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HANNON ARMSTRONG

INVESTING IN THE FUTURE OF ENERGY℠

First Quarter 2018 Earnings Presentation

May 3, 2018

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 the year ended December 31, 2017 as amended by our Amendment No. 1 to our Annual Report on Form 10-K for the year ended December 31, 2017 (collectively, our “2017 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.

Forward-looking statements are based on beliefs, assumptions and expectations as of May 3, 2018. 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; (iv) changes in costs and expenses reflective of the Company’s forecasted operations, and (v) the general interest rate and market environment, including a relatively consistent price to core earnings multiple for the Company’s stock. Changes in the actual share price may vary over a period of time for factors outside of the Company’s control which would impact the total shareholder return (share price change with dividends reinvested) realized by an investor. All 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 Q1 2018 Results

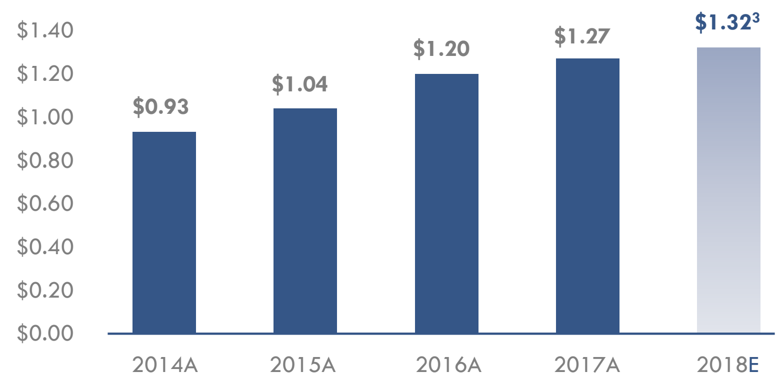
- **$(0.03) GAAP EPS; $0.27 Core EPS** for Q1 2018
  - 17% growth in Total Revenue year over year
  - $108m transaction volume
- **~$0.02 estimated cost of higher fixed rate debt[1] in quarter**
  - Increase in both short and long term yields **reinforces decision to fix rates; yield curve is the flattest in 10 years**
- **Pipeline in place for higher gain on sale securitizations in upcoming quarters**

2018 – 2020 Guidance

2% to 6% Core EPS Annual Growth

- EPS Growth is on top of increased fixed rate debt cost
- Expect 2018 growth to be within the 2% to 6% range, which at the mid-point equates to $1.32 per share

Core Earnings Per Share[2]



[1] Estimated fixed debt cost is calculated by using ending quarterly debt balance and cost compared to average of last year's quarterly debt cost and the core weighted average share count
[2] See Appendix for an explanation of core earnings and reconciliation to GAAP net income
[3] Reflects the mid-point of Core EPS growth guidance for 2018

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Increased Securitizations Using Mature Securitization Structure

Securitization Highlights

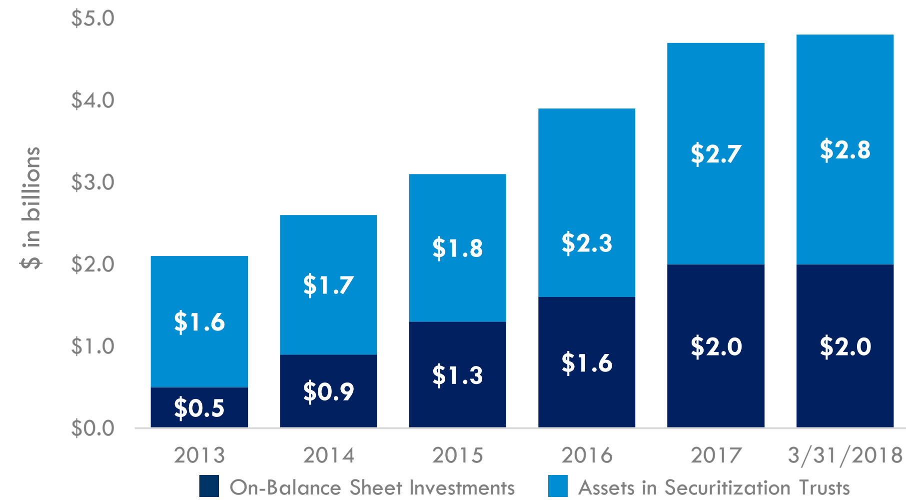
- **Over $4b** completed pre & post IPO
- **Strong investor base,** even in 2008/2009
- **No new investments or structures required**
- Securitized when Originated, typically **no warehouse**

Example

- $10m Efficiency Investment, 20 Year Term
- 20-25 basis points spread between buy-sell
- Generates $200k (2%) gain on sale fee
- Non-recourse

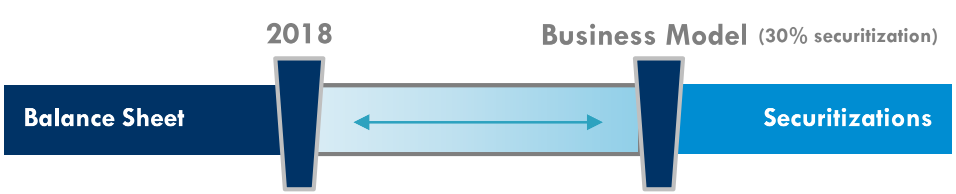
We Have Grown Both Components of our Managed Assets Since IPO

(as of 12/31)



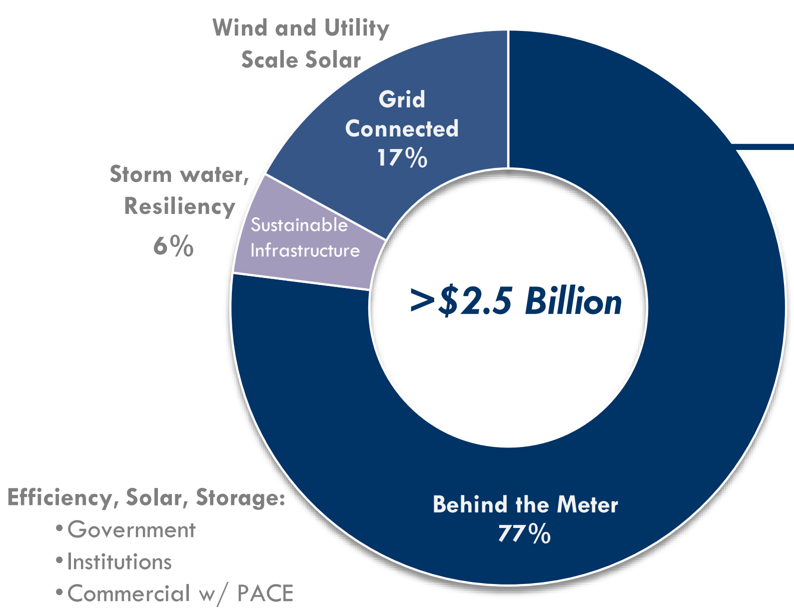
Business Model Emphasizes Higher Securitizations in 2018

$1Billion Annual Originations



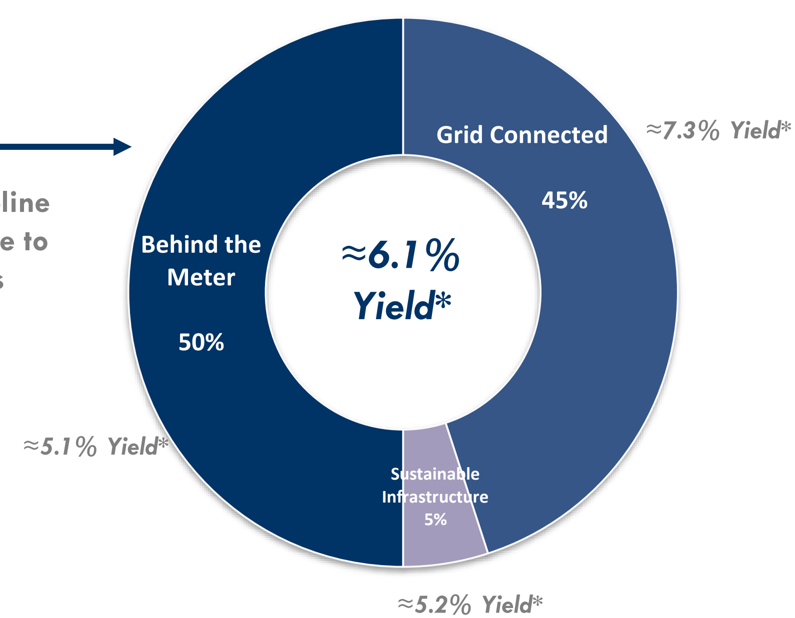
Pipeline is Strong and Portfolio Yields Are Stable

12-Month Pipeline
Increase in Behind the Meter (BTM)



More BTM in Pipeline than Portfolio due to Securitizations

$2.0 Billion Portfolio
>175 projects; $11m average deal size



* Represents forward looking unlevered estimated return on assets (core) yield as of March 31, 2018

Increase in Total Revenue Offset by Higher Costs

Results, Unaudited* ($ in millions, except per share data)	Q1 2018	Q1 2017	Notes
Investment income[1]	$ 20.3	$ 19.2	6% Increase year over year
Other investment revenue[2]	7.6	4.6	Increased securitization volume
Total Revenue	**$ 27.9**	**$ 23.8**	Total revenue increased 17% year over year
Investment interest expense	(18.7)	(13.8)	Increased borrowings, including higher fixed-rate debt
Compensation, general & administrative	(8.1)	(6.9)	Increase in size of the Company
Net Investment Revenue	**$ 1.1**	**$ 3.1**	
Non-cash HLBV (loss) gain on equity method investment	(2.3)	4.2	Includes $8m non-cash HLBV loss at one project
GAAP earnings	**$ (1.2)**	**$ 7.2**	
GAAP earnings per share	**$ (0.03)**	**$ 0.14**	
Equity method investments[3]	$ 12.9	$ 5.2	
Stock-based compensation	1.8	2.6	
Other	0.8	0.5	
Core earnings[4]	**$ 14.3**	**$ 15.5**	
Core earnings per share	**$ 0.27**	**$ 0.32**	

	Q1 2018	Q1 2017
Reverse GAAP (income) loss	2.3	(4.2)
Core Earnings[5]	10.6	9.4
Total Adjustment	12.9	5.2
Cash Collected	30.2	16.9

* Subtotals may not sum due to rounding; Other includes minority interest and taxes and for Core, adds back amortization of intangibles

1 Interest income and rental income

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

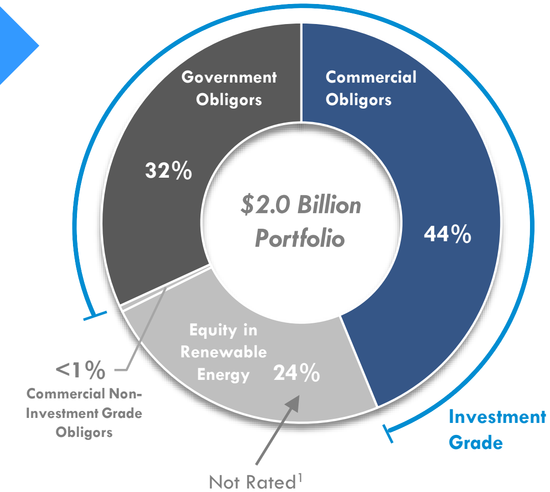
4 See footnote on slide 10 for an explanation of core earnings

5 Cost of leverage on equity method investments included in interest expense above

Balance Sheet De-Risked with Increased Fixed Rate Debt

Assets	($ in millions)	
Equity method investments	$	490
Government receivables		514
Commercial receivables		471
Real Estate		341
Investments		152
Cash and cash equivalents		47
Other		206
Total Assets	**$**	**2,221**
Liabilities and Equity		
Credit facility	$	70
Nonrecourse debt		1,215
Convertible Notes		146
Other		163
Total Liabilities		1,594
Total Equity		627
Total Liabilities and Equity	**$**	**2,221**

High Credit Quality



Increased Fixed Rate Debt

- 92% Fixed-rate debt level
- Will remain at higher level based on Fed's plan to raise rates
- 2.3 to 1 Leverage

High Quality Shareholders[2]

- Hannon Employees: ≈6%
- Institutional Ownership: ≈90%
- Public Float: ≈94%

[1] Typically senior or preferred in structure
[2] Bloomberg data as of 5/2/2018; Management calculations

HASI: 5 Year Total Shareholder Return of 128% (vs. S&P at 95%)[1]

Large Market Opportunity	• With an estimated $100 Trillion global market for energy efficiency and renewable energy over the next 35 years[2], the opportunity is robust
Nimble Business Model	• We have purposely built the business to be flexible and nimble • Higher levels of securitizations expected in 2018
Experienced	• Over our 30+ year history, we have operated in varied economic, market and political environments • We are well-positioned to grow profitably
ESG Leader	• We believe that superior risk-adjusted returns will be achieved by investing on the right side of the climate change line • We are the first public company to commit to CDSB's initiative to implement the Task Force on Climate Related Financial Disclosure (TCFD) Recommendations

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[1] Source: Bloomberg as of 4/17/18; Assumes $100 invested at closing on 4/18/13 (our first day of trading) and that all dividends were reinvested without the payment of any commissions.
[2] Source: International Energy Agency and International Renewable Energy Agency

Appendix

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Supplemental Financial Data

EXPLANATORY NOTES

Non-GAAP Financial Measures – 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 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 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 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 months ended March 31, 2018, we recognized a $2 million loss under GAAP for our equity investments in renewable energy projects. We reversed the GAAP income and recorded $11 million for core earnings as discussed above to reflect our return on capital from these investments for the three months ended March 31, 2018. This compares to the collected cash distributions from these equity method investments of approximately $30 million, for the three months ended March 31, 2018, 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 – The revised 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; (iv) changes in costs and expenses reflective of the Company's forecasted operations and (v) the general interest rate and market environment, including a relatively consistent price to core earnings multiple for the Company's stock. Changes in the actual share price may vary over a period of time for factors outside of the Company's control which would impact the total shareholder return (share price change with dividends reinvested) realized by an investor. All 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 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 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 $394 million of U.S. federal government transactions and $239 million of transactions where the ultimate obligors are state or local governments. Transactions may have guaranties of energy savings from third party service providers, which typically 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 receivables include $312 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 140 transactions each with outstanding balances that are less than $1 million and that in the aggregate total $54 million.

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 March 31, 2018	For the Three Months Ended March 31, 2017
Revenue		
Interest income, receivables	$ 12,849	$ 14,118
Interest income, investments	1,541	942
Rental income	5,941	4,110
Gain on sale of receivables and investments	6,256	3,949
Fee income	1,321	681
Total revenue	**27,908**	**23,800**
Expenses		
Interest expense	18,711	13,783
Compensation and benefits	5,321	4,726
General and administrative	2,801	2,188
Total expenses	**26,833**	**20,697**
Income before equity method investments	**1,075**	**3,103**
Income (loss) from equity method investments	(2,285)	4,171
Income (loss) before income taxes	**(1,210)**	**7,274**
Income tax (expense) benefit	(18)	(32)
Net income (loss)	**$ (1,228)**	**$ 7,242**
Net income (loss) attributable to non-controlling interest holders	(5)	43
Net income (loss) attributable to controlling stockholders	**$ (1,223)**	**$ 7,199**
Basic earnings per common share	$ (0.03)	$ 0.14
Diluted earnings per common share	$ (0.03)	$ 0.14
Weighted average common shares outstanding—basic	51,710,910	47,497,107
Weighted average common shares outstanding—diluted	51,710,910	47,497,107

Balance Sheet

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

	March 31, 2018	December 31, 2017
Assets		
Equity method investments	$ 490,297	$ 522,615
Government receivables	514,348	519,485
Commercial receivables	471,077	473,452
Receivables held-for-sale	16,080	19,081
Real estate	340,092	340,824
Investments	151,920	151,209
Cash and cash equivalents	47,150	57,274
Other assets	189,751	166,232
Total Assets	**$ 2,220,715**	**$ 2,250,172**
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable, accrued expenses and other	$ 26,528	$ 25,645
Deferred funding obligations	136,505	153,308
Credit facility	69,953	69,922
Non-recourse debt (secured by assets of $1,528 million and $1,545 million, respectively)	1,214,612	1,210,861
Convertible notes	146,165	147,655
Total Liabilities	1,593,763	1,607,391
Stockholders' Equity:		
Preferred stock, par value $0.01 per share, 50,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, par value $0.01 per share, 450,000,000 shares authorized, 51,826,553 and 51,665,449 shares issued and outstanding, respectively	518	517
Additional paid in capital	770,922	770,983
Accumulated deficit	(150,052)	(131,251)
Accumulated other comprehensive income (loss)	2,086	(1,065)
Non-controlling interest	3,478	3,597
Total Stockholders' Equity	626,952	642,781
Total Liabilities and Stockholders' Equity	**$ 2,220,715**	**$ 2,250,172**

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 months and ended March 31, 2018 and 2017 in the tables below:

	For the three months ended March 31, 2018		For the three months ended March 31, 2017	
	($ in thousands, except per share data)			
		Per Share		Per Share
Net income attributable to controlling stockholders	$ (1,223)	$ (0.03)	$ 7,199	$ 0.14
Core earnings adjustments:				
Reverse GAAP income from equity method investments	2,285		(4,171)	
Add back core equity method investments earnings [(1)]	10,592		9,349	
Non-cash equity-based compensation charges [(2)]	1,845		2,569	
Other core adjustments [(3)]	778		550	
Core earnings [(4)]	**14,277**	**$ 0.27**	**15,496**	**$ 0.32**

(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 March 31, 2018 and March 31, 2017, are based on 53,549,878 shares and 49,080,573 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 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.

Additional GAAP to Core Reconciliations

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

	For the three months ended March 31, 2018	For the three months ended March 31, 2017
	($ in thousands)	
Other core adjustments		
Amortization of intangibles (1)	$ 783	$ 507
Net income attributable to non-controlling interest	(5)	43
Other core adjustments	$ 778	$ 550

(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 March 31, 2018	For the three months ended March 31, 2017
	($ in thousands)	
GAAP SG&A expenses		
Compensation and benefits	$ 5,321	$ 4,726
General and administrative	2,801	2,188
Total SG&A expenses (GAAP)	$ 8,122	$ 6,914
Core SG&A expenses adjustments:		
Non-cash equity-based compensation charge (1)	$ (1,845)	$ (2,569)
Amortization of intangibles (2)	(51)	(50)
Core SG&A expenses adjustments	(1,896)	(2,619)
Core SG&A expenses	**$ 6,226**	**$ 4,295**

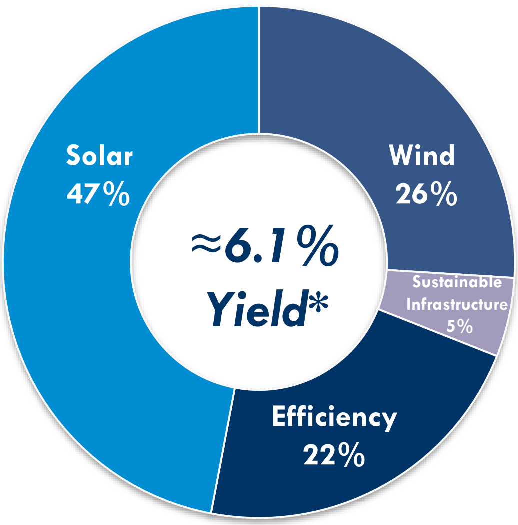
(1) Reflects add back of non-cash amortization of equity-based compensation. Outstanding grants related to equity-based compensation are included in core earnings per share calculation.

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

Appendix: Two Views of Portfolio

$2.0 Billion Portfolio

>175 projects, $11m average deal size



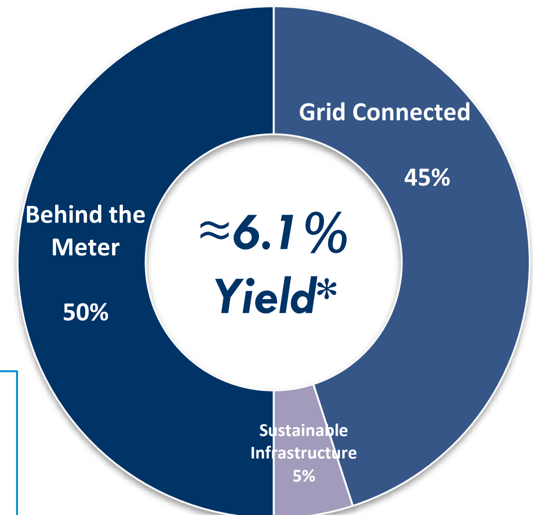
Technology	Yield*
Efficiency	4.2%
Wind + Solar	6.7%
Sustainable Infrastructure	5.2%

Of the 47% of our Portfolio that is Solar:

- 28% is Behind the Meter (BTM) and
- 19% is Grid Connected (GC)

$2.0 Billion Portfolio

>175 projects, $11m average deal size



Location	Yield*
Behind the Meter	5.1%
Grid Connected	7.3%
Sustainable Infrastructure	5.2%

* Represents forward looking unlevered estimated return on assets (core) yield as of March 31, 2018

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For more information, please visit our website at

www.hannonarmstrong.com

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