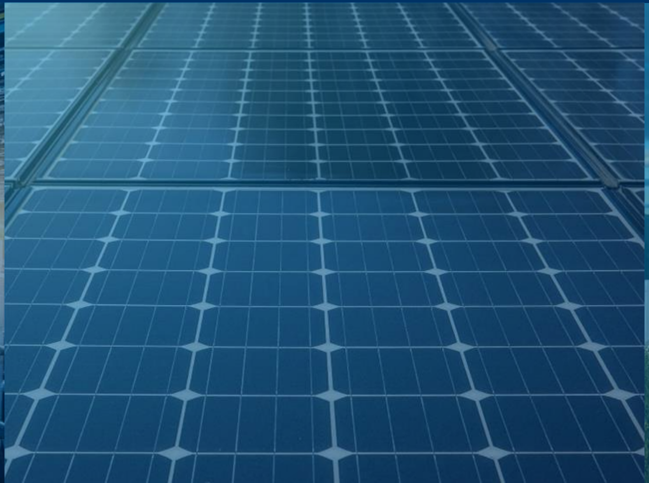
HANNON ARMSTRONG

EARNINGS PRESENTATION

Second Quarter 2020

INVESTING IN CLIMATE CHANGE SOLUTIONS



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, 2019 (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.

One of the most significant factor is the ongoing impact of the current outbreak of the novel coronavirus (COVID-19), on the U.S., regional and global economies, the U.S. sustainable infrastructure 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 Securities Exchange Act of 1934, as amended. Other factors besides those listed could also adversely affect us. Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. 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 the severity and duration of the outbreak domestically and internationally, uncertainty regarding the effectiveness of federal, state and local governments' efforts to contain the spread of COVID-19 and respond to its direct and indirect impact on the U.S. economy and economic activity.

Forward-looking statements are based on beliefs, assumptions and expectations as of June 30, 2020. 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.

INVESTING IN CLIMATE CHANGE SOLUTIONS

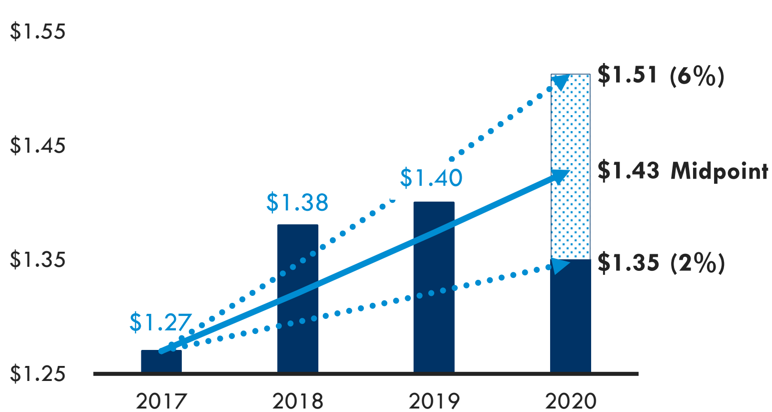
Recent Highlights[1]

- Recorded YOY GAAP EPS of $0.16 and increased Core EPS (Pre-CECL Provision) 33% to $0.40 (2Q20)
- Achieved YOY growth in GAAP NII of 18% to $21m and Core NII of 29% to $49m (1H20)
- Declared dividend of $0.34 per share
- Announced partnership with ENGIE in July for HASI to invest ~$540m in a 2.3 GW portfolio of contracted, grid-connected wind and solar assets
- Expect to exceed $1b annual investment target (2020)
- Launched multiple diversity, equity, inclusion, and justice initiatives

Unchanged Guidance

- Expect 2020 Core EPS (Pre-CECL Provision) to exceed guidance midpoint of $1.43[2]

Compounded 3-Year Annual Core EPS (Pre-CECL Provision) Growth Guidance



Key Performance Indicators		2Q20	2Q19
EPS	GAAP	$0.16	$0.19
	Core (Pre-CECL Provision)[1]	$0.40	$0.30
	Core[1]	$0.36	N/A
NII	GAAP	$8.5m	$8.9m
	Core[1]	$20.2m	$19.2m
Portfolio Yield[1]		7.7%	7.4%
Balance Sheet Portfolio		$2.1b	$1.8b
Debt to Equity Ratio		1.6x	1.2x
Core ROE (Pre-CECL Provision)[3]		11.2%	9.2%
Core ROE[3]		10.3%	N/A
Transactions Closed		$178m	$204m
CarbonCount®[4]		0.37	0.24
Incremental Annual Reduction in Carbon Emissions		~66,000 MT	~48,000 MT
WaterCount™[5]		24	29
Incremental Annual Water Savings		~4 MG	~77 MG

1) See Appendix for an explanation of Core Earnings, Core Net Investment Income, and Portfolio Yield, including reconciliations to the relevant GAAP measures, where applicable. Note that we are including the Core EPS (Pre-CECL provision) for comparability purposes to 2019.
2) Excludes impact of new credit loss standard (Current Expected Credit Losses or "CECL" or Topic 326)
3) Core ROE is calculated using core earnings for the period (annualized) and the average of the ending equity balances as of June and March in 2020 and 2019. Core ROE calculated before accounting for provisions taken in accordance with CECL.
4) 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.
5) 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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STRENGTHS OF THE HANNON ARMSTRONG BUSINESS MODEL

1	Virtually all investments save the obligor money	• Because assets save obligors money, generally uncorrelated with the business cycle • Outstanding credit history with de minimis (~30 bps) cumulative credit losses since IPO
2	Industry-leading clients will survive and prosper	• Robust pipeline from leading energy and infrastructure clients • Flexible, permanent capital increasingly valued compared to shorter duration funds
3	Investing in climate change solutions is proving a durable asset class	• Long duration, noncyclical assets with climate benefits • Non-economic factors also proving valuable to obligors

PIPELINE GROWTH CONTINUES

Markets

Behind-the-Meter

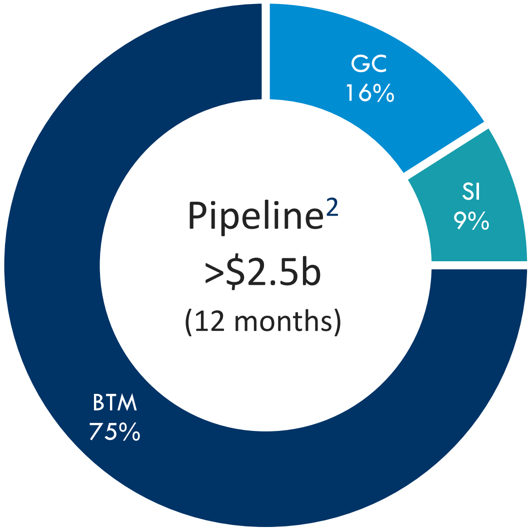
- Weighted toward EE opportunities[1]
- Solar opportunities balanced between resi, C&I, and community

Grid-Connected

- With execution of ENGIE co-investment, pipeline reverts to more normalized level
- Well balanced between wind and solar

Sustainable Infrastructure

- Typically smaller transactions across multiple niche markets driven in part by climate change impacts



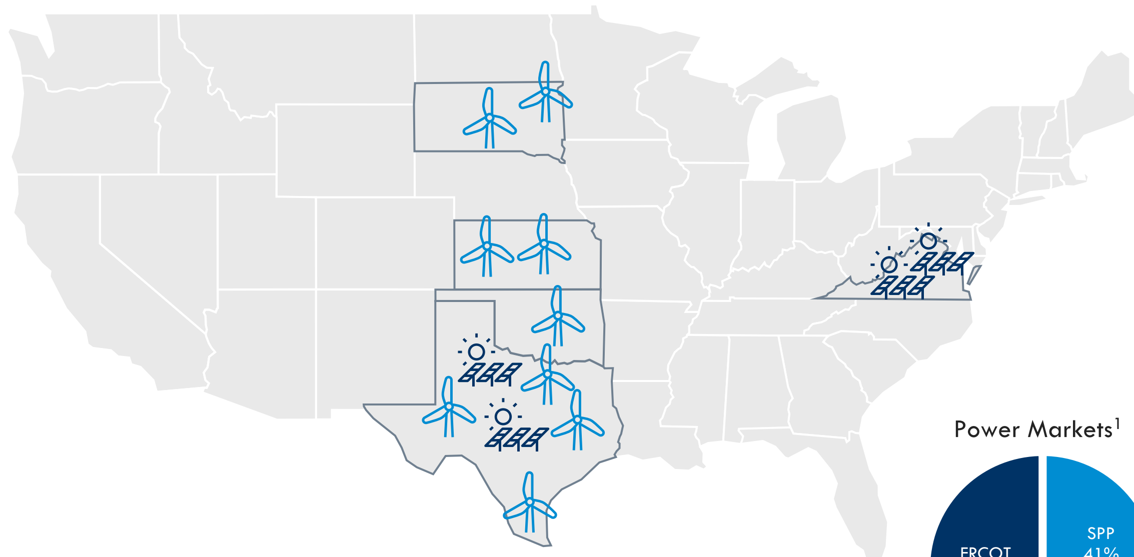
Pipeline remains robust at >$2.5b even after execution on $540m ENGIE investment

1) EE includes Federal Energy Efficiency investments.
2) As of 6/30/2020 pro forma for removal of ENGIE investment; Markets include Behind-the-Meter (BTM), Grid-Connected (GC), and Sustainable Infrastructure (SI).

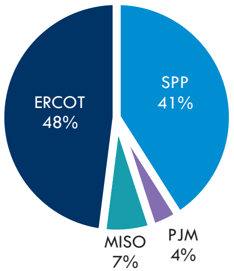
ENGIE INVESTMENT HIGHLIGHTS

Investment Overview

- ~$540m preferred equity investment with ENGIE as equity co-investor
- 2.3 GW contracted, grid-connected operating portfolio across 5 states
  - Large corporate and utility off-takers, including Amazon, Allianz, Ingersoll Rand, Microsoft, T Mobile, Target, Walmart, Xcel Energy
- O&M provided by ENGIE North America
- CarbonCount®: 2.0



Power Markets[1]



Strategic Highlights

- Significantly grows and diversifies balance sheet portfolio by technology, geography, and power market
- Provides operational leverage for portfolio and continued growth in recurring NII
- Continued programmatic deal flow with large, ambitious partner focused on North American market

Diversified and Long-Dated Cashflows

78% / 22%	A+	~13 years
Wind Solar	Weighted Average Offtaker Rating	Weighted Average Contract Life

1) As a percentage of total investment nameplate capacity

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PORTFOLIO DIVERSIFICATION ENHANCED WITH ENGIE INVESTMENT

Markets[1]

Behind-the-Meter
Yield: 8.1%

- Energy Efficiency
- Distributed Solar
- Storage

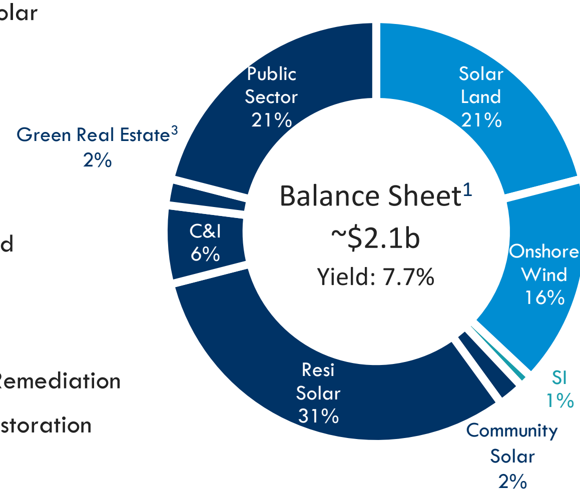
Grid-Connected
Yield: 6.9%

- Solar Land
- Onshore Wind

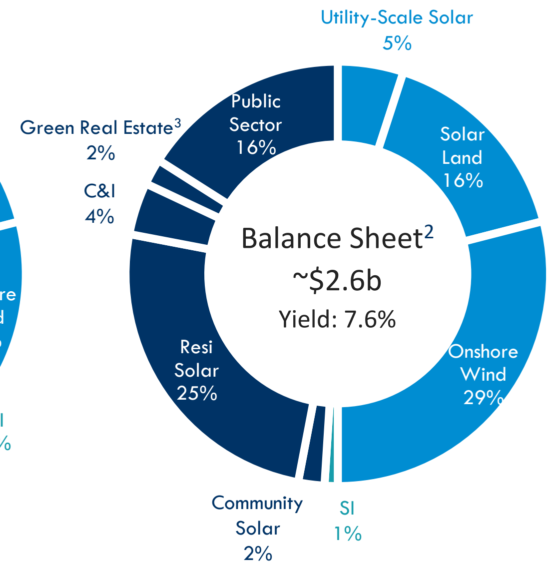
Sustainable Infrastructure[4]
Yield: 7.7%

- Stormwater Remediation
- Ecological Restoration
- Resiliency

As of 6/30



Pro Forma for ENGIE Investment



Diversified and Long-Dated Cashflows

205 / 218	$10m / $12m	15yrs / 19yrs
Total Investments[5,6]	Average Investment[6]	Weighted Average Life[6]

1) All figures shown are as of 6/30/20 (before the impact of the ENGIE transaction) unless otherwise noted.
2) As of 6/30/20 pro forma for fully funded co-investment with ENGIE (assuming no incremental transaction)
3) Includes Freddie Mac and C-PACE investments
4) Includes all other asset classes that are not specifically delineated as BTM or GC
5) Individual investments with outstanding balances > $1 million
6) First listed figure is as of 6/30/20 while second listed figure is as of 6/30/20 pro forma for fully funded co-investment with ENGIE (assuming no incremental transaction).

2Q20 RESULTS: CONTINUING TO GROW NII WHILE DELIVERING STRONG GAIN ON SALE REVENUE

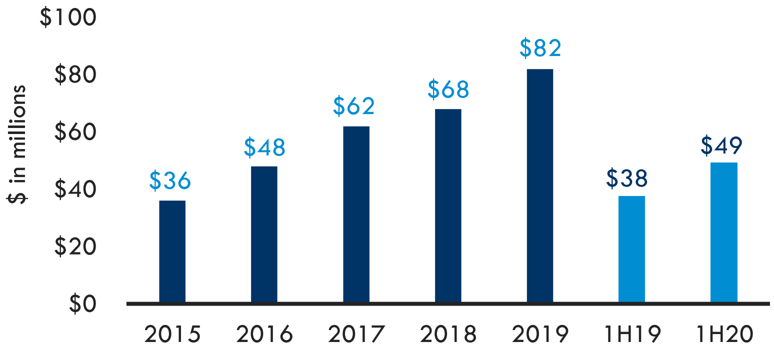
Results, Unaudited[1] ($ in millions, except per share figures)	2Q20	2Q19	1H20	1H19	Commentary
GAAP Earnings	$12.0	$12.7	$36.3	$26.4	Higher interest and Gain on Sale revenue offset by interest expense from green bond issuance in 2Q20
GAAP Diluted EPS	$0.16	$0.19	$0.51	$0.41	
Core Earnings	$27.0	N/A	$57.3	N/A	Increase due to higher Yield and Gain on Sale income partially offset by an increase in interest expense
Core EPS	$0.36	N/A	$0.79	N/A	
Core Earnings (Pre-CECL Provision)	$29.6	$19.8	$60.4	$40.7	
Core EPS (Pre-CECL Provision)	$0.40	$0.30	$0.84	$0.63	
GAAP Net Investment Income[2]	$8.5	$8.9	$20.7	$17.6	
Core Earnings from Equity Method Investments[3]	11.0	9.5	27.1	19.1	
Core Adjustment for Intangible Amortization	0.8	0.8	1.5	1.5	
Core Net Investment Income	$20.2	$19.2	$49.3	$38.3	Despite negative carry in 2Q20, 29% YOY growth through 1H20
GAAP Gain on Sale and Fees	$18.5	$7.5	$29.0	$16.5	Private funding remained accessible

Equity Method Summary[1,3]	1H20	1H19
GAAP Earnings	$16	$12
Core Adjustment	11	7
Core Earnings	$27	$19
Return of Investment	79	35
Cash Collected	$106	$54

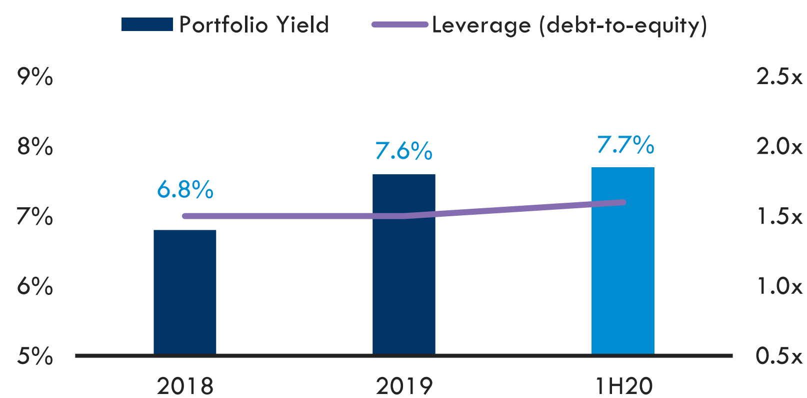
1) See Appendix for an explanation of Core Earnings, Core Net Investment Income, and Portfolio Yield, including reconciliations to the relevant GAAP measures, where applicable. Note that we are including the Core EPS (Pre-CECL provision) for comparability purposes to 2019.
2) GAAP Net Investment Income includes Interest Income, and Rental Income, less Interest Expense as reported within our financial statements prepared in accordance with US GAAP.
3) Represents Core Earnings from our Equity Method Investments when allocating cash distributions between a return on and return of invested capital. Refer to the Appendix for additional discussion.

BUSINESS MODEL STRENGTHENS AS RECURRING NII GROWS

Core Net Investment Income[1]



Portfolio Yield and Leverage[1]



Continue to drive growth in NII from balance sheet portfolio due to:

- Maintenance of or improvement in an attractive Portfolio Yield[1]
- Consistent leverage
- Expected portfolio growth

1) See Appendix for an explanation of Core Net Investment Income and Portfolio Yield, including reconciliations to the relevant GAAP measures, where applicable. Subtotals may not sum due to rounding. 2015 to 2019 represent full year or year-end balance as applicable.

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BALANCE SHEET UPDATE

Expanded Balance Sheet Liquidity

- Reacted to crisis by increasing Balance Sheet by >$500m via cash raised from green bond and equity ATM issuances

Market for Securitized Assets Remained Strong

- Despite economic headwinds, attractive gain on sale transactions were executed while portfolio remained at $2.1b

Line Item	($ in millions)[1]
Beginning Portfolio (3/31/20)	$2,139
Funding of this quarter's originations	26
Funding of previous quarters' originations	16
Principal collections	(53)
Syndications and Securitizations[2]	(59)
Other	(7)
Ending Portfolio (6/30/20)	$2,062

Assets	June 30, 2020 ($ in millions)
Cash	$542
Equity method investments	556
Government receivables	256
Commercial receivables	843
Real estate	361
Investments	46
Securitization assets	140
Other	93
Total Assets	$2,837
Liabilities and Equity	
Credit facility	$30
Non-recourse debt	626
Convertible notes	150
Senior unsecured notes	911
Other	52
Total Liabilities	$1,769
Total Equity	$1,068
Total Liabilities and Equity	$2,837

1) Subtotals may not sum due to rounding
2) Includes only securitizations of assets previously on the balance sheet as of the end of the previous quarter (3/31/20)

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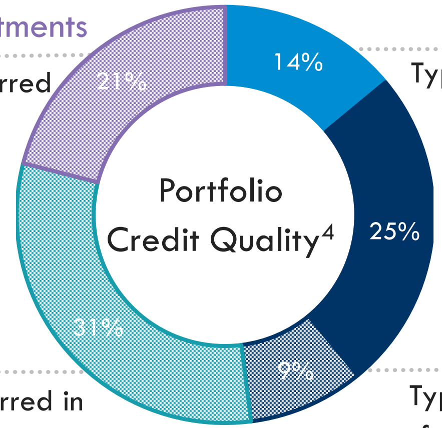
PORTFOLIO PERFORMANCE AND COUNTERPARTY CREDIT

Recent Portfolio Performance

Rating	Description	Balance Sheet Portfolio (%) 2Q20 $2.1b
1	Performing[1]	**98%**
2	Slightly below metrics[2]	**2%**
3	Significantly below metrics[3]	**~0%**

Counterparty Credit



Other Equity Method Investments

Typically, preferred in structure

Government

Typically, senior in structure

IG: 100%

Consumer

Typically, preferred in structure

>152,000 obligors across 22 states with an average FICO rating of "Very Good"[5]

Commercial

Typically, senior or preferred in structure

IG: 25%; Non-IG: 9%

Outstanding credit history with de minimis (~30 bps) cumulative credit losses since 2013

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 June 30, 2020 which we consider impaired and have held on non-accrual status since 2017. We recorded an allowance for the entire asset amounts as described in our 2019 Form 10-K. We expect to continue to pursue our legal claims with regards to these assets.
4) Refer to Explanatory Notes on the Appendix. As of 6/30/20.
5) Qualitative FICO Rating corresponds to average FICO Score range for consumer obligors (as of lease origination dates).

DURABLE CAPITAL STRUCTURE

Demonstrated access to diversified funding sources

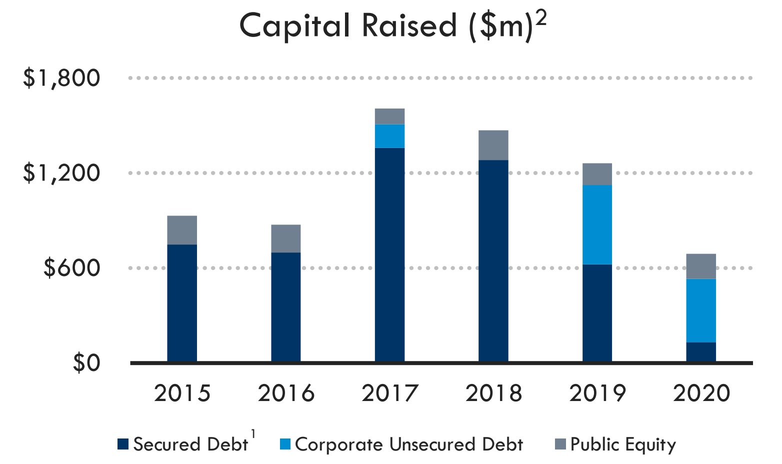
- $8.3 billion raised across multiple capital markets since 2013 IPO[1]
- Raised $400m in unsecured green bonds and $44m in equity in 2Q20

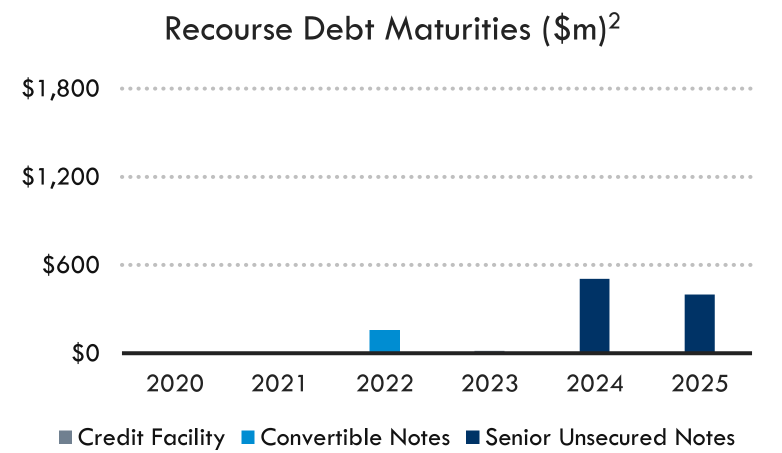
Conservative leverage profile

- 1.6x debt to equity
- Rating of BB+ by S&P and Fitch reaffirmed in 2Q20

Minimal refinance and interest rate risk

- 98% of debt is fixed rate
- No material recourse debt maturities until 3Q22[3]
- Nonrecourse debt largely amortizes within contracted term of assets





1) Also includes securitizations
2) As of 6/30/20
3) Our convertible notes, which mature in 2022, may be settled in shares, so this does not necessarily reflect a cash need.

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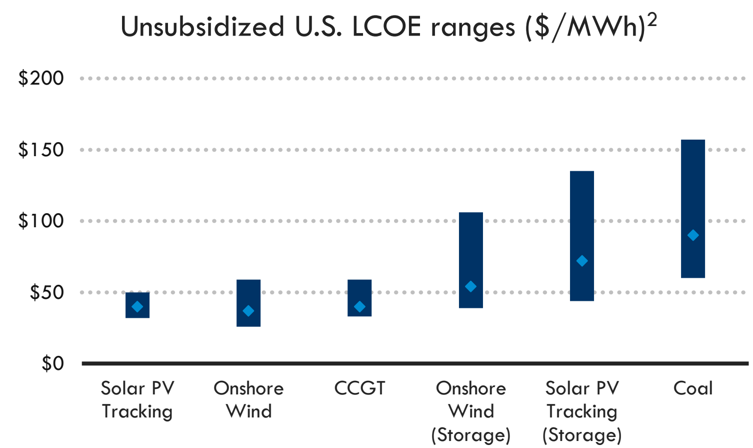
POLICY RESILIENCE

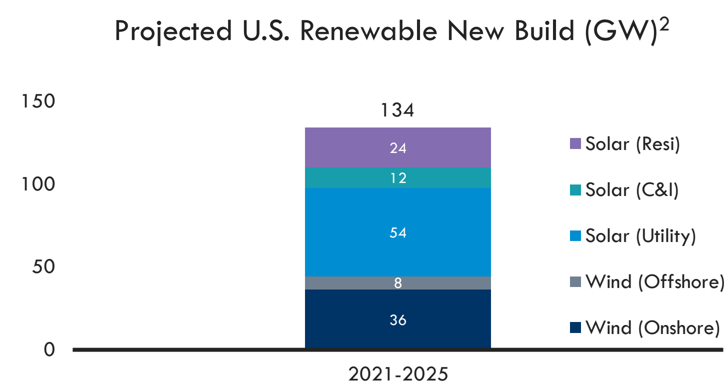
U.S. renewables already competitively priced and poised for continued growth

- Significant cost reductions have resulted in an unsubsidized LCOE[1] today that place renewables on par with or cheaper than alternatives
- From 2021 through 2025, 134 GW of new build renewables are projected to come online in the U.S. (even with scheduled phase out of tax credits)[1]



Minimal impact on HASI from scheduled tax credit phase out or potential extension

- HASI not a monetizer of tax credits



Continue to prefer carbon pricing

- Expected to drive investment to most efficient technologies and business models, which are more likely to reduce climate change impacts and accelerate movement toward low carbon economy

1) Levelized Cost of Electricity (LCOE) is a measure of the average net present cost of electricity generation for a generating plant over its lifetime.
2) Bloomberg New Energy Finance as of 2Q20

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INDUSTRY-LEADING ESG

E **Environmental**

Contributed to and walked nearly 800 miles in support of the Chesapeake Bay Foundation's "Walk the Watershed" virtual fundraiser

Updated green bond disclosures on website

S **Social**

Launched a DEIJ[1] working group and convening listening sessions for sharing experiences

Expanded employee charitable giving match for donations made to racial and economic organizations and increased donations to COVID-19 relief organizations

G **Governance**

Obtained FTSE Russell industry reclassification to Speciality Infrastructure REIT

Launched a multi-year plan for DEIJ[1] impact

COVID-19 Relief Organizations

Maryland Food Bank

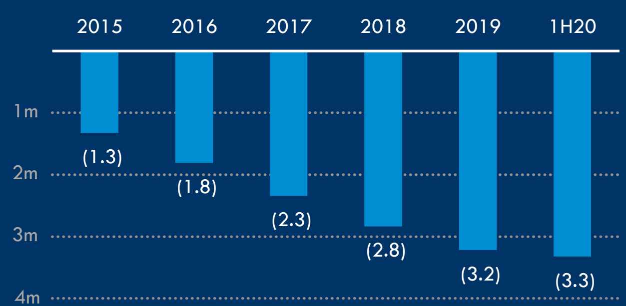
ywca Annapolis and Anne Arundel County

Annapolis Light House

Carbon Emissions[2]

Carbon Count® 2Q20: 0.37

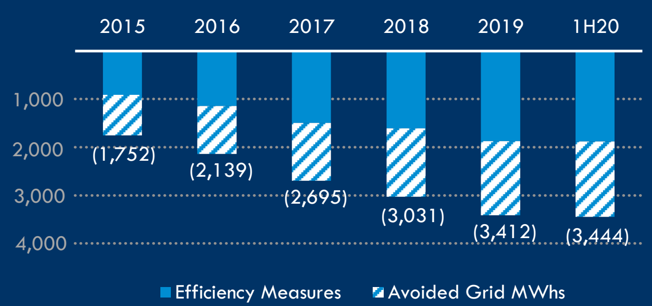
Cumulative Metric Tons of CO_2 Avoided Annually



Water Savings[3]

Water Count™ 2Q20: 24

Cumulative Gallons of Water Saved Annually (in million gallons)



1) Represents diversity, inclusion, equity, and justice
2) 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.
3) 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.

APPENDIX

SUPPLEMENTAL FINANCIAL DATA

Explanatory Notes

Core Earnings and Earnings on Equity Method Investments

We calculate core earnings as GAAP net income (loss) excluding non-cash equity compensation expense, certain provisions for loss on receivables, amortization of intangibles, 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. In the future, core earnings may also exclude one-time events pursuant to changes in GAAP and certain other non-cash charges 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 our equity method investments 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 core earnings, for certain of these investments where there are the characteristics 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 core equity method investment adjustment to our GAAP net income (loss) in calculating our core 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 that core earnings provides an additional measure of our core operating performance by eliminating the impact of certain non-cash expenses and facilitating a comparison of our financial results to those of other comparable companies with fewer or no non-cash charges and comparison of our own operating results from period to period. Our management uses core earnings in this way. We believe that our investors also use core 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 core earnings is useful to our investors.

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

We adopted CECL during the three months ended March 31, 2020 which requires us to recognize a provision for loss on receivables expected over the life of the receivable rather than probable incurred losses. Our core earnings includes the CECL provision. To provide comparable metrics to periods prior to the adoption CECL, we have also provided core earnings which adds back the CECL provision for loss on receivables.

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.

Core Net Investment Income

Core Net Investment Income is calculated as GAAP Net Investment Income (Interest Income and Rental Income less Interest Expense) as reported within our financial statements prepared in accordance with US GAAP plus Core 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 core earnings per share (pre-CECL provision) in 2020 will exceed the previously communicated guidance midpoint of $1.43 (excluding any potential impact from the adoption of the credit loss standard starting on January 1, 2020), reflecting 2018 to 2020 annual Core EPS growth above the midpoint of the 2% to 6% from the 2017 baseline. 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 Forward-Looking Statements section of this press release.

SUPPLEMENTAL FINANCIAL DATA

Explanatory Notes

Portfolio/Credit Quality Footnotes

"Other Equity Method Investments"	Equity investments in various renewable energy and energy efficiency projects. These investments are typically owned in holding companies where our equity interests are typically senior or preferred to the common equity holder. Note that this excludes category excludes equity investments in residential solar assets.
"Government"	Transactions where the ultimate obligor is the U.S. federal government or state or local governments where the obligors are rated investment grade (either by an independent rating agency or based upon our internal credit analysis). Transactions may have guaranties of energy savings from third party service providers, which typically are entities rated investment grade by an independent rating agency.
"Consumer"	This category of assets includes mezzanine loans made on a non-recourse basis to special purpose subsidiaries of residential solar companies. These loans are secured by residential solar assets and we rely on certain limited indemnities, warranties, and other obligations of the residential solar companies or their other subsidiaries. This category also includes equity investments in residential solar projects. These investments are typically owned in holding companies where our equity interests are typically senior or preferred to the common equity holder.
"Commercial"	Transactions where the projects or the ultimate obligors are commercial entities that are rated either investment or non-investment grade (either by an independent rating agency or using our internal credit analysis).

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 June 30,		For the Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Revenue				
Interest income	$ 23,649	$ 17,294	$ 47,539	$ 34,949
Rental income	6,469	6,469	12,939	12,945
Gain on sale of receivables and investments	15,916	2,167	20,820	9,006
Fee income	2,561	5,338	8,130	7,511
Total revenue	**48,595**	**31,268**	**89,428**	**64,411**
Expenses				
Interest expense	21,664	14,869	39,798	30,300
Provision for loss on receivables	2,523	—	3,171	—
Compensation and benefits	9,314	6,650	18,212	14,089
General and administrative	3,853	3,739	7,262	7,080
Total expenses	**37,354**	**25,258**	**68,443**	**51,469**
Income before equity method investments	**11,241**	**6,010**	**20,985**	**12,942**
Income (loss) from equity method investments	(590)	7,624	15,999	12,131
Income (loss) before income taxes	**10,651**	**13,634**	**36,984**	**25,073**
Income tax (expense) benefit	1,407	(839)	(515)	1,430
Net income (loss)	**$ 12,058**	**$ 12,795**	**$ 36,469**	**$ 26,503**
Net income (loss) attributable to non-controlling interest holders	50	55	152	117
Net income (loss) attributable to controlling stockholders	**$ 12,008**	**$ 12,740**	**$ 36,317**	**$ 26,386**
Basic earnings (loss) per common share	$ 0.16	$ 0.20	$ 0.51	$ 0.41
Diluted earnings (loss) per common share	$ 0.16	$ 0.19	$ 0.51	$ 0.41
Weighted average common shares outstanding—basic	72,914,145	63,772,549	70,043,125	62,766,318
Weighted average common shares outstanding—diluted	73,382,217	64,429,155	70,662,377	63,394,220

BALANCE SHEET

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

	June 30, 2020 (unaudited)	December 31, 2019
Assets		
Cash and cash equivalents	$ 541,825	$ 6,208
Equity method investments	556,450	498,631
Government receivables	255,757	263,175
Commercial receivables, net of allowance of $29 million and $8 million, respectively	843,223	896,432
Real estate	360,720	362,265
Investments	45,926	74,530
Securitization assets	139,793	123,979
Other assets	93,246	162,054
Total Assets	**$ 2,836,940**	**$ 2,387,274**
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable, accrued expenses and other	$ 52,123	$ 54,351
Credit facilities	30,377	31,199
Non-recourse debt (secured by assets of $800 million and $921 million, respectively)	625,884	700,225
Senior unsecured notes	910,665	512,153
Convertible notes	149,927	149,434
Total Liabilities	1,768,976	1,447,362
Stockholders' Equity:		
Preferred stock, par value $0.01 per share, 50,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, par value $0.01 per share, 450,000,000 shares authorized, 73,318,552 and 66,338,120 shares issued and outstanding, respectively	733	663
Additional paid in capital	1,250,976	1,102,303
Accumulated deficit	(198,719)	(169,786)
Accumulated other comprehensive income (loss)	9,619	3,300
Non-controlling interest	5,355	3,432
Total Stockholders' Equity	1,067,964	939,912
Total Liabilities and Stockholders' Equity	**$ 2,836,940**	**$ 2,387,274**

RECONCILIATION OF GAAP NET INCOME TO CORE EARNINGS

	For the three months ended June 30, 2020		For the three months ended June 30, 2019	
	(dollars in thousands, except per share amounts)			
	$	*per share*	*$*	*per share*
Net income attributable to controlling stockholders [1]	$ 12,008	$ 0.16	$ 12,740	$ 0.19
Core earnings adjustments:				
Reverse GAAP (income) loss from equity method investments	590		(7,624)	
Add back core equity method investments earnings [2]	11,018		9,538	
Non-cash equity-based compensation charges [3]	3,975		3,411	
Other core adjustments [4]	(533)		1,708	
Core earnings (including Topic 326 provision) [5]	**$ 27,058**	**$ 0.36**	**$ 19,773**	**$ 0.30**
Add back provision for loss on receivables under Topic 326 [6]	2,523		—	
Core earnings (pre-Topic 326 provision) [5]	**$ 29,581**	**$ 0.40**	**$ 19,773**	**$ 0.30**

(1) Represents GAAP diluted earnings per share and is the most comparable GAAP measure to our core earnings per share.

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

(3) Reflects adjustment for non-cash equity-based compensation.

(4) See detail below.

(5) Core earnings per share for the three months ended June 30, 2020 and 2019, are based on 74,543,045 shares and 65,749,618 shares outstanding, respectively, which represents the weighted average number of fully-diluted shares outstanding including our restricted stock awards and restricted stock units and the long-term incentive plan units and non-controlling interest in our Operating Partnership. We include any potential common stock issuance in this 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.

(6) As discussed above, to provide a comparable metric to prior year metrics we are adding back the provision for loss on receivables recognized under Topic 326.

	For the six months ended June 30, 2020		For the six months ended June 30, 2019	
	(dollars in thousands, except per share amounts)			
	$	*per share*	*$*	*per share*
Net income attributable to controlling stockholders [1]	$ 36,317	$ 0.51	$ 26,386	$ 0.41
Core earnings adjustments:				
Reverse GAAP (income) loss from equity method investments	(15,999)		(12,131)	
Add back core equity method investments earnings [2]	27,103		19,143	
Non-cash equity-based compensation charges [3]	7,524		6,990	
Other core adjustments [4]	2,313		319	
Core earnings (including Topic 326 provision) [5]	**$ 57,258**	**$ 0.79**	**$ 40,707**	**$ 0.63**
Add back provision for loss on receivables under Topic 326 [6]	3,171		—	
Core earnings (pre-Topic 326 provision) [5]	**$ 60,429**	**$ 0.84**	**$ 40,707**	**$ 0.63**

(1) Represents GAAP diluted earnings per share and is the most comparable GAAP measure to our core earnings per share.

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

(3) Reflects adjustment for non-cash equity-based compensation.

(4) See detail below.

(5) Core earnings per share for the six months ended June 30, 2020 and 2019, are based on 72,095,539 shares and 64,733,505 shares outstanding, respectively, which represents the weighted average number of fully-diluted shares outstanding including our restricted stock awards and restricted stock units and the long-term incentive plan units and non-controlling interest in our Operating Partnership. We include any potential common stock issuance in this 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.

(6) As discussed above, to provide a comparable metric to prior year metrics we are adding back the provision for loss on receivables recognized under Topic 326.

ADDITIONAL GAAP TO CORE RECONCILIATIONS

The table below provides a reconciliation of the Other core adjustments:

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
	(in thousands)		*(in thousands)*	
Other core adjustments				
Amortization of intangibles [1]	$ 824	$ 823	$ 1,646	$ 1,638
Non-cash provision (benefit) for income taxes	(1,407)	830	515	(1,436)
Net income attributable to non-controlling interest	50	55	152	117
Other core adjustments	$ (533)	$ 1,708	$ 2,313	$ 319

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

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

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
	(in thousands)		*(in thousands)*	
GAAP SG&A expenses				
Compensation and benefits	$ 9,314	$ 6,650	$ 18,212	$ 14,089
General and administrative	3,853	3,739	7,262	7,080
Total SG&A expenses (GAAP)	$ 13,167	$ 10,389	$ 25,474	$ 21,169
Core SG&A expenses adjustments:				
Non-cash equity-based compensation charge [1]	$ (3,975)	$ (3,411)	$ (7,524)	$ (6,990)
Amortization of intangibles [2]	(51)	(52)	(100)	(101)
Core SG&A expenses adjustments	(4,026)	(3,463)	(7,624)	(7,091)
Core SG&A expenses	$ 9,141	$ 6,926	$ 17,850	$ 14,078

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

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

ADDITIONAL GAAP TO CORE RECONCILIATIONS

The following is a reconciliation of our GAAP net investment income to our core net investment income:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
Interest income	$ 23,649	$ 17,294	$ 47,539	$ 34,949
Rental income	6,469	6,469	12,939	12,945
GAAP investment revenue	30,118	23,763	60,478	47,894
Interest expense	21,664	14,869	39,798	30,300
GAAP net investment income	8,454	8,894	20,680	17,594
Core equity method earnings adjustment (1)	11,018	9,538	27,103	19,143
Amortization of real estate intangibles (2)	773	773	1,546	1,537
Core net investment income	$ 20,245	$ 19,205	$ 49,329	$ 38,274

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

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

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