Net Investment Income to Adjusted Recurring Net Investment Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	<i>(in thousands)</i>			
Interest and rental income	\$ 67,441	\$ 62,862	\$ 133,918	\$ 133,400
Management fees and retained interest income	8,988	5,218	15,987	10,116
Interest expense	(79,746)	(59,530)	(144,424)	(121,403)
GAAP-based net investment income (loss) ⁽¹⁾	(3,317)	8,550	5,481	22,113
Adjusted income from equity method investments ⁽²⁾	79,094	59,291	148,956	114,753
Loss (gain) on debt modification or extinguishment	10,557	—	10,878	—
Amortization of real estate intangibles	3	3	7	174
Elimination of proportionate share of fees earned from co-investment structures ⁽³⁾	(1,013)	(111)	(1,763)	(111)
Adjusted recurring net investment income	<u>\$ 85,324</u>	<u>\$ 67,733</u>	<u>\$ 163,559</u>	<u>\$ 136,929</u>

- (1) GAAP-based net investment income (loss) as reported in previous periods was not defined to include Management fees and retained interest income. It has been included here in comparative periods to reflect the new definition.
- (2) This is a non-GAAP adjustment to reflect the return on capital of our equity method investments as described below in the “Supplemental Financial Data” section on Slide 30.
- (3) GAAP net income includes an elimination of the intercompany portion of management fees received from co-investment structures in the Equity method income line item. Since GAAP Equity method income is not a component of this metric, we include the elimination of the management fee through this adjustment.

Reconciliation of GAAP-Based Portfolio to Managed Assets

	As of	
	June 30, 2025	December 31, 2024
	<i>(in millions)</i>	
Equity method investments	\$ 4,083	\$ 3,612
Receivables, net of allowance	3,026	2,896
Receivables held-for sale	43	76
Real estate and debt securities	16	10
GAAP-based Portfolio	7,168	6,594
Assets held in securitization trusts	6,901	6,809
Assets held in co-investment structures ⁽¹⁾	550	\$ 300
Managed Assets	\$ 14,619	\$ 13,703

(1) Total assets in co-investment structures are \$1.1 billion as of June 30, 2025.

Adjusted Cash Flow from Operations plus Other Portfolio Collections

We operate our business in a manner that considers total cash collected from our portfolio reduced by operating and debt service payments to assess the amount of cash we have available to fund dividends and investments. 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. Although there is also not a directly comparable GAAP measure that demonstrates how we consider cash available for dividend payment, set forth further in the Appendix is a reconciliation of this measure to GAAP Net cash provided by operating activities.

Also, Adjusted Cash Flow from Operations plus Other Portfolio Collections differs from Net Cash Provided by (Used in) Investing Activities in that it excludes many of the uses of cash used in our investing activities such as Equity Method Investments, Purchases of and Investments in Receivables, Purchases of Debt Securities, and Collateral Provided to and Received from Hedge Counterparties.

In addition, Adjusted Cash Flow from Operations plus Other Portfolio Collections is not comparable to Net cash provided by (used in) financing activities in that it excludes many of our financing activities such as proceeds from common stock issuances and borrowings and repayments of unsecured debt.

Cash Available for Reinvestment

Cash available for reinvestment is a non-GAAP measure which is calculated as adjusted cash flow from operations plus other portfolio collections less dividend and distribution payments made during the period. We believe Cash available for reinvestment is useful as a measure of our ability to make incremental investments from reinvested capital after factoring in all necessary cash outflows to operate the business. Management uses Cash available for reinvestment in this way, and we believe that our investors use it in a similar fashion.

Adjusted ROE

Adjusted ROE is not a financial measure calculated in accordance with GAAP. It is calculated as annual Adjusted Earnings as described in this appendix divided by the average of our GAAP stockholders' equity during the period. GAAP stockholders' equity at each date is located in the respective quarter's Form 10-Q or that year's Form 10-K.

Adjusted Earnings and Earnings on Equity Method Investments

We calculate adjusted earnings as GAAP net income (loss) excluding non-cash equity expense, provisions for loss on receivables, amortization of intangibles, non-cash provision (benefit) for taxes, losses or (gains) from modification or extinguishment of debt facilities, non-cash tax charges and the earnings attributable to our non-controlling interest of our Operating Partnership. We also make an adjustment to eliminate our portion of fees we earn from related-party co-investment structures, and for 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 adjusted earnings, and 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, adjusted 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.

We believe a non-GAAP measure, such as adjusted 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. Additionally, we believe that our investors also use adjusted 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 adjusted earnings is useful to our investors.

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. Tax equity investors typically realize a large portion of their return through an allocation of the majority of tax attributes, such as tax depreciation and tax credits, as such credits are realized by the project. Once this preferred return is achieved, the partnership “flips” and the common equity investor, often the operator or sponsor of the project, receives 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. Given our equity method investments are in project companies, they typically have a finite expected life. We typically negotiate the purchase prices of our equity investments based on our underwritten project cash flows discounted back to a 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 if the assets were liquidated at book value, after adjusting for any distributions or contributions made during such quarter. The amount received in a liquidation is typically based on the negotiated profit and loss allocation, which may differ from the allocation of distributable cash in any given period. The amount allocated to a tax equity investor during the hypothetical liquidation is typically reduced over time as tax attributes are allocated to them and they achieve portions of their preferred return. Accordingly, tax equity investors are allocated losses as they receive tax benefits, while the sponsors of the project and other investors subordinate to tax equity are allocated gains of a similar amount. Tax equity investors can generally elect either investment tax credits or production tax credits, which are each recognized over different time periods. This results in different HLBV income profiles despite the fact that cash allocations are typically not directly impacted by such a tax credit election. 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 in a given period.

The application of the HLBV method described above, results in GAAP income or loss in any one period that is often significantly different from the economic returns achieved from the investment in any one period as a result of 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. Thus, in calculating adjusted earnings, we adjust GAAP net income (loss) for certain of our investments where there are characteristics as described above to take into account our calculation of the return on capital (based upon the underwritten investment rate), as adjusted to reflect the performance of the project and the cash distributed. In calculating the underwritten investment rate, 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 this equity method investment adjustment to our GAAP net income (loss) in calculating our adjusted earnings measure is an important supplement to the income (loss) from equity method investments as determined under GAAP that helps investors understand the economic performance of these investments where HLBV income can differ substantially from the economic returns in any one period.

Adjusted 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 adjusted earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported adjusted earnings may not be comparable to similar metrics reported by other companies.

Supplemental Financial Data

The logo for HASI, consisting of the letters 'H', 'A', 'S', and 'I' in white, bold, sans-serif font, set against a dark blue rectangular background.

Managed Assets

We consolidate assets on our balance sheet, securitize assets off-balance sheet, and manage assets in which we co-invest with other parties via equity method investments. Therefore, certain 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 a retained interest in cash flows. Thus, we present our investments on a non-GAAP managed basis. 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, equity investments and residual assets in off-balance sheet assets. Our management also uses Managed Assets in this way. Our non-GAAP Managed Assets measure may not be comparable to similarly titled measures used by other companies.

Adjusted Recurring Net Investment Income

Adjusted Recurring Net Investment Income is calculated as GAAP-based Net Investment Income (Interest and Rental Income and Management Fees and Retained Interest Income, less Interest Expense), as reported within our financial statements prepared in accordance with US GAAP, plus Adjusted Income from Equity Method Investments plus loss on debt modification or extinguishment and amortization of real estate intangibles, less the elimination of our proportionate share of fees earned from co-investment structures. We utilize this measure in operating our business and believe it is useful information for our investors and management for the reasons discussed in our Adjusted Earnings measure. Our Adjusted Recurring Net Investment Income measure may not be comparable to similarly titled measures used by other companies.

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. Our Portfolio Yield measure may not be comparable to similarly titled measures used by other companies.

Guidance

The Company expects that annual Adjusted earnings per share will grow at a compounded annual rate of 8% to 10% from 2024 to 2027, relative to the 2023 baseline of \$2.23 per share, which is equivalent to a 2027 midpoint of \$3.15 per share. The Company also expects the payout ratio of distributions of annual dividends per share as a percentage of annual Adjusted earnings per share to decline annually to 55%-60% by 2027. This guidance reflects the Company's judgments and estimates of (i) yield on its existing portfolio; (ii) yield on incremental portfolio investments, inclusive of the Company's 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 the Company's forecasted operations; and (vi) the general interest rate and market environment. In addition, distributions are subject to approval by the Company's Board of Directors on a quarterly basis. The Company has not provided GAAP guidance as discussed in the Forward-Looking Statements.

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