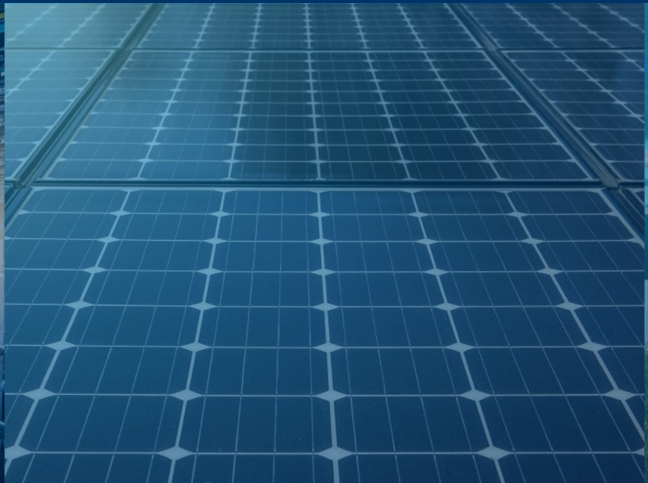
HANNON ARMSTRONG

INVESTING IN CLIMATE SOLUTIONS®

EARNINGS PRESENTATION

Third Quarter 2021



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 for the year ended December 31, 2020 (the “Form 10-K”), which was 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 ongoing impact of the current outbreak of the novel coronavirus ("COVID-19"), on the U.S., regional and global economies, the U.S. climate solutions market and the broader financial markets. The current outbreak of COVID-19 has also impacted, and is likely to continue to impact, directly or indirectly, many of the other important factors below and the risks described in the Form 10-K and in our subsequent filings under the Exchange Act. 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. In particular, it is difficult to fully assess the impact of COVID-19 at this time due to, among other factors, uncertainty regarding new virus variants and uncertainty regarding whether "herd immunity" can be achieved through vaccination campaigns.

Forward-looking statements are based on beliefs, assumptions and expectations as of September 30, 2021. This guidance reflects the Company’s 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 securitization 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, (vi) the ongoing impact of the current outbreak of the COVID-19 and (vii) the general interest rate and market environment. All guidance is based on current expectations of the future impact of COVID-19 and the economic conditions, the regulatory environment, the dynamics of the markets in which we operate and the judgment of the Company’s management team. The Company has not provided GAAP guidance as discussed in the Supplemental Financial Data slide 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 CO_2 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.

RECENT HIGHLIGHTS

Key Performance Indicators		3Q21	3Q20
EPS	GAAP	$(0.04)	$0.28
	Distributable[1]	$0.41	$0.36
NII	GAAP-based	$5.3m	$3.9m
	Distributable[1]	$32.0m	$17.9m
Portfolio Yield[1]		7.6%	7.7%
Balance Sheet Portfolio		$3.2b	$2.2b
Managed Assets[1]		$8.2b	$6.4b
Debt to Equity Ratio		1.6x	2.0x
Distributable ROE[2]		10.0%	10.2%
Transactions Closed		$359m	$716m
CarbonCount®[3]		0.3	1.7
Incremental Annual Reduction in Carbon Emissions		~100k MT	~1.2m MT
WaterCount™[4]		71.7	492
Incremental Annual Water Savings		~24 MG	~350k MG

Financial Results[1]

- Delivered GAAP EPS of $(0.04) and Distributable EPS of $0.41, a 14% YOY increase
- Delivered GAAP-based NII of $5.3m and Distributable NII of $32.0m, a 79% YOY increase
- Closed >$200m investment in seasoned Sunrun resi solar portfolio[5]
- Launched $100m CarbonCount-based Commercial Paper Note Program
- Grew Portfolio 45% YOY to $3.2b and Managed Assets YOY to $8.2b
- Declared dividend of $0.35 per share

CarbonCount Highlight

- Digital controls of HVAC systems in an Energy-as-a-Service (EaaS) structure for a top tier retailer

MARKET	REGION	CARBONCOUNT
BTM	National	2.7

1) See Appendix for an explanation of Distributable Earnings, Distributable Net Investment Income, Portfolio Yield and Managed Assets, including reconciliations to the relevant GAAP measures, where applicable.
2) Distributable ROE is calculated using Distributable Earnings for the period (annualized) and the average of the beginning and ending equity balances for the period.
3) CarbonCount® is a scoring tool that evaluates investments in U.S.-based energy efficiency and renewable energy projects to estimate the expected CO_2 emission reduction per $1,000 of investment.
4) 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.
5) Funded in two traches – a portion in 3Q21 and the balance in 4Q21

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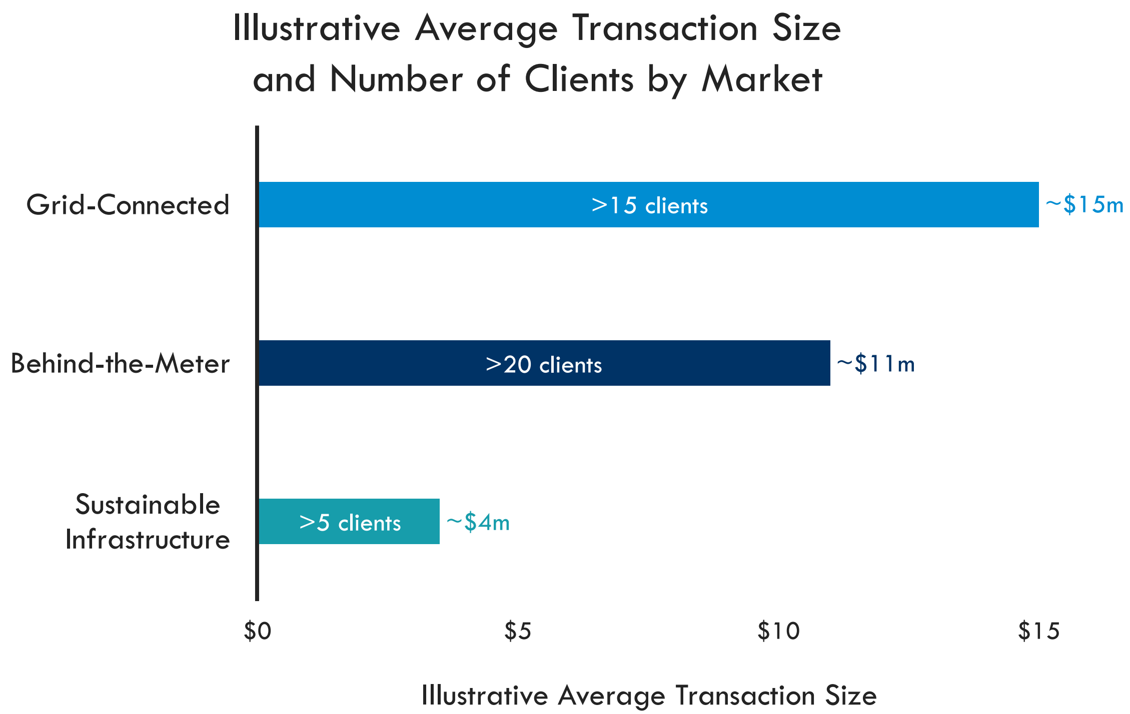
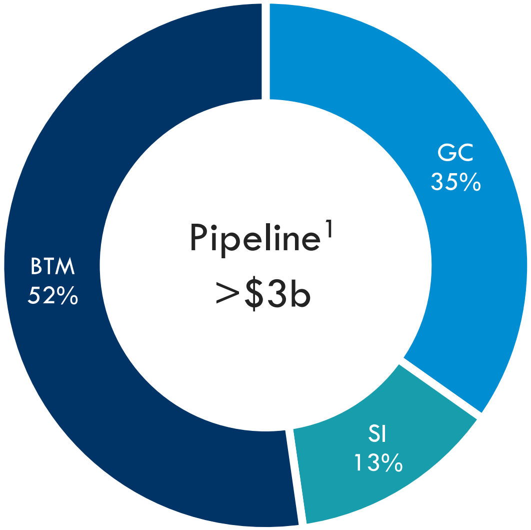
ROBUST PIPELINE OF >$3 BILLION



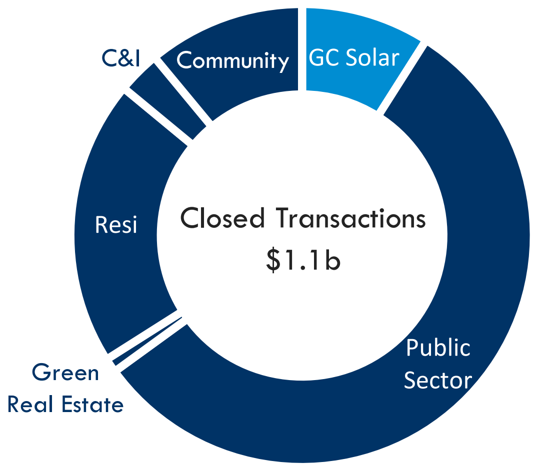


Robust, balanced pipeline driven by diverse set of programmatic and prospective clients – many active in multiple asset classes

1) As of 9/30/21; reflects transactions that have the potential to close over the next 12 months

RECENT INVESTMENT ACTIVITY

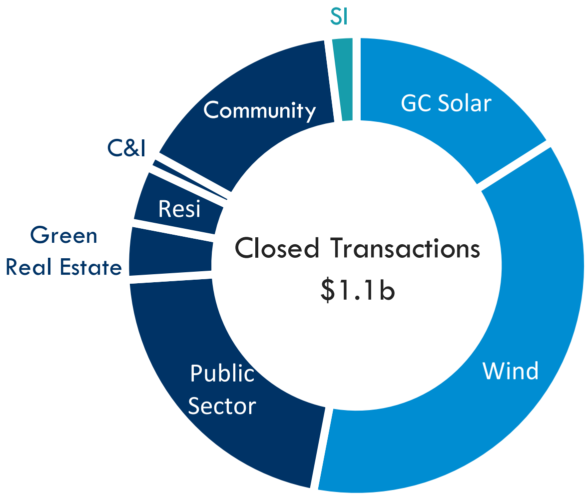
YTD21[1]



% of Closed Transactions

YTD21	Asset Class	YTD20
56%	Public Sector	21%
20%	Residential	4%
11%	Community	15%
3%	C&I	1%
1%	Green Real Estate	4%
9%	GC Solar[2]	16%
--	Wind	37%
--	Sustainable Infrastructure	2%

YTD20[1]



The diversity of our investment platform drives consistent returns from uncorrelated asset classes despite macroeconomic and other challenges

1) All YTD metrics through 9/30/21 or 9/30/20, as applicable
2) Reflects a combination of both structured equity and land investments

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INVESTMENT SPOTLIGHT: RESIDENTIAL SOLAR

Sunrun Residential Solar Lease Portfolio

- Long-term, predominantly contracted cashflows with average seasoning of 3 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
- Sixth 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	>$200m Funded in 3Q21 and 4Q21
Client	Sunrun
Structure	Mezzanine Loan
Asset	>30k resi solar systems (>200 MW)
Counterparty Credit	WAVG[1] FICO: "Very Good"
Contracted Cashflows	88% (20-25yr contracts)
Geographic Diversity	>20 states
CarbonCount	0.24

1) Weighted average ("WAVG")

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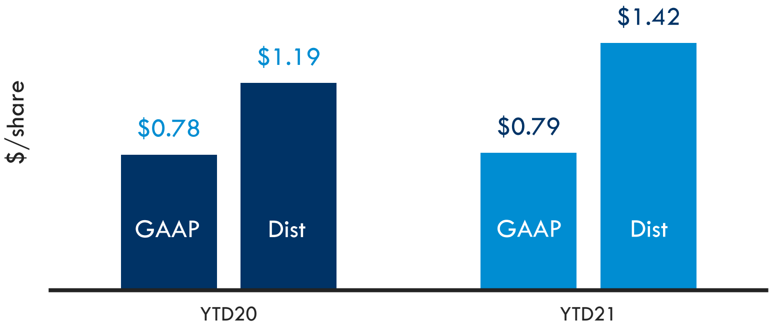
FINANCIAL RESULTS (3Q21 AND YTD21[1])

Continued growth (YTD) in Distributable EPS driven by both NII and Gain on Sale

Results, Unaudited[1] ($ in millions, except per share figures)	3Q21
GAAP Diluted EPS	$(0.04)
Distributable EPS	$0.41
Distributable NII	$32.0
GAAP Gain on Sale and Fees	$16.2

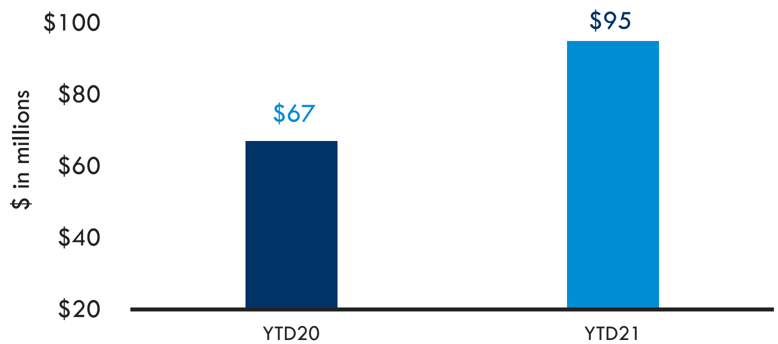
GAAP and Distributable EPS[2]

Dist EPS: +19% (YOY)



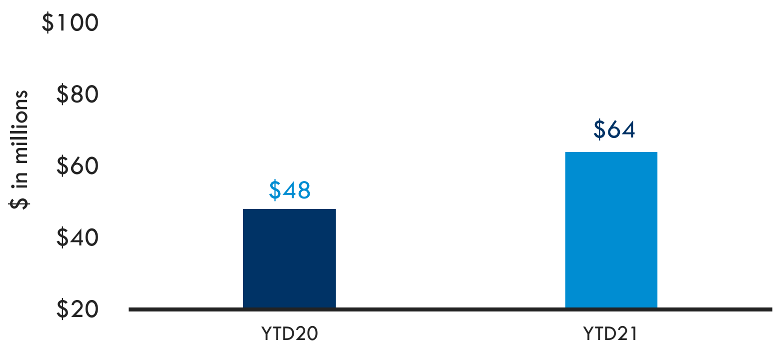
Distributable NII[2]

+42% (YOY)



Gain on Sale and Fees

+34% (YOY)



1) All YTD metrics through 9/30/21 or 9/30/20, as applicable
2) See Appendix for an explanation of Distributable Earnings and Distributable Net Investment Income, including reconciliations to the relevant GAAP measures, where applicable.

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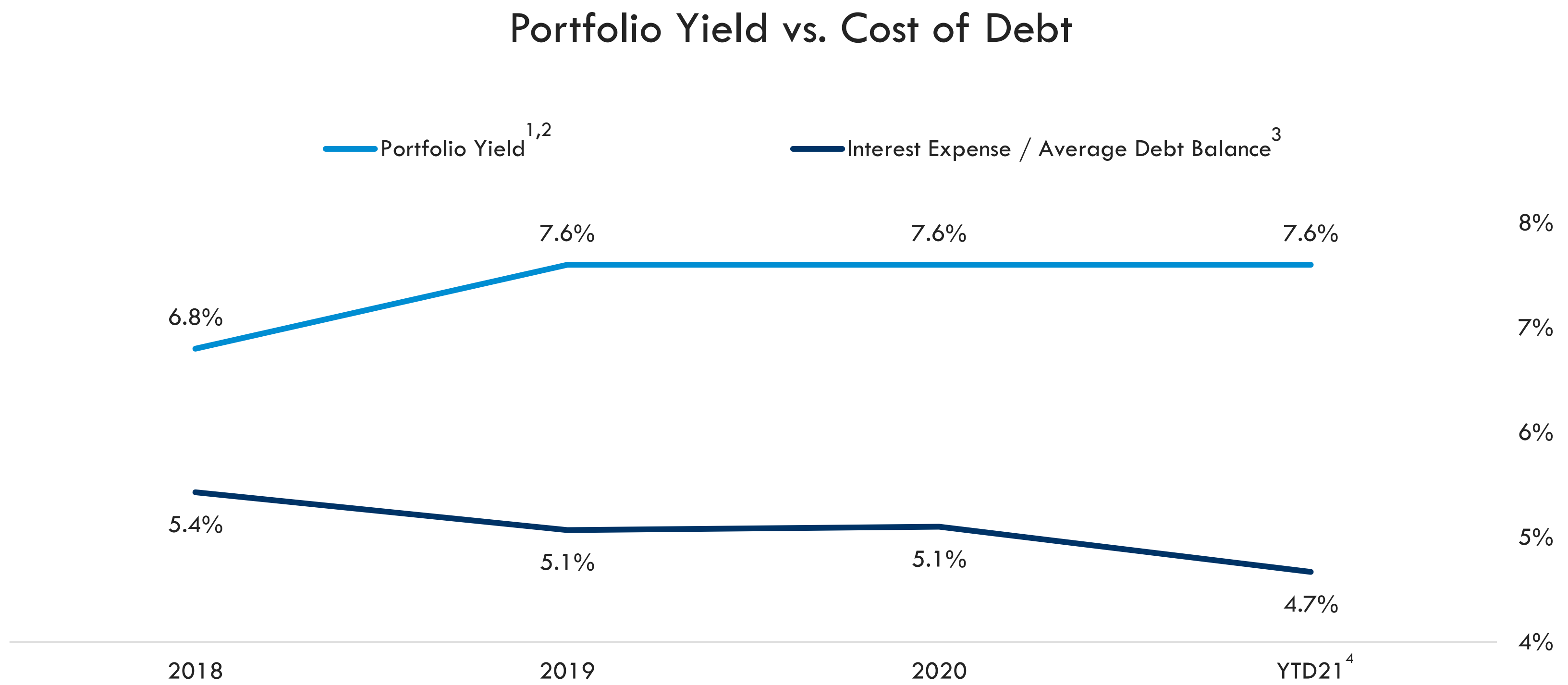
MARGINS HAVE STRENGTHENED



Our consistently strong results coupled with increasing demand among debt investors for credible ESG exposure have driven stronger margins

1) See Appendix for an explanation of Portfolio Yield.
2) As of period end for each respective period
3) For YTD21, excludes incremental interest expense related to debt prepayments
4) As of 9/30/21

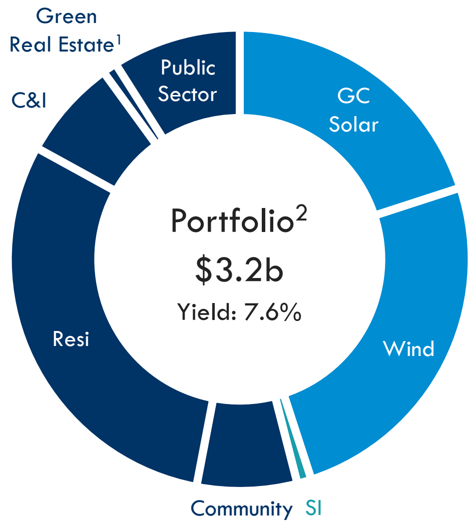
WELL DIVERSIFIED PORTFOLIO

Markets

Behind-the-Meter
Yield: 8.1%

Grid-Connected
Yield: 7.2%

Sustainable Infrastructure[3]
Yield: 7.1%



	3Q21	2Q21
Portfolio Size Yield	$3.2b 7.6%	$3.0b 7.7%
Asset Class	% of Portfolio	
Residential	30%	25%
Wind	25%	28%
GC Solar[4]	20%	21%
Public Sector	9%	9%
C&I	7%	7%
Community	7%	7%
Green Real Estate	1%	2%
Sustainable Infrastructure	1%	1%

Diversified and Long-Dated Cashflows[2]

~260
Total Investments[5]

$12m
Average Investment[5]

17yrs
WAVG Life

1) Includes Freddie Mac and C-PACE investments
2) Balance Sheet Portfolio, as of 9/30/21
3) Includes all other asset classes that are not specifically designated as BTM or GC
4) Reflects a combination of both structured equity and land investments
5) Individual investments with outstanding balances > $1m

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 2012[4]

Positive Credit Attributes

	Portfolio (%)	Structural Seniority	Obligor Credit
Residential	30%	Preferred	>255k consumers WAVG FICO: "Very Good"[5]
Wind	25%	Preferred	Typically IG corporates or utilities
GC Solar[6]	20%	Super Senior or Preferred	Typically IG corporates or utilities
Public Sector	9%	Senior	Predominantly IG govt or quasi-govt entities
C&I	7%	Senior or Preferred	Typically IG corporates
Community	7%	Typically Preferred	Typically creditworthy consumers and/or IG corporates
Green Real Estate	1%	Super Senior or Subordinated Debt	Real-estate secured
Sustainable Infrastructure	1%	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. Included in this category are two commercial receivables with a combined total carrying value of approximately $8 million as of 9/30/21 which we have held on non-accrual status since 2017. We have recorded an allowance for the entire asset amounts. We expect to continue to pursue our legal claims with regards to these assets. This category previously contained an equity method investment in a wind project with no book value due to our allocation of impairment losses recorded by the project sponsor. We sold this equity method investment in the third quarter for nominal proceeds.
4) Calculation represents credit losses as a percentage of cumulative originations, excluding equity method investments.
5) As of October 2021; located across 21 states and the District of Columbia; qualitative FICO Rating corresponds to average FICO Score range for consumer obligors (as of lease origination dates).
6) Reflects a combination of both structured equity and land investments

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BALANCE SHEET UPDATE

Portfolio Growth: 5% (QOQ)

- Driven by new investments this quarter along with funding of previously closed forward flow transactions

Line Item	($ in millions)[1]
Beginning Portfolio (6/30/2021)	$3,031
Funding of this quarter's investments	167
Funding of prior investments	60
Principal collections	(50)
Syndications and Securitizations[2]	(9)
Other	(5)
Ending Portfolio (9/30/21)	$3,194

Anticipated Funding Schedule
Closed Transactions

Period	Anticipated Funding
4Q21 + FY22	>$475m
FY23	>$100m
Total	>$575m

Assets	9/30/21 ($ in millions)[1]
Cash	$413
Equity method investments	1,468
Commercial receivables	1,225
Government receivables	126
Real estate	357
Investments	18
Securitization assets	204
Other	130
Total Assets	$3,941
Liabilities and Equity	
Credit facility	$25
Non-recourse debt	438
Convertible notes	155
Senior unsecured notes	1,771
Other	79
Total Liabilities	$2,468
Total Equity	$1,473
Total Liabilities and Equity	$3,941

1) Subtotals may not sum due to rounding.
2) Includes only securitizations of assets on the balance sheet as of the end of the previous quarter (6/30/21)

DURABLE CAPITAL STRUCTURE

Continued migration to flexible and scalable unsecured debt

- Launched $100m CarbonCount unsecured Commercial Paper Note Program
  - First CarbonCount-based commercial paper program in the United States
  - Supported by a direct-pay letter of credit issued by Bank of America

Combined potential liquidity sources of >$960m to support growth

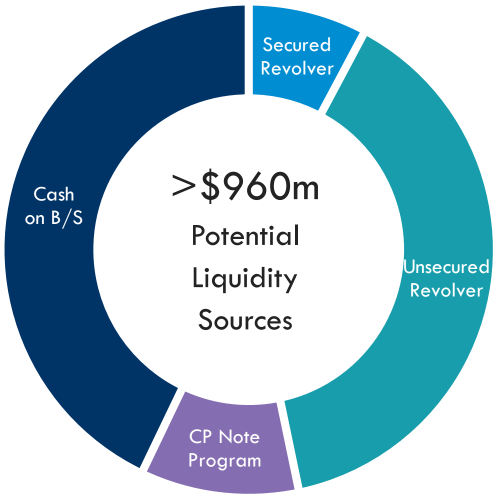
- Unrestricted balance sheet cash: $413m
- Unsecured revolver: $375m (available from $400m facility)
- CarbonCount Commercial Paper Note Program: $100m
- Secured revolvers: $75m (available from $89m facility)[1]

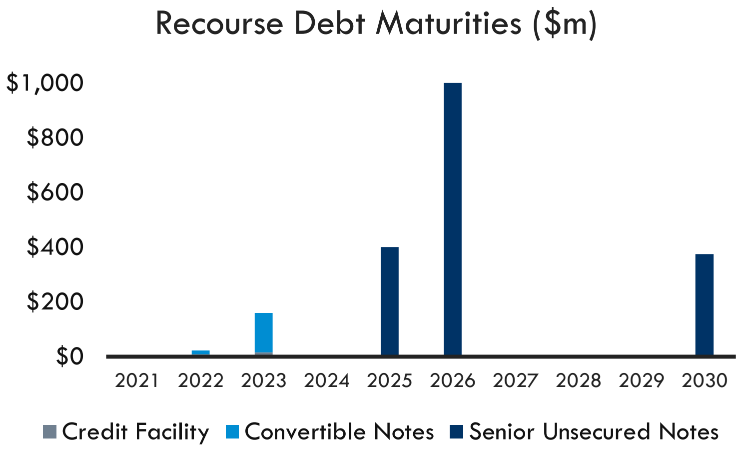
Conservative leverage profile

- 1.6x debt to equity[2]
- Recent conversion of $136m of 2022 convertible notes
- Rating of BB+ by S&P and Fitch reaffirmed in 2Q21

Minimal refinance and interest rate risk

- 99% of debt is fixed rate
- Laddered recourse debt maturities (no material maturity until 2025)[3]





1) Based on the collateral currently pledged to the facilities as of 9/30/21
2) Below previously communicated target limit of less than 2.5x
3) Our convertible notes, which mature in 2022 and 2023, may be settled in shares, so this does not necessarily reflect a cash need.

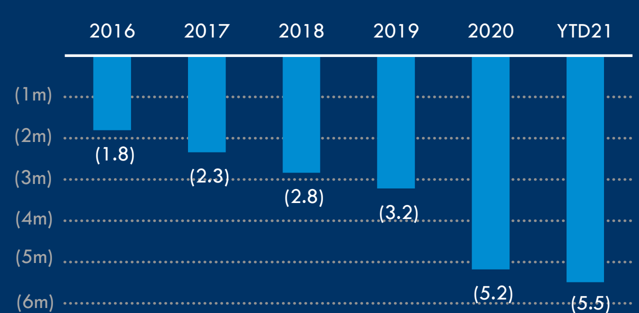
RECENT ESG ACTIVITY

E	Environmental	CarbonCount Commercial Paper Program New signatory to Net Zero Asset Managers initiative
S	Social	Initial cohort of HA Foundation Climate Solutions Scholars from Morgan State and Miami Universities announced
G	Governance	Met with SEC Commissioners to advocate for mandatory ESG disclosures Awards: (1) Anne Arundel County Corporate Philanthropist of 2021; and (2) IJGlobal ESG (Environment)

Carbon Emissions[1]

CarbonCount 3Q21: 0.3

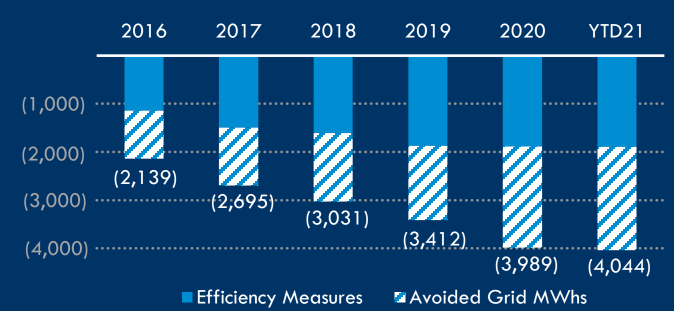
Cumulative Metric Tons of CO_2 Avoided Annually



Water Savings[2]

WaterCount 3Q21: 71.7

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 CO_2 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.

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HANNON ARMSTRONG: COMPETITIVE ADVANTAGES

1 Diversified programmatic investment platform	• Ability to invest across climate solutions markets despite macroeconomic and other challenges
2 Flexible funding platform facilitates stable margins	• Migration to flexible and scalable unsecured debt has driven stronger margins
3 Industry-leading ESG	• Strong advocate for credible carbon-related sustainability investment frameworks

APPENDIX

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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. Judgment will be utilized in determining when we will reflect the losses on receivables in our distributable earnings. In making this determination, 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 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. 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 assessment of the expected cash flows we will receive from these projects discounted back to the net present value, based on a target investment rate, with the expected 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. 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.

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 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 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.

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 off-balance sheet, 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 Assets” 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 off-balance sheet 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 expected 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

The Company expects that annual Distributable Earnings per share will grow at a compounded annual rate of 7% to 10% from 2021 to 2023, relative to the 2020 baseline of $1.55 per share, which is equivalent to a 2023 midpoint of $1.98 per share. The Company also expects that annual dividends per share will grow at a compound annual rate of 3% to 5% from 2021 to 2023, relative to the 2020 baseline of $1.36 per share, which is equivalent to a 2023 midpoint of $1.53 per share. 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 securitization 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, (vi) the ongoing impact of COVID-19 and the speed and efficacy of vaccine distribution on economic conditions and (vii) the general interest rate and market environment. All guidance is based on current expectations of the ongoing and future impact of COVID-19 and the speed and efficacy of vaccine distribution on economic conditions, the regulatory environment, the dynamics of the markets in which we operate and the judgment of the Company’s management team. The Company has not provided GAAP guidance as discussed in the Forward-Looking Statements section of this 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 September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue				
Interest income	$ 26,236	$ 23,508	$ 76,352	$ 71,046
Rental income	6,430	6,469	19,361	19,408
Gain on sale of receivables and investments	13,072	13,628	54,988	34,449
Fee income	3,144	4,984	8,769	13,115
Total revenue	**48,882**	**48,589**	**159,470**	**138,018**
Expenses				
Interest expense	27,349	26,085	95,394	65,884
Provision for loss on receivables	1,485	2,458	2,896	5,629
Compensation and benefits	12,218	9,012	39,850	27,223
General and administrative	4,964	3,918	14,814	11,181
Total expenses	**46,016**	**41,473**	**152,954**	**109,917**
Income before equity method investments	**2,866**	**7,116**	**6,516**	**28,101**
Income (loss) from equity method investments	(7,215)	16,506	69,519	32,505
Income (loss) before income taxes	**(4,349)**	**23,622**	**76,035**	**60,606**
Income tax (expense) benefit	1,250	(2,345)	(11,510)	(2,860)
Net income (loss)	**$ (3,099)**	**$ 21,277**	**$ 64,525**	**$ 57,746**
Net income (loss) attributable to non-controlling interest holders	(261)	102	366	255
Net income (loss) attributable to controlling stockholders	**$ (2,838)**	**$ 21,175**	**$ 64,159**	**$ 57,491**
Basic earnings (loss) per common share	$ (0.04)	$ 0.28	$ 0.81	$ 0.80
Diluted earnings (loss) per common share	$ (0.04)	$ 0.28	$ 0.79	$ 0.78
Weighted average common shares outstanding—basic	79,335,173	74,012,788	78,407,028	71,376,004
Weighted average common shares outstanding—diluted	79,335,173	76,131,252	82,069,464	72,644,626

HANNON ARMSTRONG

BALANCE SHEET

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

	September 30, 2021	December 31, 2020
Assets		
Cash and cash equivalents	$ 413,259	$ 286,250
Equity method investments	1,468,282	1,279,651
Government receivables	126,412	248,455
Commercial receivables, net of allowance of $39 million and $36 million, respectively	1,224,741	965,452
Receivables held-for-sale	—	—
Real estate	356,861	359,176
Investments	17,637	55,377
Securitization assets	203,625	164,342
Other assets	130,046	100,364
Total Assets	**$ 3,940,863**	**$ 3,459,067**
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable, accrued expenses and other	$ 77,395	$ 59,944
Credit facilities	25,483	22,591
Non-recourse debt (secured by assets of $574 million and $723 million, respectively)	438,051	592,547
Senior unsecured notes	1,771,264	1,283,335
Convertible notes	155,285	290,501
Total Liabilities	2,467,478	2,248,918
Stockholders' Equity:		
Preferred stock, par value $0.01 per share, 50,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, par value $0.01 per share, 450,000,000 shares authorized, 84,275,179 and 76,457,415 shares issued and outstanding, respectively	843	765
Additional paid in capital	1,671,747	1,394,009
Accumulated deficit	(225,933)	(204,112)
Accumulated other comprehensive income (loss)	7,746	12,634
Non-controlling interest	18,982	6,853
Total Stockholders' Equity	1,473,385	1,210,149
Total Liabilities and Stockholders' Equity	**$ 3,940,863**	**$ 3,459,067**

RECONCILIATION OF GAAP NET INCOME TO DISTRIBUTABLE EARNINGS

	For the three months ended September 30, 2021		For the three months ended September 30, 2020	
	(dollars in thousands, except per share amounts)			
	$	*per share*	*$*	*per share*
Net income attributable to controlling stockholders [(1)]	$ (2,838)	$ (0.04)	$ 21,175	$ 0.28
Distributable earnings adjustments:				
Reverse GAAP (income) loss from equity method investments	7,215		(16,506)	
Add equity method investments earnings	25,898		13,258	
Equity-based compensation charges	3,715		4,091	
Provision for loss on receivables	1,485		2,458	
Other adjustments [(2)]	(688)		3,270	
Distributable earnings [(3)]	**$ 34,787**	**$ 0.41**	**$ 27,746**	**$ 0.36**

(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 September 30, 2021 and 2020, are based on 83,912,769 shares and 77,041,509 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 issuance in our distributable earnings per share calculation related to our convertible notes using the treasury stock method and any potential common stock issuances related to share based compensation units in the amount we believe is reasonably certain to vest. To the extent a convertible note is converted during the period, we include its dilution using the treasury stock method until the date of conversion, after which we include the shares issued upon conversion. We believe the use of the treasury stock method is an appropriate representation of the potential dilution when considering the economic behaviors of the holders of the instrument.

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RECONCILIATION OF GAAP NET INCOME TO DISTRIBUTABLE EARNINGS

	For the nine months ended September 30, 2021		For the nine months ended September 30, 2020	
	(dollars in thousands, except per share amounts)			
	$	*per share*	*$*	*per share*
Net income attributable to controlling stockholders [1]	$ 64,159	$ 0.79	$ 57,491	$ 0.80
Distributable earnings adjustments:				
Reverse GAAP (income) loss from equity method investments	(69,519)		(32,505)	
Add equity method investments earnings	76,570		40,361	
Equity-based compensation charges	13,503		11,615	
Provision for loss on receivables	2,896		5,629	
(Gain) loss on debt modification or extinguishment	16,083		—	
Other adjustments [2]	14,344		5,584	
Distributable earnings [3]	**$ 118,036**	**$ 1.42**	**$ 88,175**	**$ 1.19**

(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 nine months ended September 30, 2021 and 2020, are based on 83,118,733 shares and 73,819,517 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 issuance in our distributable earnings per share calculation related to our convertible notes using the treasury stock method and any potential common stock issuances related to share based compensation units in the amount we believe is reasonably certain to vest. To the extent a convertible note is converted during the period, we include its dilution using the treasury stock method until the date of conversion, after which we include the shares issued upon conversion. We believe the use of the treasury stock method is an appropriate representation of the potential dilution when considering the economic behaviors of the holders of the instrument.

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RECONCILIATION OF GAAP-BASED NII TO DISTRIBUTABLE NII

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	(in thousands)			
Interest income	$ 26,236	$ 23,508	$ 76,352	$ 71,046
Rental income	6,430	6,469	19,361	19,408
GAAP-based investment revenue	32,666	29,977	95,713	90,454
Interest expense	27,349	26,085	95,394	65,884
GAAP-based net investment income	5,317	3,892	319	24,570
Equity method earnings adjustment (1)	25,898	13,258	76,570	40,361
(Gain) loss on debt modification or extinguishment (2)	—	—	16,083	—
Amortization of real estate intangibles (3)	772	772	2,317	2,317
Distributable net investment income	**$ 31,987**	**$ 17,922**	**$ 95,289**	**$ 67,248**

(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.

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ADDITIONAL GAAP TO NON-GAAP RECONCILIATIONS

The table below provides a reconciliation of the Other adjustments:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in thousands)		*(in thousands)*	
Other adjustments				
Amortization of intangibles [1]	$ 823	$ 823	$ 2,468	$ 2,469
Non-cash provision (benefit) for income taxes	(1,250)	2,345	11,510	2,860
Net income attributable to non-controlling interest	(261)	102	366	255
Other adjustments	**$ (688)**	**$ 3,270**	**$ 14,344**	**$ 5,584**

(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 September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in thousands)		*(in thousands)*	
GAAP SG&A expenses				
Compensation and benefits	$ 12,218	$ 9,012	$ 39,850	$ 27,223
General and administrative	4,964	3,918	14,814	11,181
Total SG&A expenses (GAAP)	**$ 17,182**	**$ 12,930**	**$ 54,664**	**$ 38,404**
Distributable SG&A expenses adjustments:				
Non-cash equity-based compensation charge [1]	$ (3,715)	$ (4,091)	$ (13,503)	$ (11,615)
Amortization of intangibles [2]	(51)	(51)	(151)	(152)
Distributable SG&A expenses adjustments	(3,766)	(4,142)	(13,654)	(11,767)
Distributable SG&A expenses	**$ 13,416**	**$ 8,788**	**$ 41,010**	**$ 26,637**

(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.

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ADDITIONAL GAAP TO NON-GAAP RECONCILIATIONS

The following is a reconciliation of our GAAP-based Portfolio to our Managed Assets as of September 30, 2021 and December 31, 2020:

	As of	
	September 30, 2021	December 31, 2020
	(dollars in millions)	
Equity method investments	$ 1,468	$ 1,280
Government receivables	126	248
Commercial receivables, net of allowance	1,225	965
Real estate	357	359
Investments	18	55
GAAP-Based Portfolio	3,194	2,907
Assets held in securitization trusts	5,041	4,308
Managed assets	$ 8,235	$ 7,215

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