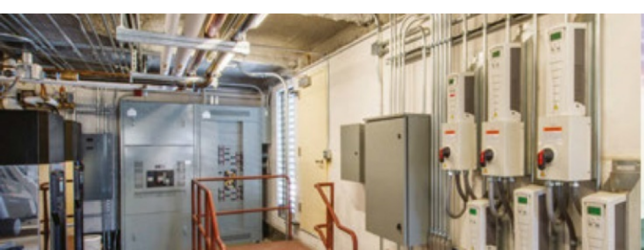
HANNON ARMSTRONG

INVESTING IN THE FUTURE OF ENERGY℠

Third Quarter 2017 Earnings Conference Call

November 1, 2017



Forward Looking Statements

Some of the information contained herein are forward-looking statements and 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 Annual Report on Form 10-K for our fiscal year ended Dec. 31, 2016, which was filed with the U.S. Securities and Exchange Commission (SEC), as well as in other reports that we file with the SEC.

Forward-looking statements are based on beliefs, assumptions and expectations as of November 1, 2017. Any 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) amount, timing, and costs of debt and equity capital to fund new investments; and (iv) changes in costs and expenses reflective of the Company's forecasted operations. Any guidance is based on current expectations of future economic conditions, the regulatory environment, the dynamics of the markets in which it operates 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.

This presentation refers to certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles. Reconciliations of those non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix herein.

Hannon Armstrong: Investing in the Future of Energy℠

Q3 2017 Results

- $0.14 GAAP EPS, $0.31 Core EPS[1] for Q3 ’17
- $0.52 GAAP EPS, $0.96 Core EPS[1] YTD ’17
- $0.33 quarterly dividend; 5.5% annualized yield[2]
- 2.1 to 1 leverage
- 71% fixed rate debt level
- ~$750 million transactions closed YTD 2017

Proforma fixed-rate debt of ~94%[3]

- 3.57%, 24 year fully amortizing, $134 million
- 3.86%, 25 year fully amortizing, $164 million[4]
- 4.125%, 5 year, convertible, 20% conversion premium, $150 million
    - First investment grade corporate rating of BBB (low) LT by DBRS, Inc.

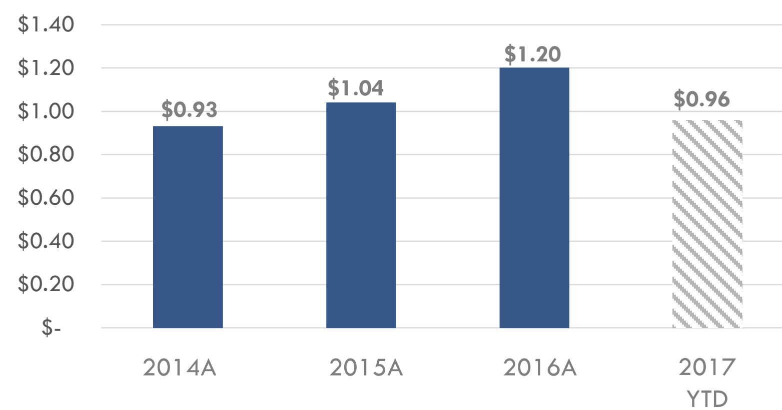
Target Asset Classes


Efficiency


Renewables


Sustainable Infrastructure

Core Earnings Per Share[1]

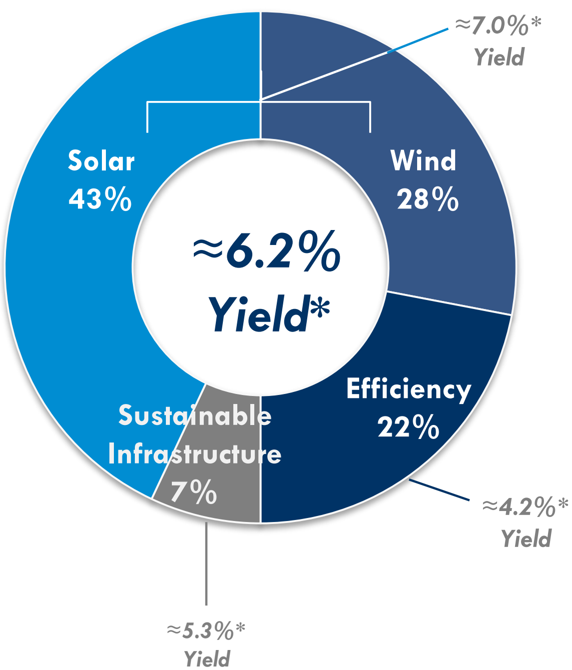


[1] See Appendix for an explanation of core earnings and reconciliation to GAAP net income
[2] Source: Bloomberg – Based on HASI closing share price of $24.06 on 10/31/2017
[3] Reflects impact of HASI SYB 2017-1 completed in Q4 and the expected $198 million fixed-rate financing of our June 2017 wind equity credit agreement
[4] Locked in September, closed in October

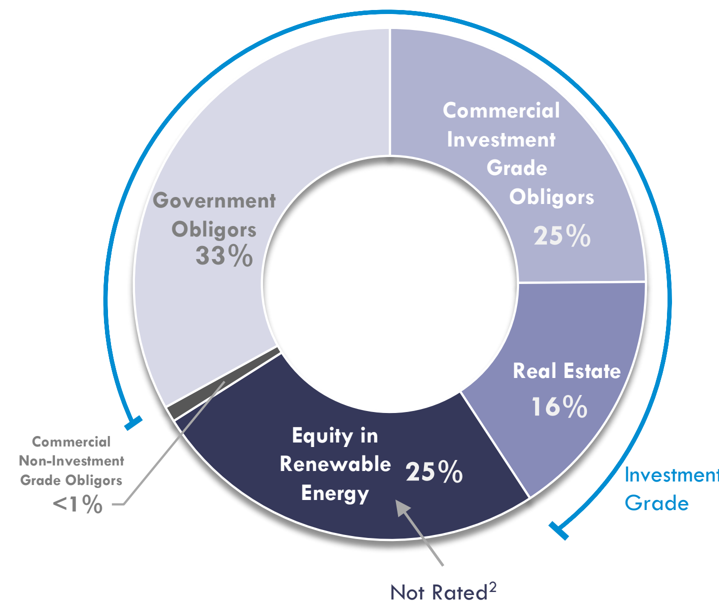
Our Portfolio is Diversified by Technology, Obligor and Location

$2.0 Billion Portfolio

Average deal size $12m



High Credit Quality Portfolio[1]



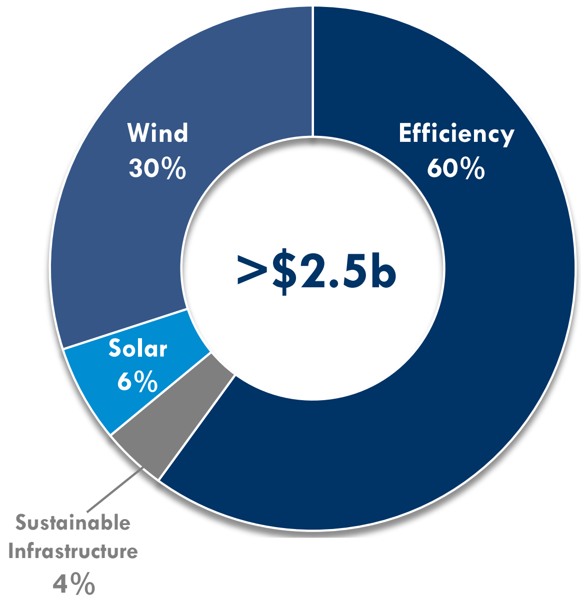
* Represents forward looking unlevered estimated return on assets (core) yield as of September 30, 2017

[1] See Supplemental Financial Data on Slide 10 for footnotes

[2] Typically senior or preferred in structure, with underlying project cashflows supported by long-term PPAs

Pipeline and Market Landscape

12-Month Pipeline >$2.5 Billion



Market Commentary

Efficiency

- Government markets continue to be strong
- Sustainability and energy security emerging as key buying influence in commercial sector[1]

Wind / Solar

- Wind new build promising for 2018
- Recycling capital in wind projects is strong
- Select solar markets are highly competitive

Sustainable Infrastructure

- Resiliency is growing in prominence
- Water systems
- T&D infrastructure

[1] Source: JCI 2017 Energy Efficiency Indicator Survey

Summary Financial Data

Results, Unaudited* ($ in millions, except per share data)	Q3 2017	Q3 2016	YTD 2017	YTD 2016	Notes
Investment income[1]	$ 28.9	$ 16.8	$ 80.4	$ 48.9	~45% growth in the Portfolio YoY and increase in GAAP equity method investment and allocation
Other investment revenue[2]	4.4	3.5	17.5	15.1	
Investment interest expense	(17.6)	(10.6)	(46.7)	(32.9)	Increased borrowings, including higher fixed-rate debt
Compensation, general & administrative	(7.7)	(6.3)	(23.4)	(20.6)	Increase in size of the Company
GAAP earnings	**$ 7.9**	**$ 3.3**	**$ 27.5**	**$ 10.2**	
GAAP earnings per share	**$ 0.14**	**$ 0.07**	**$ 0.52**	**$ 0.23**	
Equity method investments[3]	$ 4.9	$ 6.2	$ 11.9	$ 18.6	YTD 2017 / YTD 2016: Cash collected $ 66 million / $ 45 million; GAAP earnings $ 19 million / $ 3 million; Core earnings $ 31 million / $ 21 million
Stock-based compensation	2.8	2.5	8.4	7.5	Increase in size of the Company
Other	0.8	0.5	1.9	1.1	
Core earnings[4]	**$ 16.4**	**$ 12.5**	**$ 49.7**	**$ 37.4**	
Core earnings per share	**$ 0.31**	**$ 0.29**	**$ 0.96**	**$ 0.92**	

	YTD 2017	YTD 2016
Cash collected	$ 66 million	$ 45 million
GAAP earnings	$ 19 million	$ 3 million
Core earnings	$ 31 million	$ 21 million

* Subtotals may not sum due to rounding and excludes minority interest and taxes
1 Interest income, rental income, income from equity method investments
2 Gain on sale and fee income
3 Reflects the reversal of Equity method investments GAAP income and add back of Equity method investments core earnings; See Appendix for an explanation of core earnings and reconciliation to GAAP net income
4 See footnote on slide 10 for an explanation of core earnings

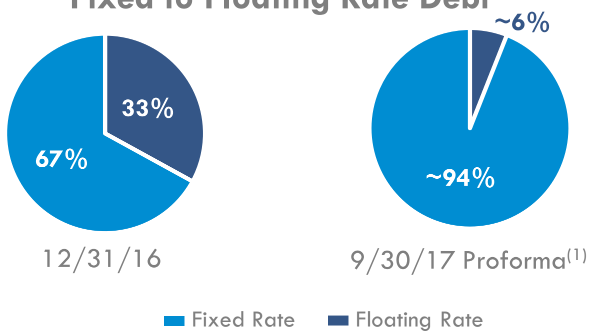
Executing on our Financing Strategy

Summary

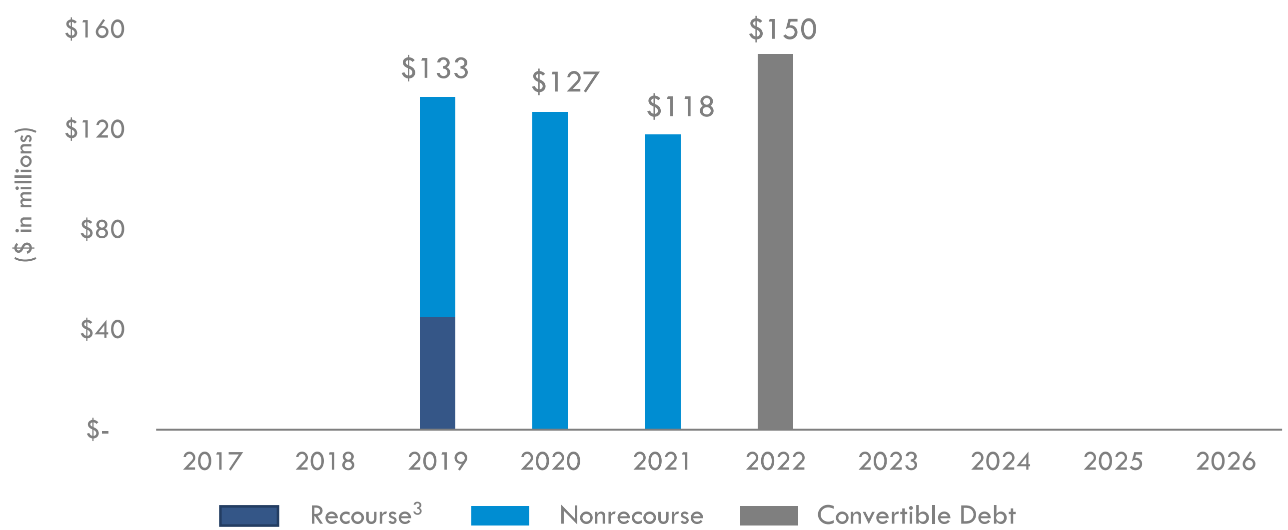
Executed a number of long term financings during the quarter which:

- Increased percentage of fixed rate debt to ~94% proforma
- Created a well laddered maturity profile with no maturities before 2019
- No anticipated maturity balance greater than 11% of our current debt outstanding

Fixed to Floating Rate Debt



Anticipated Maturity Balance Over the Next 10 Years [1,2]



[1] Reflects impact of HASI SYB 2017-1 completed in Q4 and the expected $198 million fixed-rate financing of our June 2017 wind equity credit agreement
[2] Excludes $85m of largely pre-IPO nonrecourse debt, which is match funded with underlying assets
[3] Represents current borrowings under our revolving credit facility as of September 30, 2017 after pay down associated with financings completed in Q4. Ultimate balance at maturity will depend on borrowings made between now and maturity

Hannon Armstrong: Continuing to Execute

Attractive Yield

- Long-term cash flows provide stable dividend
- Preferred returns minimize credit risk, commodity and resource variability

Diversified Portfolio & Balance Sheet

- Approximately 170 Investments, diversified by geography, obligors, technologies, and clients
- Well structured balance sheet with high percentage of fixed-rate debt

Good Governance

- Industry leader in environmental disclosure
- Internally managed and aligned with shareholders

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Appendix

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Supplemental Financial Data

EXPLANATORY NOTES

Non-GAAP Financial Measures

Core Earnings

We calculate core earnings as GAAP net income excluding non-cash equity compensation expense, non-cash provision for credit losses, 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 account for 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 projects are structured using typical partnership "flip" structures where we, along with any other institutional investors, if any, receive a pre-negotiated preferred 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 renewable energy company, which operates the project, receives more of the cash flows through its equity interests while we, and any other institutional investors, retain an ongoing residual interest. We typically negotiate the purchase prices of these projects, 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. This is also similar to how we negotiate many of our financing receivables.

Under GAAP, we account for these investments utilizing the hypothetical liquidation at book value ("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 are also 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 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, we further adjust GAAP net income 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 adjustment to our GAAP net income 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.

For the three and nine months ended September 30, 2017, we recognized $7 million and $19 million in income under GAAP for our equity investments in renewable energy projects. We reversed the GAAP income and recorded $12 million and $31 million for core earnings as discussed above to reflect our return on capital from these investments for the three and nine months ended September 30, 2017, respectively. This compares to the collected cash distributions from these equity method investments of approximately $27 million and $66 million, for the three and nine months ended September 30, 2017, with the difference between core earnings and cash collected representing a return of capital.

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 REITs 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 REITs 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 REITs.

Guidance

In any forecasting of its Core Earnings, the Company estimated Core Earnings using the method described above. To also forecast a comparable U.S. 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 regards to when a partnership transactions 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 Core Earnings guidance.

Portfolio/Credit Quality Footnotes

"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). This amount includes $474 million of U.S. federal government transactions and $205 million of transactions where the ultimate obligors are state or local governments. Transactions may have guaranties of energy savings from third party service providers, the majority of which are entities rated investment grade by an independent rating agency.
"Commercial"	Transactions where the projects or the ultimate obligors are commercial entities that have been rated investment grade (either by an independent rating agency or based on our internal credit analysis). Of this total, $10 million of the transactions have been rated investment grade by an independent rating agency. Commercial investment grade financing receivables include $310 million of internally rated residential solar loans made on a non-recourse basis to special purpose subsidiaries of the SunPower Corporation, for which we rely on certain limited indemnities, warranties, and other obligations of the SunPower Corporation or its other subsidiaries.
"Commercial Non-Investment Grade"	Transactions where the projects or the ultimate obligors are commercial entities that have ratings below investment grade (either by an independent rating agency or using our internal credit analysis).
"Real Estate"	Includes the real estate and the lease intangible assets (including those held through equity method investments) from which we receive scheduled lease payments, typically under long-term triple net lease agreements.
"Average Remaining Balance"	Excludes approximately 130 transactions each with outstanding balances that are less than $1 million and that in the aggregate total $51 million.

Income Statement

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue:				
Interest income, financing receivables	$ 15,374	$ 12,043	$ 43,129	$ 36,178
Interest income, investments	1,316	494	3,617	1,303
Rental income	5,286	2,977	14,259	8,768
Gain on sale of receivables and investments	3,529	2,724	15,204	13,665
Fee income	897	770	2,268	1,422
Total Revenue	**26,402**	**19,008**	**78,477**	**61,336**
Expenses:				
Interest expense	17,584	10,635	46,728	32,945
Compensation and benefits	5,347	4,325	15,732	14,497
General and administrative	2,367	1,991	7,694	6,129
Total Expenses	**25,298**	**16,951**	**70,154**	**53,571**
Income (loss) before equity method investments	**1,104**	**2,057**	**8,323**	**7,765**
Income (loss) from equity method investments	6,876	1,331	19,424	2,677
Income (loss) before income taxes	**7,980**	**3,388**	**27,747**	**10,442**
Income tax (expense) benefit	(5)	(41)	(119)	(123)
Net Income (loss)	**$ 7,975**	**$ 3,347**	**$ 27,628**	**$ 10,319**
Net income (loss) attributable to non-controlling interest holders	42	18	156	75
Net Income (loss) attributable to controlling stockholders	**$ 7,933**	**$ 3,329**	**$ 27,472**	**$ 10,244**
Basic earnings per common share	$ 0.14	$ 0.07	$ 0.52	$ 0.23
Diluted earnings per common share	$ 0.14	$ 0.07	$ 0.52	$ 0.23
Weighted average common shares outstanding—basic	51,655,868	41,988,036	49,924,224	38,924,977
Weighted average common shares outstanding—diluted	51,655,868	41,988,036	49,924,224	38,924,977

Balance Sheet

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
CONSOLIDATED BALANCE SHEET
($ IN THOUSANDS, EXCEPT PER SHARE DATA)

	September 30, 2017 (unaudited)	December 31, 2016
Assets		
Financing receivables	$ 1,062,051	$ 1,042,237
Investments	130,540	58,058
Real estate	313,642	172,257
Equity method investments	540,150	363,297
Cash and cash equivalents	90,752	29,428
Other assets	173,550	80,610
Total Assets	**$ 2,310,685**	**$ 1,745,887**
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable, accrued expenses and other	$ 33,187	$ 25,219
Deferred funding obligations	225,817	170,892
Credit facilities	174,742	283,346
Non-recourse debt (secured by assets of $1,416 million and $864 million, respectively)	1,076,326	692,091
Convertible notes	145,914	0
Total Liabilities	1,655,986	1,171,548
Stockholders' Equity:		
Preferred stock, par value $0.01 per share, 50,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, par value $0.01 per share, 450,000,000 shares authorized, 51,656,224 and 46,493,155 shares issued and outstanding, respectively	517	465
Additional paid in capital	768,665	663,744
Accumulated deficit	(117,122)	(92,213)
Accumulated other comprehensive income (loss)	(1,009)	(1,388)
Non-controlling interest	3,648	3,731
Total Stockholders' Equity	654,699	574,339
Total Liabilities and Stockholders' Equity	**$ 2,310,685**	**$ 1,745,887**

Reconciliation of GAAP Net Income to Core Earnings

Reconciliation of our GAAP Net Income to Core Earnings

We have calculated our core earnings and provided a reconciliation of our GAAP net income to core earnings for the three and nine months ended September 30, 2017 and 2016 in the tables below:

	Three Months Ended September 30,			
	2017		2016	
	$	Per Share	$	Per Share
	($ in thousands, except per share amounts)			
Net income attributable to Controlling Stockholders	$ 7,933	$ 0.14	$ 3,329	$ 0.07
Core earnings adjustments:				
Reverse GAAP income from equity method investments	(6,876)		(1,331)	
Add back Core equity method investments earnings [1]	11,754		7,575	
Non-cash equity-based compensation charges [2]	2,798		2,531	
Other core adjustments [3]	753		382	
Core earnings [4]	**$16,362**	**$ 0.31**	**$12,486**	**$ 0.29**

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

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

(3) See detail below.

(4) Core earnings per share for the three months ended September 30, 2017 and September 30, 2016, are based on 53,610,895 shares and 43,596,100 shares outstanding, respectively, which represent the weighted average number of fully diluted shares outstanding during such period including participating securities and the minority 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.

	Nine Months Ended September 30,			
	2017		2016	
	$	Per Share	$	Per Share
	($ in thousands, except per share amounts)			
Net income attributable to controlling stockholders	$ 27,472	$ 0.52	$10,244	$ 0.23
Core earnings adjustments:				
Reverse GAAP income from equity method investments	(19,424)		(2,677)	
Add back Core equity method investments earnings [1]	31,294		21,235	
Non-cash equity-based compensation charges [2]	8,351		7,452	
Other core adjustments[3]	2,031		1,151	
Core earnings [4]	**$ 49,724**	**$ 0.96**	**$37,405**	**$ 0.92**

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

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

(3) See detail below.

(4) Core earnings per share for the nine months ended September 30, 2017 and September 30, 2016, are based on 51,767,444 shares and 40,589,360 shares outstanding, respectively, which represent the weighted average number of fully diluted shares outstanding during such period including participating securities and the minority 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.

Additional GAAP to Core Reconciliations

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

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	($ in thousands)			
Other core adjustments:				
Amortization of intangibles (1)	$ 711	$ 364	$ 1,875	$ 1,076
Net income attributable to non-controlling interest	42	18	156	75
Other core adjustments	**$ 753**	**$ 382**	**$ 2,031**	**$ 1,151**

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

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

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	($ in thousands)			
GAAP SG&A expenses				
Compensation and benefits	$ 5,347	$ 4,325	$ 15,732	$ 14,497
General and administrative	2,367	1,991	7,694	6,129
Total SG&A expenses (GAAP)	$ 7,714	$ 6,316	$ 23,426	$ 20,626
Core SG&A expenses adjustments:				
Non-cash equity-based compensation charge (1)	$ (2,798)	$ (2,531)	$ (8,351)	$ (7,452)
Amortization of intangibles (2)	(50)	(51)	(152)	(152)
Core SG&A expenses adjustments	(2,848)	(2,582)	(8,503)	(7,604)
Core SG&A expenses	**$ 4,866**	**$ 3,734**	**$ 14,923**	**$ 13,022**

(1) Reflects add back of non-cash amortization of stock based compensation. Outstanding grants related to stock based compensation are included in Core earnings per share calculation.
(2) Adds back non-cash amortization of pre-IPO intangibles.

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For more information, please visit our website at
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