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HASI Announces Proposed Private Offering of \$350 Million Green Exchangeable Senior Unsecured Notes and Intention to Enter into Capped Call Transactions

ANNAPOLIS, Md.--(BUSINESS WIRE)-- Hannon Armstrong Sustainable Infrastructure Capital, Inc. ("HASI," "we," "our," or the "Company") (NYSE: HASI), a leading investor in climate solutions, today announced, subject to market conditions, a private offering of \$350 million in aggregate principal amount of green exchangeable senior unsecured notes due 2028 (the "Notes") by its indirect subsidiaries, HAT Holdings I LLC ("HAT I") and HAT Holdings II LLC ("HAT II," and together with HAT I, the "Issuers"). At issuance, the Notes will be guaranteed by the Company, Hannon Armstrong Sustainable Infrastructure, L.P. and Hannon Armstrong Capital, LLC. The Issuers also expect to grant the initial purchasers of the Notes an option to purchase, during the 13-day period beginning on, and including the first date on which the Notes are issued, up to \$52.5 million additional aggregate principal amount of the Notes.

The Company may use a portion of the net proceeds from this offering to repurchase certain of the 2023 Convertible Notes as described below. Additionally, the Company intends to use cash on hand to enter into privately negotiated capped call transactions as described below. The Company intends to allocate an amount equal to the net proceeds of the offering to acquire, invest in or refinance, in whole or in part, new and/or existing eligible green projects. Investment opportunities have already been identified and are consistent with the Company's normal course investment profile. In addition, these eligible green projects may include projects with disbursements made during the twelve months preceding the issue date of the Notes and those with disbursements to be made following the issue date. Prior to the full investment of such net proceeds, the Company intends to invest such net proceeds in interest-bearing accounts and short-term, interest-bearing securities which are consistent with the Company's intention to continue to qualify for taxation as a REIT.

The Notes will accrue interest payable semi-annually in arrears on February 15 and August 15 of each year, beginning on February 15, 2024 until the maturity date, unless the Notes are earlier repurchased, redeemed or exchanged in accordance with their terms prior to such date. Upon any exchange of the Notes, holders will receive cash, shares of common stock, \$0.01 par value per share (the "Common Stock") or a combination of cash and shares of Common Stock, at the Company's election, based on the exchange rate for the Notes.

The exchange rate will be subject to adjustment upon the occurrence of certain events, but will not be adjusted for any accrued and unpaid interest. The Company may redeem the Notes if HASI's board of directors determines such redemption is reasonably necessary to preserve its qualification as a REIT or, in whole or in part, at the Company's option, on or after August 20, 2026 and prior to the 62nd scheduled trading day immediately preceding the maturity date, under certain circumstances. Any shares of Common Stock issuable upon exchange of the Notes will have certain registration rights. The interest rate, exchange rate and other terms of the Notes are to be determined upon pricing of the offering.

Contemporaneously with the pricing of the Notes in the offering, the Company may enter into separate and individually negotiated transactions with certain holders of its 0.00% Convertible Senior Notes due 2023 (the "2023 Convertible Notes") to repurchase for cash certain of the 2023 Convertible Notes (the "concurrent note repurchases"). The terms of any concurrent note repurchases are anticipated to be individually negotiated with each holder of the 2023 Convertible Notes and will depend on several factors, including the market price of the Common Stock and the trading price of the 2023 Convertible Notes at the time of each such concurrent note repurchase. No assurance can be given as to how much, if any, of the 2023 Convertible Notes will be repurchased or the terms on which they will be repurchased. The Company expects that certain holders of any 2023 Convertible Notes that the Company agrees to repurchase that have hedged their equity price risk with respect to such 2023 Convertible Notes will, concurrently with the pricing of the Notes offered hereby, unwind all or part of their hedge positions by buying the Common Stock and/or entering into or various unwinding derivative transactions with respect to the Common Stock.

Any repurchase of the 2023 Convertible Notes, and the potential related market activities by holders of the 2023 Convertible Notes participating in the concurrent note repurchases, could increase (or reduce the size of any decrease in) the market price of the Common Stock, which may affect the trading price of the Notes at that time and the initial exchange price of the Notes. The Company cannot predict the magnitude of such market activity or the overall effect it will have on the price of the Notes or the Common Stock.

In connection with the pricing of the Notes, the Company expects the Issuers will enter into privately negotiated capped call transactions with one or more of the initial purchasers or their respective affiliates or other financial institutions (the "option counterparties"). The capped call transactions are expected to cover, subject to customary anti-dilution adjustments substantially similar to those applicable to the Notes, the same number of shares of the Common Stock that will initially underly the Notes.

The capped call transactions are expected generally to reduce the potential dilution to the Company's common and/or offset potential cash payments the Issuers are required to make in excess of the principal amount, in each case, upon any exchange of the Notes, with such reduction and/or offset subject to a cap. If the market price per share of Common Stock, as measured under the terms of the capped call transactions, exceeds the cap price of the capped call transactions, there would nevertheless be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that such market price exceeds the cap price of the capped call transactions.

In connection with establishing their initial hedges of the capped call transactions, the option counterparties (and/or their respective affiliates) have advised the Issuers that they expect to enter into various derivative transactions with respect to the Common Stock and/or purchase

shares of Common Stock or other securities of the Company or the Issuers in secondary market transactions concurrently with or shortly after the pricing of the Notes, including with certain investors in the Notes. This activity could increase (or reduce the size of any decrease in) the market price of the Common Stock or the Notes at that time.

In addition, the option counterparties (and/or their respective affiliates) may modify their hedge positions by entering into or unwinding various derivatives with respect to the Common Stock and/or purchasing or selling shares of the Common Stock or other securities of the Company or the Issuers in secondary market transactions following the pricing of the Notes and prior to the maturity of the Notes (and are likely to do so during any observation period related to an exchange of Notes or following any early exchange, redemption or repurchase of Notes). The effect, if any, of these activities on the market price of the Common Stock or the Notes will depend in part on market conditions and cannot be ascertained at this time, but this activity could also cause or avoid an increase or decrease in the market price of the Common Stock or the Notes, which could affect the holders' ability to exchange the Notes, and it could affect the amount of cash and/or the number and value of the shares of the Common Stock holders receive upon exchange of the Notes.

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

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

About HASI

HASI (NYSE: HASI) is a leading climate positive public company that actively partners with clients to deploy real assets that facilitate the energy transition. With more than \$10 billion in managed assets, our vision is that every investment improves our climate future.

Forward-Looking Statements

Some of the information in this press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this press release, words such as "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may," "target," or similar expressions, are intended to identify such forward-looking statements. Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the forward-looking statements include those discussed under the caption "Risk Factors" included in the Company's Annual Report on Form 10-K (as supplemented by our Form 10-K/A) for the Company's fiscal year ended December 31, 2022, which were filed with the U.S. Securities and Exchange

Commission (“SEC”), as well as in other reports that the Company files with the SEC.

Forward-looking statements are based on beliefs, assumptions and expectations as of the date of this press release. The Company disclaims any obligation to publicly release the results of any revisions to these forward-looking statements reflecting new estimates, events or circumstances after the date of this press release.

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INVESTOR RELATIONS INQUIRIES

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