HASI

Investing in Climate Solutions®

Earnings Presentation

Second Quarter 2024

Forward Looking Statements

Some of the information contained herein are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used herein, words such as "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may," "target," or similar expressions, are intended to identify such forward-looking statements. Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the forward-looking statements include those discussed under the caption "Risk Factors" included in our Form 10-K filed for the year ended December 31, 2023 (the “Form 10-K”) with the U.S. Securities and Exchange Commission (“SEC”), as well as in other reports that we file with the SEC.

Other important factors that we think could cause our actual results to differ materially from expected results are summarized below, including the impact of the Inflation Reduction Act (“IRA”) and on the U.S., regional and global economies, the U.S. climate solutions market and the broader financial markets. Other factors besides those listed could also adversely affect us. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Forward-looking statements are based on beliefs, assumptions and expectations as of June 30, 2024. The guidance discussed herein reflects our estimates of (i) yield on our existing portfolio; (ii) yield on incremental portfolio investments, inclusive of our existing pipeline; (iii) the volume and profitability of transactions; (iv) amount, timing, and costs of debt and equity capital to fund new investments; (v) changes in costs and expenses reflective of our forecasted operations; (vi) disruptions to the renewable energy supply chain that may result from changes in the regulatory environment and other factors; (vii) the general interest rate and market environment; (viii) the impact of the Inflation Reduction Act on our industry and our business; (ix) the impact of our revocation of our REIT election; (x) and our ability to expand into new climate solutions markets. All guidance is based on current expectations regarding economic conditions, the regulatory environment, the dynamics of the markets in which we operate and the judgment of our management team, among other factors. In addition, actual dividend distributions are subject to approval by our Board of Directors on a quarterly basis. The Company has not provided GAAP guidance as forecasting a comparable GAAP financial measure, such as net income, would require that the Company apply the HLBV method to these investments. In order to forecast under the HLBV method, the Company would be required to make various assumptions related to expected changes in the net asset value of the various entities and how such changes would be allocated under HLBV. GAAP HLBV earnings over a period of time are very sensitive to these assumptions especially in regard to when a partnership transaction flips and thus the liquidation scenarios change materially. The Company believes that these assumptions would require unreasonable efforts to complete and if completed, the wide variation in projected GAAP earnings based upon a range of scenarios would not be meaningful to investors. Accordingly, the Company has not included a GAAP reconciliation table related to any adjusted earnings guidance. We disclaim any obligation to update, or publicly release the results of any update or revisions to, these forward-looking statements, including to reflect new estimates, events or circumstances after the date of this presentation.

This presentation refers to certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Additional information concerning these non-GAAP financial measures as well as reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix herein. Estimated carbon emission savings are calculated using the estimated kilowatt hours, gallons of fuel oil, million British thermal units of natural gas and gallons of water saved as appropriate, for each project. The energy savings are converted into an estimate of metric tons of carbon dioxide equivalent emissions based upon the project’s location and the corresponding emissions factor data from the U.S. Government and International Energy Agency. Portfolios of projects are represented on an aggregate basis. The carbon and water savings information included in this presentation is based on data from a third-party source that we believe to be reliable. We have not independently verified such data, which involves risks and uncertainties and is subject to change based on various factors. Past performance is not indicative nor a guarantee of future returns.

Q2 2024 Highlights

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CCH1
strategic partnership

>10.5%
1H24 new asset yield[1]

$0.63
Q2 Adjusted EPS[2]

Investment Grade
rating

8.0%
portfolio yield[1]

$0.23
Q2 GAAP EPS[3]

2024 – 2026 Guidance Affirmed[4]

1. Yields are as of 6/30/24 and refer solely to portfolio assets. For explanation of Portfolio Yield, see Appendix
2. See Appendix for an explanation of Adjusted Earnings (previously Distributable Earnings), including reconciliations to the relevant GAAP measures
3. On a fully diluted basis
4. See Slide 21 for guidance detail

Climate Solutions at Scale

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~20 TWh[1]	Annual solar & wind energy generated by assets in our portfolio
5.8m MMBTU[2]	RNG operating capacity in our portfolio
8m MT CO_2	Emissions avoided annually by our managed assets[2]

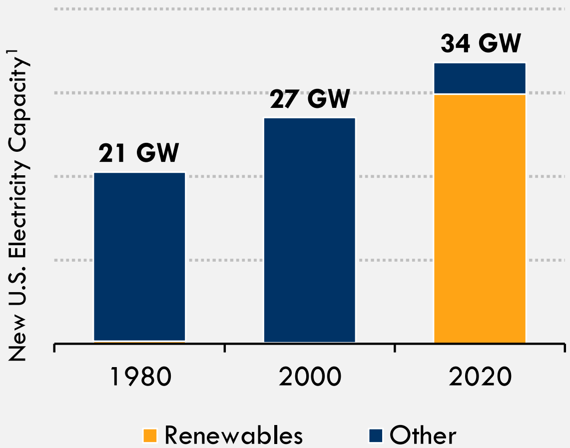
~1,000 Gigawatts of new renewable energy capacity is expected to be added to the U.S. power grid over the next 10 years[3], estimated to require > $1 trillion of new investment

1. TWh refers to terawatt-hours; MM BTU refers to 1 million British Thermal Units
2. Based on estimated operations in the first year of each project
3. Bloomberg New Energy Finance's "1H 2024 US Clean Energy Market Outlook: Moving Past 2030"

Note: Stats as of 6/30/24

Ideally Positioned to Benefit from Industry Trends

Clean Energy Demand Growth



20%+

forecasted increase in U.S. electricity demand by 2030[2]

Capital Formation

CCH1

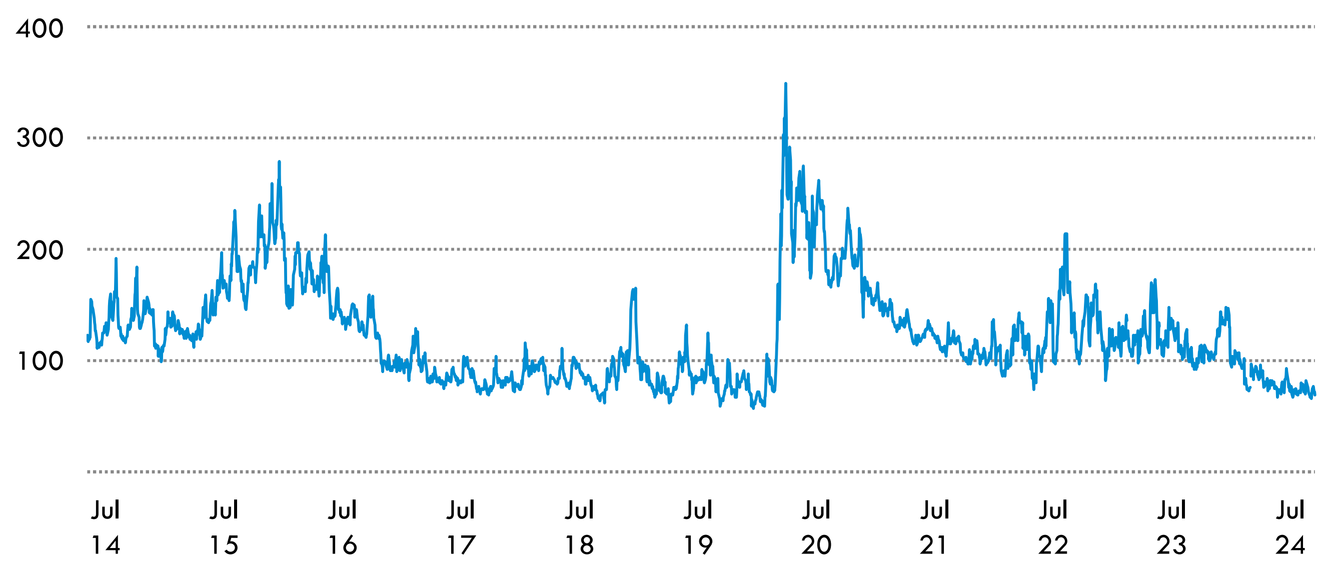
CarbonCount® Holdings 1 LLC

Investment Grade Ratings

1. U.S. EIA, University of Wyoming. Analysis by Resources and Communities Research Group at Montana State University, and Headwaters Economics
2. EIA, Goldman Sachs' "AI is poised to drive 160% increase in data center power demand" (May 2024), Rystad Energy, Center for Strategic & International Studies' "Energy Considerations at the Dawn of Strategic Manufacturing" (April 2024), Times Union's "A Surge in Chip Fabs Could Make Renewable Energy Targets Harder to Reach" (January 2023), Semiconductor Industry Association and Boston Consulting Group.

Investment Grade Status Improves Margins and Enhances Stability

BB minus BBB Spreads[1]



HASI's Spreads Non-IG: 339 bps ⟶ First IG: 225 bps

Average since 2014: 120 bps

- **Lower** debt costs
- **Longer** maturities
- **Fewer** market dislocations

Investment grade ratings automatically triggered a 25 basis point reduction on our revolver and term loan facility

1. Federal Reserve Economic Data: ICE BofA BBB US Corporate Index Option-Adjusted Spread vs. ICE BofA BB US High Yield Index Option-Adjusted Spread (not seasonally adjusted)

Q2 Earnings Detail

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Results Unaudited[1]	2Q23	2Q24	
GAAP Diluted EPS	$0.14	$0.23	
Adjusted EPS	$0.53	$0.63	+19%
GAAP NII	$14.8m	$3.3m	
Adjusted NII	$54.0m	$62.6m	+16%
Gain on Sale, Fees and Securitization Income	$19.6m	$31.7m	+62%
Transactions Closed	$426m	$260m	
Portfolio[2]	$4.9b	$6.2b	
Managed Assets	$10.7b	$13.0b	
Adjusted ROE[3]	11.6%	12.8%	

Adjusted Net Investment Income[1]

	1H23	1H24
Adjusted NII	$101.1m	$126.9m

Recurring Capital Light Income

	1H23	1H24
Securitization Income	$7.8m	$10.1m

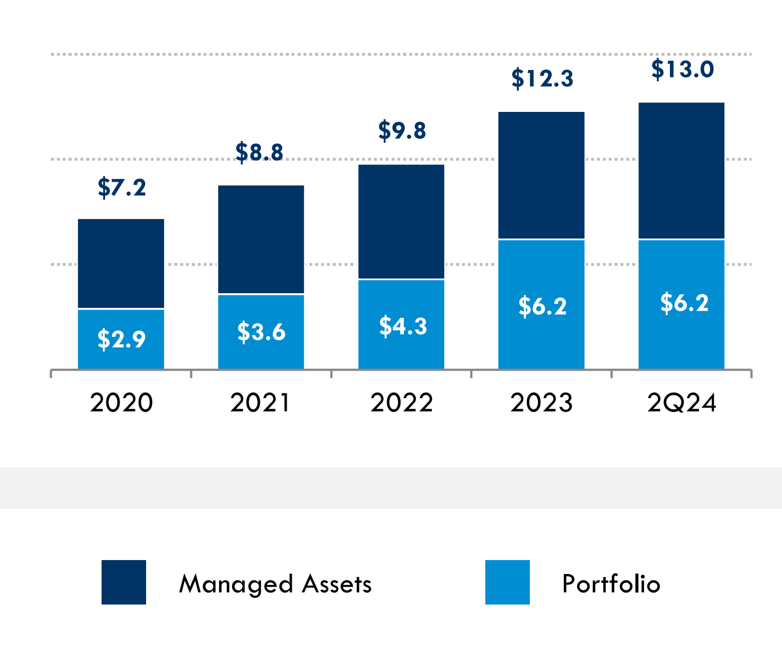
Upfront Capital Light Income

	1H23	1H24
Gain on Sale & Fees	$31.4m	$56.8m

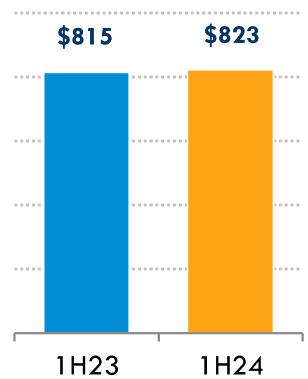
1. Beginning 1Q24, Distributable Earnings was renamed Adjusted Earnings. See Appendix for an explanation of Adjusted Earnings, Adjusted NII and Managed Assets, including reconciliations to the relevant GAAP measures, where applicable.
2. GAAP-based.
3. Adjusted ROE is calculated using Adjusted Earnings for the period and the beginning and ending equity balances for the period. Refer to reconciliation of GAAP Earnings to Adjusted Earnings.

Managed Assets Have Grown by >80% since 2020

Managed Assets[1] ($b)



Closed Transactions ($m)



>8.5% >10.5%

Yield on New Portfolio Assets[2]

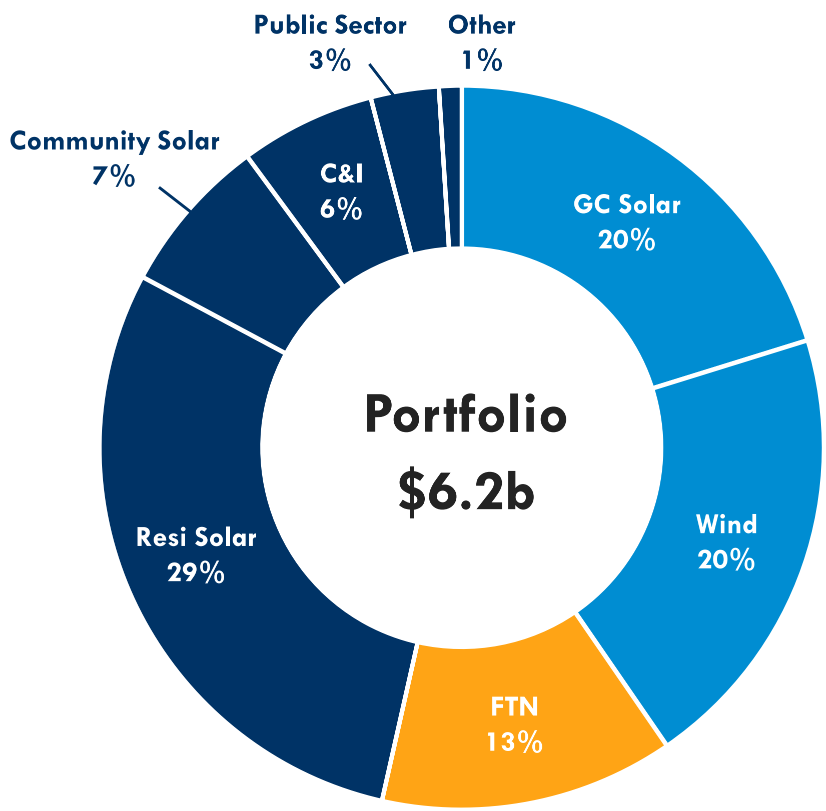
"Portfolio" refers to all investments held on balance sheet

"Managed Assets" incudes (1) the Portfolio, (2) investments held off-balance sheet in securitization trusts, and (3) investments held by CCH1

1. For explanation of Managed Assets, see Appendix. Figures in chart are as of the end of each period
2. Represents yields on portfolio assets only; excludes follow-on investments of previous transactions. For explanation of Portfolio Yield, see Appendix

Portfolio at $6.2b, up 27% YoY

Well diversified across asset classes



Portfolio yield[1]: 8.0%

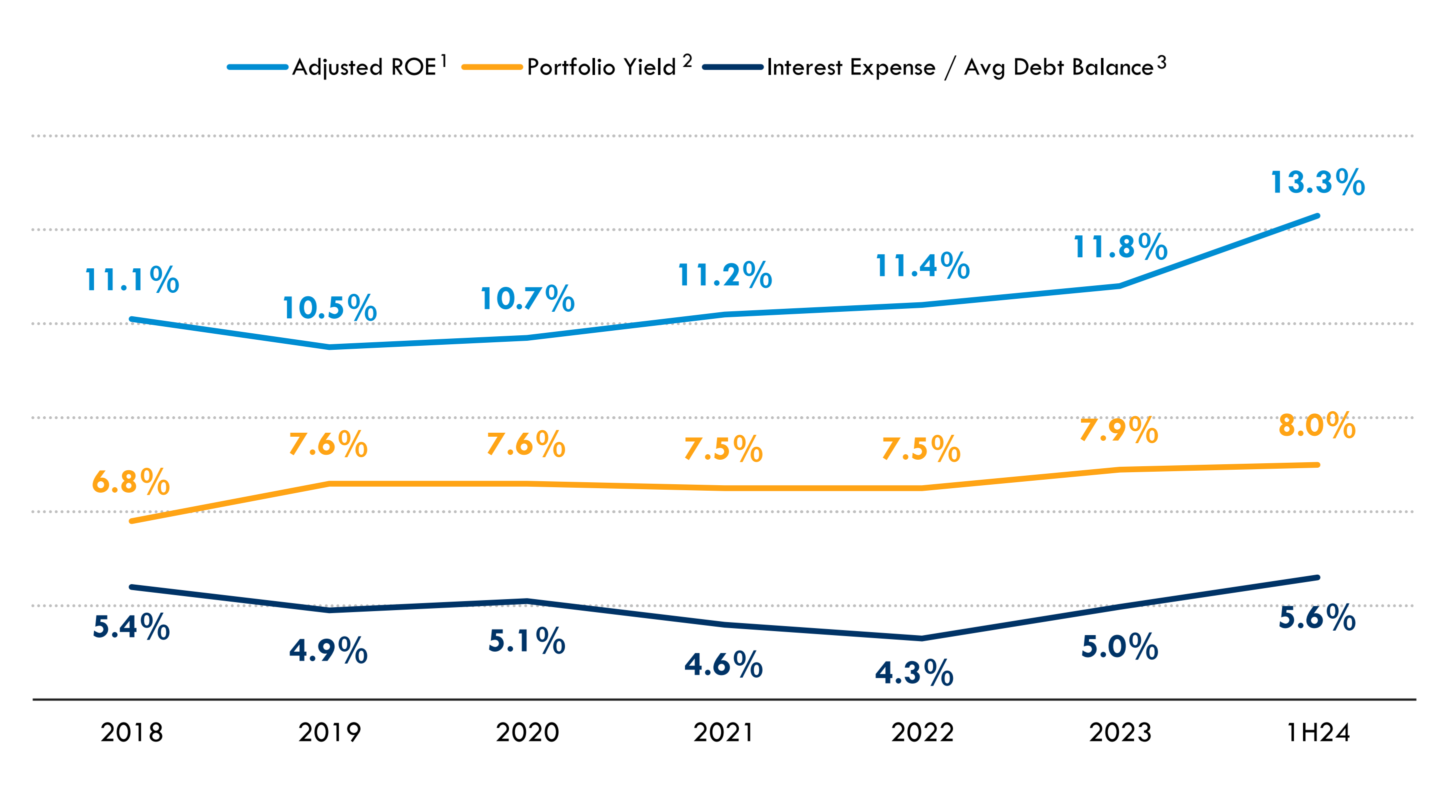
Change in portfolio during Q2 2024 included transfer of $109 million of investments to CCH1

CCH1 includes one residential and one C&I solar investment

Note: Portfolio and portfolio yield are as of 6/30/24

1. For explanation of Portfolio Yield, see Appendix

Navigating a Higher Interest Rate Environment



Gain on Sale from asset rotation driving higher 1H ROE

Temporary compression due to newly issued debt yet to be deployed in higher yielding assets

Interest expense declined to 5.6% in 2Q24 from 5.7% in 1Q24

No increase in cost of refinancing 2025 6% bonds[4]

1. Adjusted ROE is calculated using Adjusted Earnings for the period and the average ending quarterly balances for the period. Refer to reconciliation of GAAP Earnings to Adjusted Earnings
2. As of the end of each period. For explanation of Portfolio Yield, see Appendix
3. Excludes incremental interest expense related to debt prepayments. Shown here as a % of average debt balance
4. Effective cost of the refinancing of our 6.0% 2025 bonds was realized at 6.0%

Ample Liquidity to Invest in Our Pipeline

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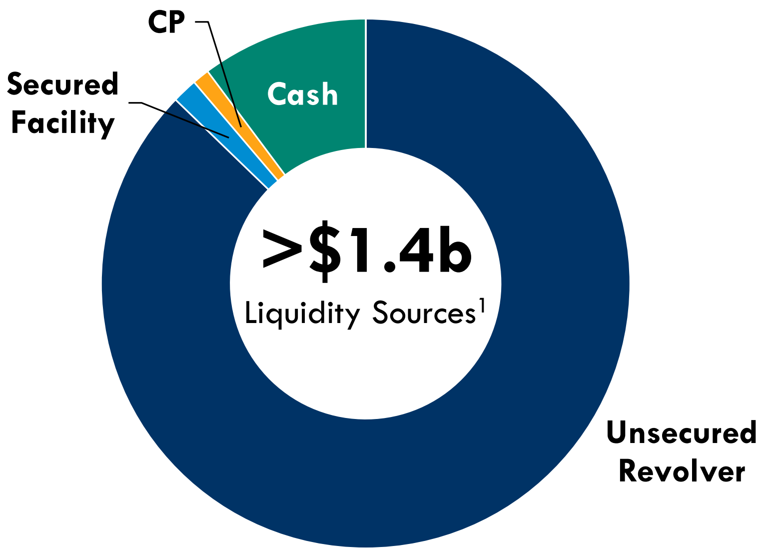
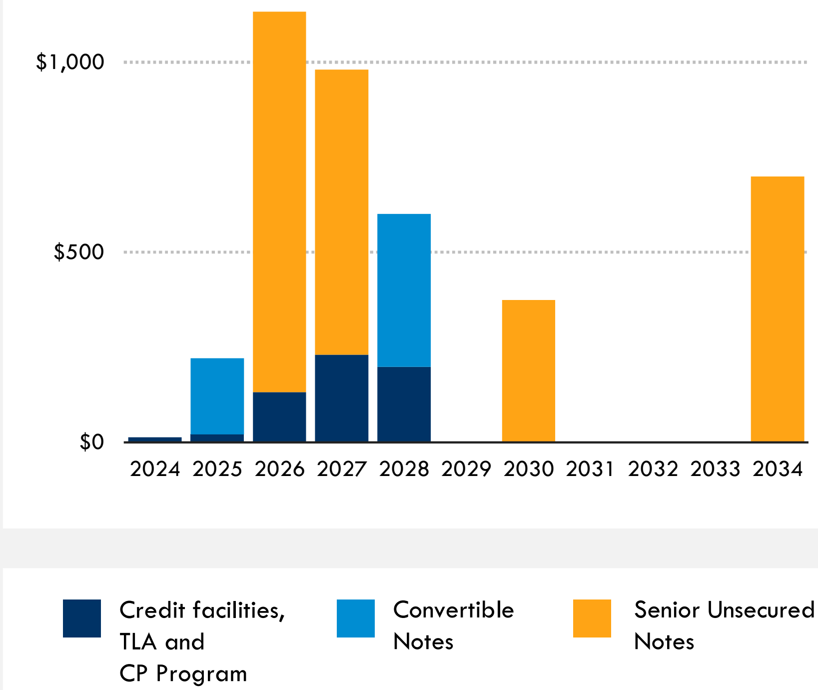
Revolver largely undrawn



Debt Maturities Now Extending to 2034[1]



1.8x Debt-to-Equity ratio (within 1.5-2.0 target)
99% of debt fixed or hedged[2]

BBB-/Baa3/BB+ Positive
(Fitch/Moody's/S&P)

1. As of 6/30/24, proforma for closing of 6.375% Green Senior Unsecured Notes due 2034 and repayment of 6% Senior Notes due 2025 and revolver in July 2024
2. Includes base rate fixed or hedged. See Appendix for details

2Q24 Sustainability and Impact Highlights

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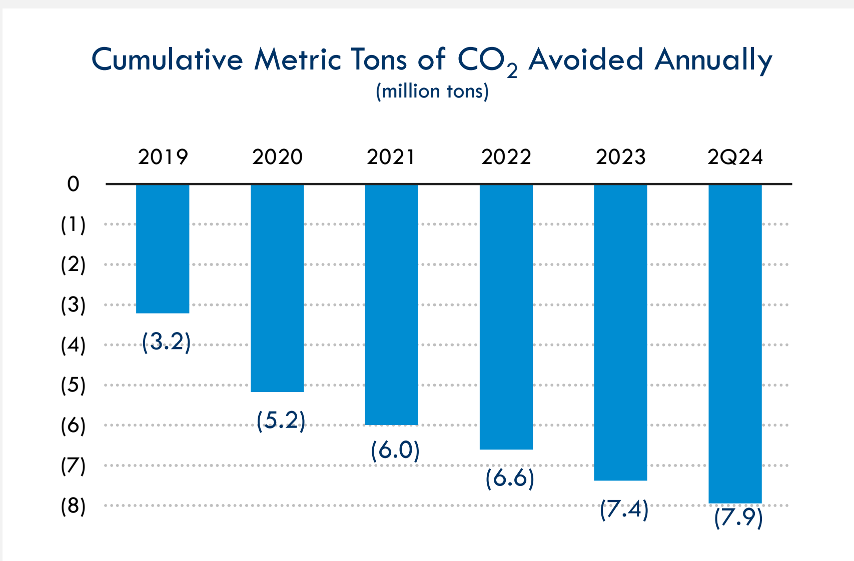
S&P's Second Party Opinion (SPO) on Green Bond Framework receives highest rating: 'Dark Green'

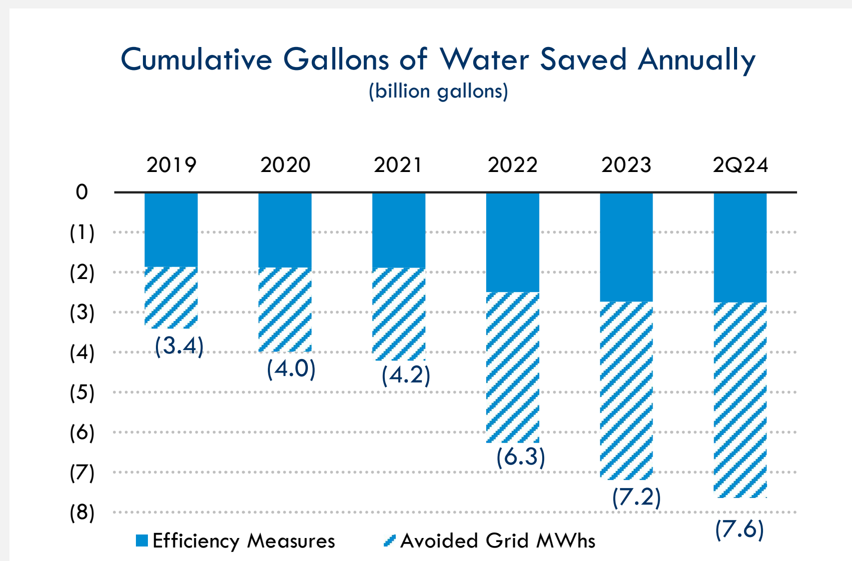
Named Green Business Culture Winner - Net Zero Companies of the Future @ 2024 Reuters Global Energy Transition Awards

HASI Foundation grant to support local non-profit focused on green workforce development

Carbon Emissions[1] CarbonCount® 0.26 (2Q24)



Water Savings[2] WaterCount™ 250 (2Q24)



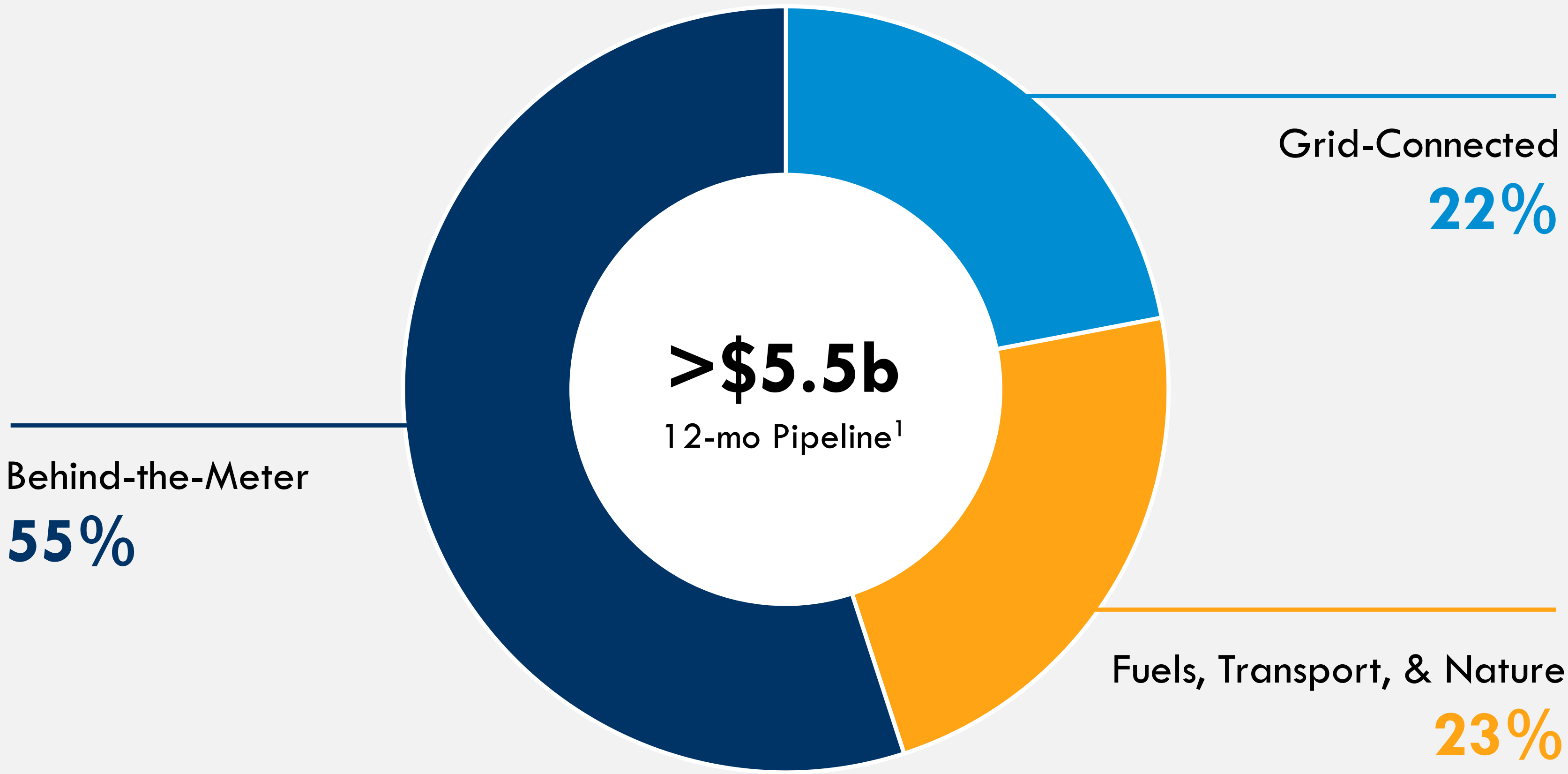
1. CarbonCount® is a proprietary scoring tool for evaluating real assets to determine the efficiency by which each dollar of invested capital avoids annual carbon dioxide equivalent (CO2e) emissions.
2. WaterCount™ is a scoring tool that evaluates investments in U.S.-based projects to estimate the expected water consumption reduction per $1,000 of investment.

Optimally Positioned to Capitalize on Growth of the Energy Transition

Demand	Clean energy demand inflecting higher
Access to Capital	Continued diversification of funding platform
Cost of Capital	Investment-grade bond priced at tighter spreads / lower interest costs

Appendix

$5.5b Pipeline Remains Well-Diversified



1. As of 6/30/24

Adjusted Cash from Operations Plus Other Portfolio Collections[1]

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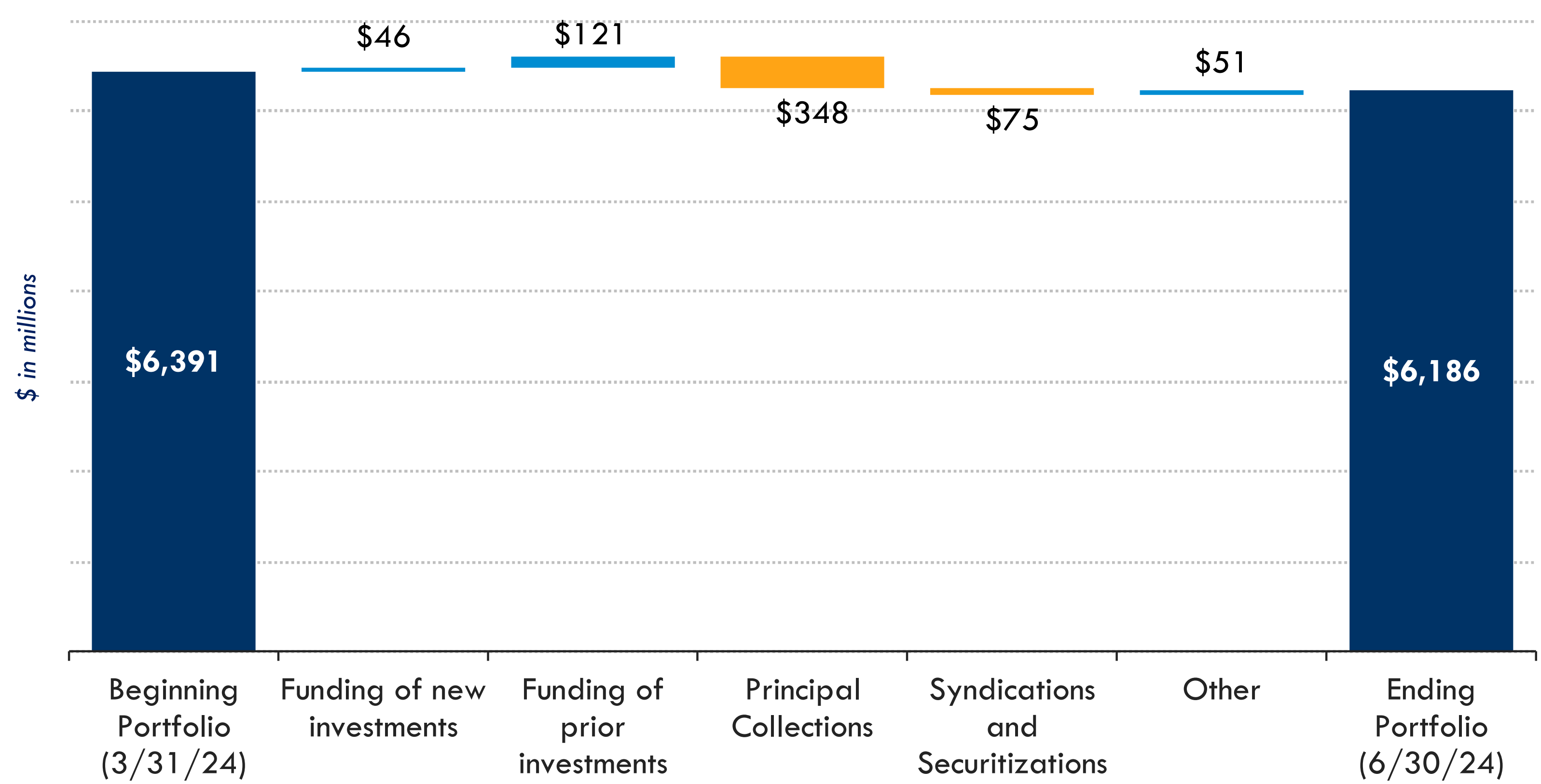
$ millions[2]	2Q24 (TTM)	2023	2022
Cash collected from our Portfolio	$863	$442	$424
Cash collected from sale of assets[3]	$235	$34	$47
Cash used for compensation and benefits and G&A expenses	($79)	($79)	($64)
Interest paid[4]	($161)	($138)	($99)
Securitization asset and other income	$25	$28	$19
Principal payments on non-recourse debt	($81)	($22)	($31)
Other	$7	$0	($9)
Adjusted Cash from operations plus other portfolio collections	**$808**	**$266**	**$287**
(-) Dividend	($181)	($160)	($132)
Cash Available for Reinvestment	**$627**	**$106**	**$155**
(-) Investments Funded[5]	($1,981)	($2,225)	($871)
(+) Capital Raised	$1,331	$1,969	$693
Other Sources/Uses of Cash	$33	$50	($51)
Change in Cash	$10	($100)	($74)

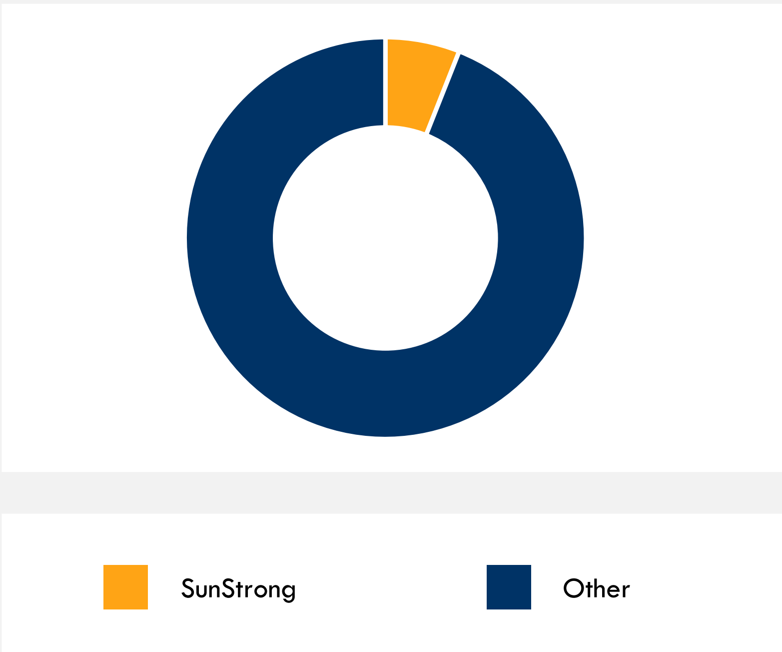
1. See explanatory notes for an explanation of Adjusted Cash Flow from Operations Plus Other Portfolio Collections
2. Amounts may not sum due to rounding
3. Includes cash from the sale of assets on our balance sheet as well as securitization transactions
4. For the six months and TTM ended June 30, 2024, interest paid includes a $19 million benefit from the settlement of a derivative which was designated as a cash flow hedge
5. Does not include receivables held-for-sale

Portfolio Bridge: Q1 2024 to Q2 2024

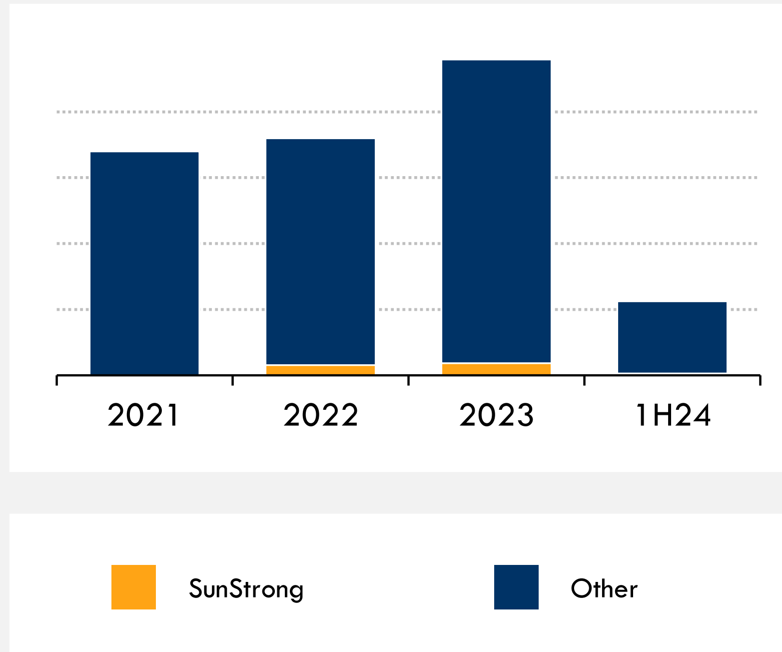


SunStrong Represents a Small Portion of Investments with Transition to Alternate Servicing Underway

<6% of Portfolio as of 6/30/24



<3% of Originations since 2021



HASI's mezzanine loans to SunStrong are fully collateralized by underlying cash flows of the solar assets

SunStrong assets are performing as expected with delinquency rates[1] <1.5% and default rates[2] <0.2%

SunPower can be replaced as a service provider of the existing assets

1. 121+ days
2. Weighted average annualized rate at 12/31/23

Strong Portfolio with Positive Credit Attributes

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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

Average annual realized loss on underwritten investment (Non-GAAP)[4]	0.06%
Average annual recognized loss on underwritten investment (GAAP)[4]	0.12%

Positive Credit Attributes

Asset Class	Portfolio(%)[6]	Structural Seniority	Obligor Credit
Residential	29%	Typically Preferred	> 355k consumers WAVG FICO: "Very Good" [5]
GC Solar	20%	Typically Super Senior or Preferred	Typically IG corporates or utilities
Wind	20%	Typically Preferred	Typically IG corporates or utilities
Fuels, Transport & Nature	13%	Senior	Various incentivized offtakers
Community	7%	Typically Preferred	Typically creditworthy consumers and/or IG corporates
C&I	6%	Senior or Preferred	Typically IG corporates
Public Sector	3%	Senior or Preferred	Predominantly IG govt or quasi-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 | 4. Average Annual Recognized (GAAP)/ Realized (Non-GAAP) Loss on Managed Assets is the average rate of our annual recognized (GAAP)/ realized (Non-GAAP) losses, calculated as a percentage of recognized (GAAP)/ realized (Non-GAAP) losses incurred in each year relative to average Managed Assets. This metric includes the 10 year period ending June 30, 2024. These losses include both losses related to equity method investments and receivables and investments. | 5. As of March 31, 2024; located across 21 states and the District of Columbia, Puerto Rico and Guam; qualitative FICO Rating corresponds to average FICO Score range for consumer obligors (as of lease origination dates) | 6. Total may not sum due to rounding

Summary of Total Debt and Hedge Portfolio

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Debt Facility	Debt Amount (millions) [1]	Interest Rate[2]	Maturity Year
Corporate Senior Unsecured Notes	$1,000	3.38%	2026
Corporate Senior Unsecured Notes	$750	8.00%	2027
Term Loan A	$250	5.76%	2027
Convertible Notes	$403	3.75%	2028
Corporate Senior Unsecured Notes[3]	$400	6.00%	2025
Corporate Senior Unsecured Notes	$375	3.75%	2030
Convertible Notes	$200	3.25%	2025
Revolving Line of Credit	$315	5.27%	2028
Rhea Debt Facility	$171	6.76%	2028
Harmony	$94	6.78%	2043
Commercial Paper Notes[4]	$110	6.73%	2026
Other Non-Recourse	$41	3.15%-7.23%	2024 to 2032

Fixed Rate Debt Floating Rate Debt, Swapped to Fixed Where Noted Below

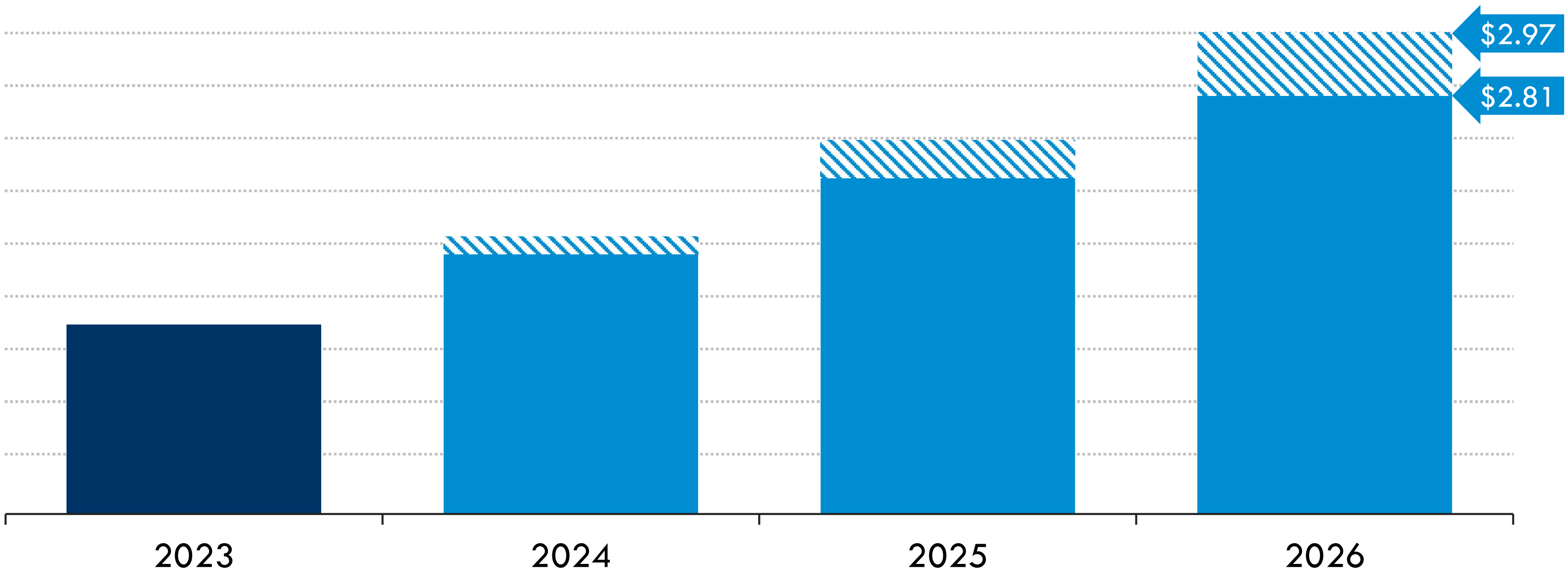
Hedged Instrument[1]	Notional ($ in millions)	Fixed Rate	Hedge Structure	Termination Date
2026 Sr. Notes[5]	$600	3.085%	Fwd-starting Pay fixed / Receive SOFR	6/15/2033
2026 Sr. Notes[5]	$400	2.980%	Fwd-starting Pay fixed / Receive SOFR	6/15/2033
2025 Sr. Notes[3]	$400	3.075%	Fwd-starting Pay fixed / Receive SOFR	4/15/2035
Term Loan A	$400	3.788%	Pay fixed / Receive 1-mo Term SOFR	3/27/2033
Revolving Line of Credit	$250	3.695% (Floor) 4.000% (Cap)	Collar	5/26/2026
Rhea Debt Facility	$170	4.41%	Pay fixed / Receive Daily SOFR	6/10/2033

1. As of June 30, 2024
2. Interest rate includes hedge rate where applicable
3. The 2025 Sr. Notes were repaid in July 2024 with new Sr. notes that were priced 6/24/2024. The hedge position was unwound on 6/24/2024 as well.
4. CP is renewed periodically on short term basis
5. 2026 Sr. Note Hedges have a mandatory early termination provision by 9/15/2026

2024-26 Guidance Bridge to Long-Term Business Model

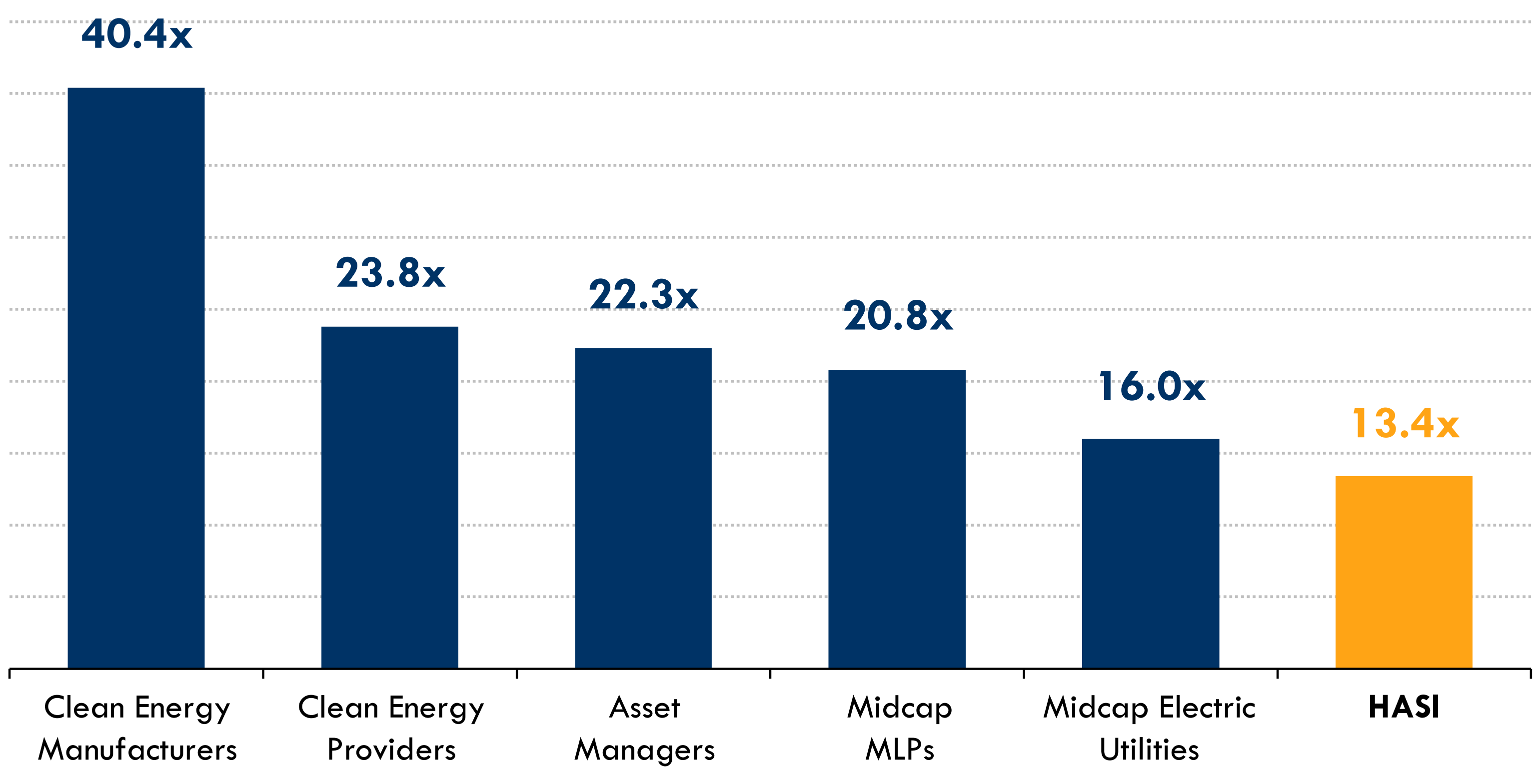
	Adjusted EPS[1]	Dividend Per Share (DPS)
Long-Term Business Model	10% CAGR (Realized 2014-2023 CAGR of 10%)	50% payout ratio
2024 – 2026 Guidance	8-10% CAGR[2]	60-70% payout ratio

Guidance Adjusted EPS[1]: 8-10% Adj-EPS CAGR[2]



1. See Appendix for an explanation of Adjusted Earnings, including reconciliations to the relevant GAAP measures
2. Using 2023 base year

Low P/E Multiple Relative to Comparable Sectors



Note: Based on stock prices and consensus estimates as of July 26, 2024

Explanatory Notes

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Adjusted Cash Flow from Operations plus Other Portfolio Collections

We operate our business in a manner that considers total cash collected from our portfolio and making necessary operating and debt service payments to assess the amount of cash we have available to fund dividends and investments. We believe that the aggregate of these items, which combine as a non-GAAP financial measure titled Adjusted Cash Flow from Operations plus Other Portfolio Collections, is a useful measure of the liquidity we have available from our assets to fund both new investments and our regular quarterly dividends. This non-GAAP financial measure may not be comparable to similarly titled or other similar measures used by other companies. Although there is also not a directly comparable GAAP measure that demonstrates how we consider cash available for dividend payment, set forth further in the Appendix is a reconciliation of this measure to GAAP Net cash provided by operating activities.

Also, Adjusted Cash Flow from Operations plus Other Portfolio Collections differs from Net cash provided by (used in) investing activities in that it excludes many of the uses of cash used in our investing activities such as in Equity method investments, Purchases of and investments in receivables, Purchases of real estate, Purchases of investments, Funding of escrow accounts, and excludes Withdrawal from escrow accounts, and Other.

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

Supplemental Financial Data

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Adjusted Earnings and Earnings on Equity Method Investments

We calculate Adjusted 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 eliminate our portion of fees we earn from related-party co-investment structures, and for our equity method investments in the renewable energy projects as described below. We will use judgment in determining when we will reflect the losses on receivables in our Adjusted earnings, and 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, Adjusted earnings may also exclude one-time events pursuant to changes in GAAP and certain other adjustments as approved by a majority of our independent directors.

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 investors, often the operator or sponsor of the project, receive 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 underwritten cash flows projects discounted back to the net present value, based on a target investment rate, with the cash flows to be received in the future reflecting both a return on the capital (at the investment rate) and a return of the capital we have committed to the project. We use a similar approach in the underwriting of our receivables.

Under GAAP, we account for these equity method investments utilizing the HLBV method. Under this method, we recognize income or loss based on the change in the amount each partner would receive, 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. The investment tax credit available for election in solar projects is a one-time credit realized in the quarter when the project is considered operational for tax purposes and is fully allocated under HLBV in that quarter (subject to an impairment test), while the production tax credit required for wind projects and electable for solar projects is a ten year credit and thus is allocated under HLBV over a ten year period. 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. We also consider the impact of any other-than-temporary impairment in determining our income from equity method investments.

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 Adjusted 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 underwritten 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 Adjusted 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 Adjusted Earnings, that adjusts for the items discussed above is and has been a meaningful indicator of our economic performance in any one period and is useful to our investors as well as management in evaluating our performance as it relates to expected dividend payments over time. We believe that our investors also use Adjusted Earnings, or a comparable supplemental performance measure, to evaluate and compare our performance to that of our peers, and as such, we believe that the disclosure of Adjusted Earnings is useful to our investors in any one period.

However, Adjusted Earnings does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP), or an indication of our cash flow from operating activities (determined in accordance with GAAP), or a measure of our liquidity, or an indication of funds available to fund our cash needs, including our ability to make cash distributions. In addition, our methodology for calculating Adjusted Earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported Adjusted Earnings may not be comparable to similar metrics reported by other companies.

Supplemental Financial Data

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Managed Assets

As we both consolidate assets on our balance sheet and securitize assets, 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 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 securitized receivables. Our management also uses Managed Assets in this way. Our non-GAAP Managed Assets measure may not be comparable to similarly titled measures used by other companies.

Adjusted Net Investment Income

Adjusted 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 Adjusted 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 and management for the reasons discussed in our Adjusted Earnings measure. Our Adjusted Net Investment Income measure may not be comparable to similarly titled measures used by other companies.

Portfolio Yield

We calculate portfolio yield as the weighted average underwritten yield of the investments in our Portfolio as of the end of the period. Underwritten yield for both our portfolio and individual assets is the rate at which we discount the cash flows from the assets in our portfolio to determine our purchase price. In calculating underwritten yield, we make certain assumptions, including the timing and amounts of cash flows generated by our investments, which may differ from actual results, and may update this yield to reflect our most current estimates of project performance. We believe that portfolio yield provides an additional metric to understand certain characteristics of our Portfolio as of a point in time. Our management uses portfolio yield this way and we believe that our investors use it in a similar fashion to evaluate certain characteristics of our portfolio compared to our peers, and as such, we believe that the disclosure of portfolio yield is useful to our investors. Our Portfolio Yield measure may not be comparable to similarly titled measures used by other companies.

Guidance

The Company expects that annual Adjusted earnings per share will grow at a compounded annual rate of 8% to 10% from 2024 to 2026, relative to the 2023 baseline of $2.23 per share, which is equivalent to a 2026 midpoint of $2.89 per share. The Company also expects distributions of annual dividends per share from 2024 to 2026 to be set at a payout ratio of 60-70% of annual Adjusted earnings 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 transactions; (iv) amount, timing, and costs of debt and equity capital to fund new investments; (v) changes in costs and expenses reflective of the Company's forecasted operations; and (vi) the general interest rate and market environment. In addition, distributions are subject to approval by the Company's Board of Directors on a quarterly basis. The Company has not provided GAAP guidance as discussed in the Forward-Looking Statements.

Income Statement

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HA SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

(UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue				
Interest income	$ 62,779	$ 48,222	$ 131,471	$ 91,330
Rental income	83	6,487	1,929	12,973
Gain on sale of assets	25,795	14,791	54,405	30,510
Securitization asset income	5,218	4,330	10,116	7,762
Other income	642	504	2,411	860
Total revenue	**94,517**	**74,334**	**200,332**	**143,435**
Expenses				
Interest expense	59,530	39,903	121,403	77,118
Provision (benefit) for loss on receivables and securitization assets	(4,198)	806	(2,177)	2,689
Compensation and benefits	20,814	13,862	41,490	32,232
General and administrative	7,955	10,095	17,007	18,117
Total expenses	**84,101**	**64,666**	**177,723**	**130,156**
Income before equity method investments	**10,416**	**9,669**	**22,609**	**13,279**
Income (loss) from equity method investments	26,874	2,252	185,424	24,670
Income (loss) before income taxes	**37,290**	**11,921**	**208,033**	**37,949**
Income tax (expense) benefit	(10,346)	1,601	(56,541)	171
Net income (loss)	**$ 26,944**	**$ 13,522**	**$ 151,492**	**$ 38,120**
Net income (loss) attributable to non-controlling interest holders	404	—	1,926	492
Net income (loss) attributable to controlling stockholders	**$ 26,540**	**$ 13,522**	**$ 149,566**	**$ 37,628**
Basic earnings (loss) per common share	$ 0.23	$ 0.14	$ 1.31	$ 0.39
Diluted earnings (loss) per common share	$ 0.23	$ 0.14	$ 1.22	$ 0.39
Weighted average common shares outstanding—basic	114,329,692	96,996,805	113,473,750	94,065,873
Weighted average common shares outstanding—diluted	114,433,285	99,989,158	131,922,504	97,075,329

Balance Sheet

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HA SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

(UNAUDITED)

	June 30, 2024 (unaudited)	December 31, 2023
Assets		
Cash and cash equivalents	$ 145,695	$ 62,632
Equity method investments	3,371,373	2,966,305
Receivables, net of allowance of $47 million and $50 million, respectively	2,768,790	3,073,855
Receivables held-for-sale	36,383	35,299
Real estate	2,990	111,036
Investments	7,065	7,165
Securitization assets, net of allowance of $3 million and $3 million, respectively	237,865	218,946
Other assets	88,581	77,112
Total Assets	**$ 6,658,742**	**$ 6,552,350**
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable, accrued expenses and other	$ 222,297	$ 163,305
Credit facilities	316,589	400,861
Commercial paper notes	110,326	30,196
Term loans payable	414,117	727,458
Non-recourse debt (secured by assets of $306 million and $239 million, respectively)	134,196	160,456
Senior unsecured notes	2,523,638	2,318,841
Convertible notes	614,412	609,608
Total Liabilities	4,335,575	4,410,725
Stockholders' Equity:		
Preferred stock, par value $0.01 per share, 50,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, par value $0.01 per share, 450,000,000 shares authorized, 115,151,661 and 112,174,279 shares issued and outstanding, respectively	1,152	1,122
Additional paid-in capital	2,467,512	2,381,510
Accumulated deficit	(249,277)	(303,536)
Accumulated other comprehensive income (loss)	41,052	13,165
Non-controlling interest	62,728	49,364
Total Stockholders' Equity	2,323,167	2,141,625
Total Liabilities and Stockholders' Equity	**$ 6,658,742**	**$ 6,552,350**

Statement of Cashflows

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

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash flows from operating activities		
Net income (loss)	$ 151,492	$ 38,120
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision for loss on receivables	(2,177)	2,689
Depreciation and amortization	515	1,862
Amortization of financing costs	8,192	6,318
Equity-based compensation	14,884	11,478
Equity method investments	(161,958)	(6,355)
Non-cash gain on securitization	(53,891)	(14,603)
(Gain) loss on sale of receivables and investments	8,532	1,305
Changes in receivables held-for-sale	(6,750)	51,538
Changes in accounts payable and accrued expenses	50,801	(9,733)
Change in accrued interest on receivables and investments	(33,242)	(14,518)
Cash received (paid) upon hedge settlement	19,261	—
Other	455	(2,375)
Net cash provided by (used in) operating activities	(3,886)	65,726
Cash flows from investing activities		
Equity method investments	(168,896)	(429,944)
Equity method investment distributions received	11,426	4,203
Proceeds from sales of equity method investments	2,107	—
Purchases of and investments in receivables	(347,343)	(317,805)
Principal collections from receivables	470,788	74,328
Proceeds from sales of receivables	99,166	7,634
Proceeds from sale of real estate	115,767	—
Purchases of investments and securitization assets	—	(12,969)
Posting of hedge collateral	(1,140)	(13,380)
Receipt of hedge collateral	4,010	—
Other	(680)	(473)
Net cash provided by (used in) investing activities	185,205	(688,406)

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash flows from financing activities		
Proceeds from credit facilities	616,792	467,000
Principal payments on credit facilities	(701,792)	(235,000)
Proceeds from issuance of term loan	250,000	—
Principal payments on term loan	(561,023)	(4,788)
Proceeds from issuance of non-recourse debt	94,000	—
Proceeds from issuance of commercial paper notes	80,000	100,000
Principal payments on non-recourse debt	(69,958)	(10,069)
Proceeds from issuance of senior unsecured notes	205,500	—
Net proceeds of common stock issuances	82,014	357,594
Payments of dividends and distributions	(93,280)	(72,129)
Withholdings on employee share vesting	(466)	(1,433)
Payment of financing costs	(19,711)	(921)
Posting of hedge collateral	(90,860)	—
Receipt of hedge collateral	114,700	—
Other	(969)	(1,768)
Net cash provided by (used in) financing activities	(95,053)	598,486
Increase (decrease) in cash, cash equivalents, and restricted cash	86,266	(24,194)
Cash, cash equivalents, and restricted cash at beginning of period	75,082	175,972
Cash, cash equivalents, and restricted cash at end of period	**$ 161,348**	**$ 151,778**
Interest paid	$ 110,996	$ 68,167
Supplemental disclosure of non-cash activity		
Residual assets retained from securitization transactions	$ 28,164	$ 26,020
Equity method investments retained from securitization transactions	32,564	—
Equity method investments retained from sale of seed assets into co-investment structure	54,655	—
Deconsolidation of non-recourse debt	51,233	32,923
Deconsolidation of assets pledged for non-recourse debt	51,761	31,371

Adjusted Cash Flow from Operations Plus Other Portfolio Collections

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	For the year ended, December 31, 2022	For the year ended, December 31, 2023	Plus: For the six months ended, June 30, 2024	Less: For the six months ended, June 30, 2023	For the TTM ended, June 30, 2024
			(in thousands)		
Net cash provided by operating activities	$ 230	$ 99,689	$ (3,886)	$ 65,726	$ 30,077
Changes in receivables held-for-sale	62,953	(51,538)	6,750	(51,538)	6,750
Equity method investment distributions received	110,064	30,140	11,426	4,203	37,363
Proceeds from sales of equity method investments	1,700	—	2,107	—	2,107
Principal collections from receivables	125,976	197,784	470,788	74,328	594,244
Proceeds from sales of receivables	5,047	7,634	99,166	7,634	99,166
Proceeds from sales of land	4,550	—	115,767	—	115,767
Principal collection from investments [(1)]	170	3,805	(75)	85	3,645
Principal payments on non-recourse debt	(30,581)	(21,606)	(69,958)	(10,069)	(81,495)
Adjusted cash flow from operations plus other portfolio collections	287,129	265,908	632,085	90,369	807,624
Less: Dividends	(132,198)	(159,786)	(93,280)	(72,129)	(180,937)
Cash Available for Reinvestment	$ 154,931	$ 106,122	$ 538,805	$ 18,240	$ 626,687

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

Reconciliation of GAAP Net Income to Adjusted Earnings

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	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	$	Per Share	$	Per Share	$	Per Share	$	Per Share
	(dollars in thousands, except per share amounts)							
Net income (loss) attributable to controlling stockholders [1]	$ 26,540	$ 0.23	$ 13,522	$ 0.14	$149,566	$ 1.22	$ 37,628	$ 0.39
Adjustments:								
Reverse GAAP (income) loss from equity method investments	(26,874)		(2,252)		(185,424)		(24,670)	
Equity method investments earnings adjustment	59,291		38,461		114,753		72,419	
Elimination of proportionate share of fees earned from co-investment structures [2]	(111)		—		(111)		—	
Equity-based expenses	8,282		3,438		17,341		12,873	
Provision for loss on receivables [3]	(4,198)		806		(2,177)		2,689	
Amortization of intangibles	3		772		174		1,544	
Non-cash provision (benefit) for income taxes	10,346		(1,601)		56,541		(171)	
Current year earnings attributable to non-controlling interest	404		—		1,926		492	
Adjusted earnings [4]	$ 73,683	$ 0.63	$ 53,146	$ 0.53	$152,589	$ 1.31	$102,804	$ 1.07

(1) The per share data reflects the GAAP diluted earnings per share and is the most comparable GAAP measure to our adjusted earnings per share.

(2) This adjustment is to eliminate the intercompany portion of fees received from co-investment structures that for GAAP net income is included in the Equity method income line item. Since we remove GAAP Equity method income for purposes of our Adjusted Earnings metric, we add back the elimination through this adjustment.

(3) In addition to these provisions, in the six months ended June 30, 2024, we concluded that an equity method investment along with certain loans we had made to this investee, were not recoverable. The equity method investment and loans had a carrying value of $0 due to the losses already recognized through GAAP income from equity method investments as a result of operating losses sustained by the investee. We have excluded this write-off from Adjusted earnings, as this investment was an investment in a corporate entity which is not a part of our current investment strategy and is immaterial to our Portfolio. The loss associated with this investment is included in our Average Annual Realized Loss on Managed Assets metric disclosed below.

4) Adjusted earnings per share are based on 117,506,065 shares and 116,453,108 shares for the three and six months ended June 30, 2024, respectively, and 99,581,898 shares and 96,441,450 shares for the three and six months ended June 30, 2023, 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 issuances related to share based compensation units in the amount we believe is reasonably certain to vest. As it relates to Convertible Notes, we will assess the market characteristics around the instrument to determine if it is more akin to debt or equity based on the value of the underlying shares compared to the conversion price. If the instrument is more debt-like then we will include any related interest expense and exclude the underlying shares issuable upon conversion of the instrument. If the instrument is more equity-like and is more dilutive when treated as equity then we will exclude any related interest expense and include the weighted average shares underlying the instrument. We will consider the impact of any capped calls in assessing whether an instrument is equity-like or debt like.

Reconciliation of GAAP-based NII to Adjusted NII

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)			
Interest income	$ 62,779	$ 48,222	$ 131,471	$ 91,330
Rental income	83	6,487	1,929	12,973
GAAP-based investment revenue	62,862	54,709	133,400	104,303
Interest expense	59,530	39,903	121,403	77,118
GAAP-based net investment income	3,332	14,806	11,997	27,185
Equity method earnings adjustment	59,291	38,461	114,753	72,419
Amortization of real estate intangibles	3	772	174	1,544
Adjusted net investment income	$ 62,626	$ 54,039	$ 126,924	$ 101,148

Additional GAAP to Non-GAAP Reconciliations

	As of	
	June 30, 2024	December 31, 2023
	(in millions)	
Equity method investments	$ 3,371	$ 2,966
Receivables, net of allowance	2,769	3,074
Receivables held-for sale	36	35
Real estate	3	111
Investments	7	7
GAAP-based Portfolio	6,186	6,193
Assets held in securitization trusts	6,725	6,060
Assets held in co-investment structures	57	$ —
Managed Assets	$ 12,968	$ 12,253

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