

Fiscal Year 2023 Third Quarter Results

Earnings Presentation - February 7, 2023

Today's Speakers



Mario Giannini
Chief Executive Officer



Erik Hirsch
Vice Chairman



Atul Varma
Chief Financial Officer



John Oh
Investor Relations Manager

Business Performance

- Assets under management and fee-earning assets under management were \$108 billion and \$55 billion, respectively, as of December 31, 2022, increases of 10% and 19%, respectively, compared to December 31, 2021
- Management and advisory fees increased 20% compared to the nine months ended December 31, 2021

Financial Results

USD in millions except per share amounts

	Q3 FY23 QTD	Q3 FY23 YTD	vs. Q3 FY22 YTD
Management and advisory fees	\$97.4	\$276.2	20 %
GAAP net income	\$9.7	\$78.0	(41)%
GAAP EPS	\$0.31	\$2.19	(39)%
Adjusted net income ¹	\$23.3	\$127.9	(32)%
Non-GAAP EPS ¹	\$0.43	\$2.38	(32)%
Fee Related Earnings ¹	\$41.5	\$118.1	11 %
Adjusted EBITDA ¹	\$63.7	\$204.5	53 %

Dividend

- Declared a quarterly dividend of \$0.40 per share of Class A common stock to record holders at the close of business on March 15, 2023

¹Adjusted net income, non-GAAP earnings per share, Fee Related Earnings and Adjusted EBITDA are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures and for the reasons we believe the non-GAAP measures provide useful information, see pages 20 and 21 of this presentation.

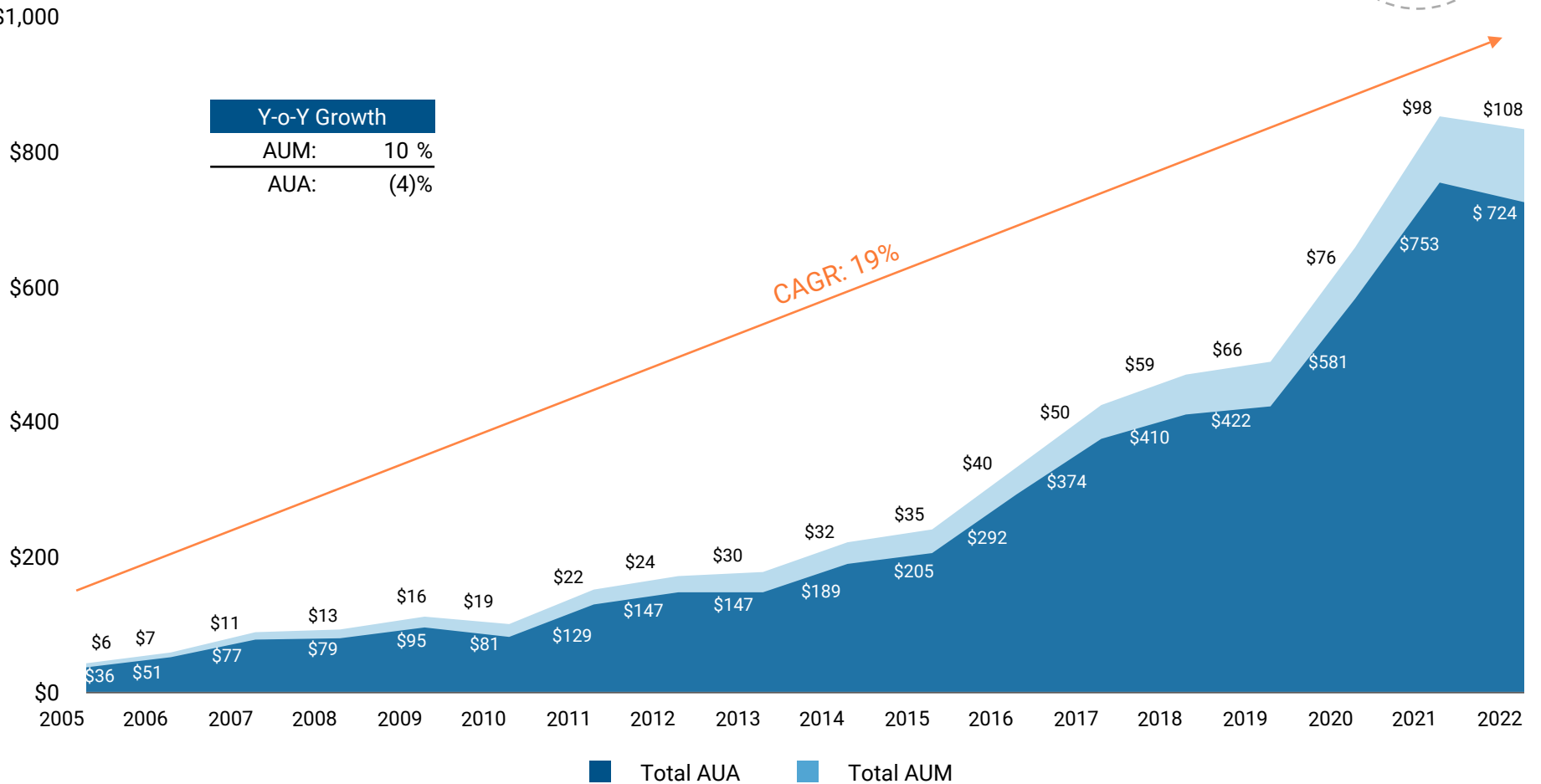
Growing Asset Footprint & Influence

\$832B
AUM & AUA

Total Assets Under Management/Advisement (\$B)¹

Y-o-Y Growth	
AUM:	10 %
AUA:	(4)%

CAGR: 19%

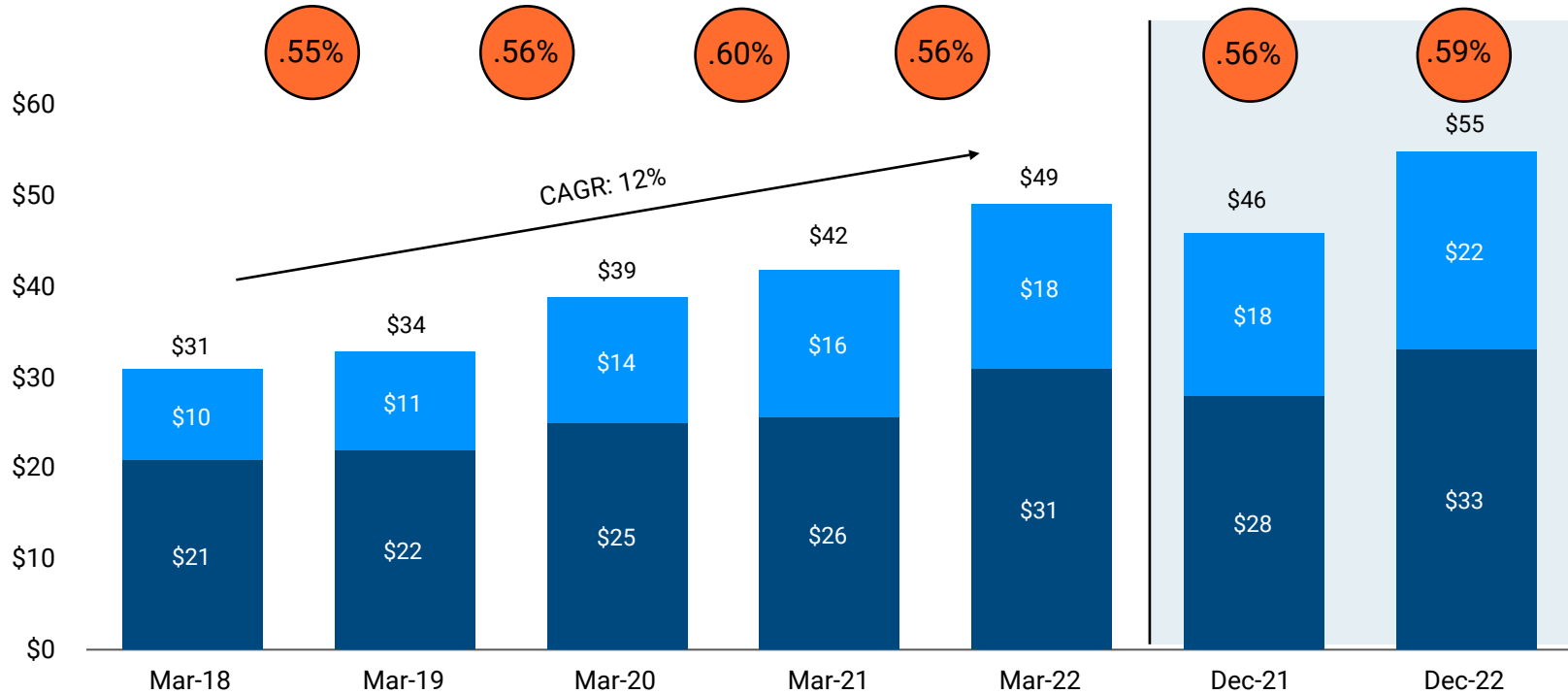


¹Data as of calendar year end 12/31 unless otherwise noted. Numbers may not tie due to rounding.

Fee-Earning AUM Driving Revenues

Fee-Earning AUM growth continues and annual fee rates are stable

Total Fee-Earning Assets Under Management (\$B)



*Numbers may not tie due to rounding

- Customized Separate Accounts
- Specialized Funds
- Total Management Fee Revenues as a % of Average FEAUM

Y-o-Y Drivers of Growth

Customized Separate Accounts:

- New client wins
- Client re-ups

Specialized Funds:

- Closed 1st infrastructure fund, 7th credit-oriented fund, and 5th direct equity fund
- Fundraising 6th secondary fund, 2nd impact fund, and evergreen funds

AUM

Customized Separate Accounts

Diverse mix of existing and prospective clients seeking to further or establish relationships with Hamilton Lane

- \$4.7B year-over-year increase in FEAUM
- +80% of our gross contributions during the last 12 months came from existing clients

Specialized Funds

Select funds in market:

- Secondary fund
 - Credit-oriented fund
 - Evergreen fund
 - Impact fund
-
- \$4.1B year-over-year increase in FEAUM
 - Closings during Q3 FY23:
 - Direct equity fund: \$281M
 - Secondary fund: \$572M

AUA

Advisory Services

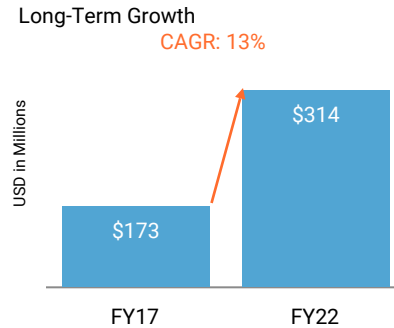
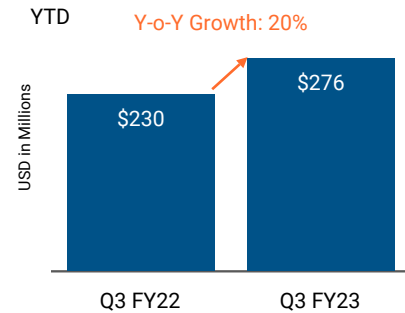
Typically larger clients with wide-ranging mandates which include technology-driven reporting, monitoring and analytics services and consulting services; opportunity set continues to be robust

- \$29B year-over-year decrease in AUA

Financial Highlights

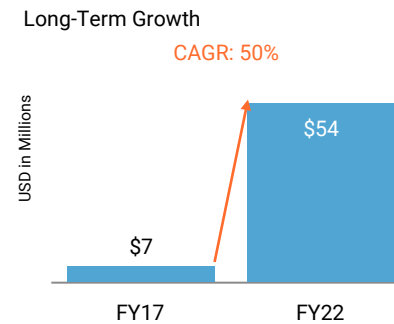
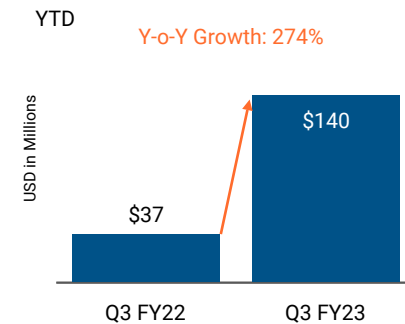
Strong revenue growth across management and advisory fees

Management and Advisory Fees



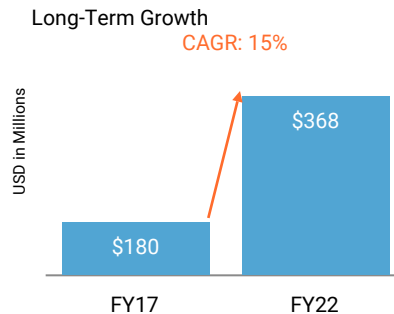
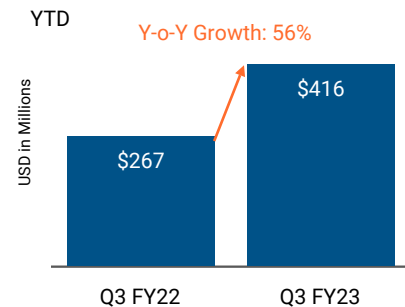
- Recurring management and advisory fees represented an average of 85% of total revenues over the past five fiscal years
- Y-o-Y increase of 20%
- \$3.8 million in retroactive fees from our latest secondary and direct equity funds in the quarter

Incentive Fees



- Incentive fees derived from a highly diversified pool of assets and funds
- Unrealized carried interest of \$952 million as of 12/31/22 diversified across 3,000+ assets and over 90 funds
- Timing of realizations unpredictable

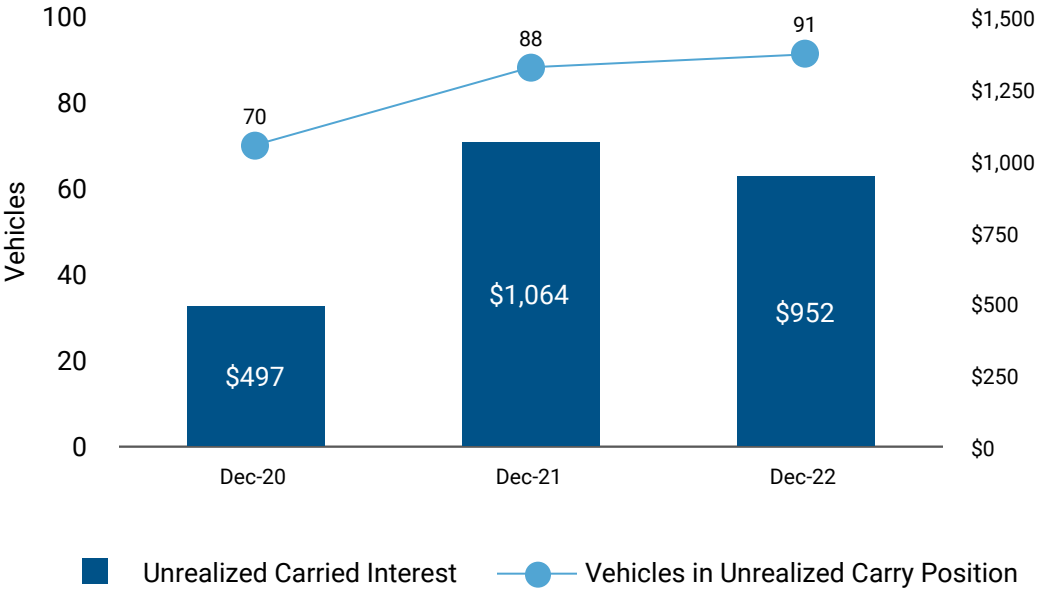
Total Revenues



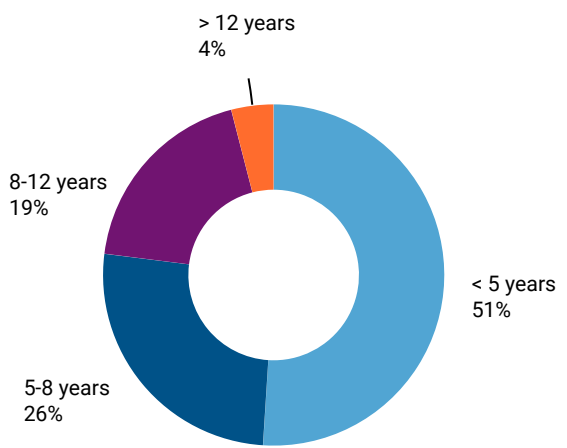
- Total revenues increased by 56%, driven by incentive fees

Unrealized Carried Interest

Unrealized Carried Interest

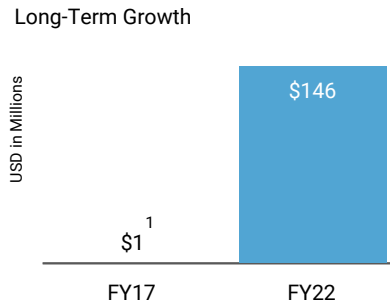
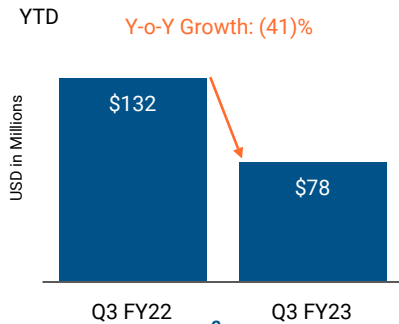


Unrealized Carry by Age



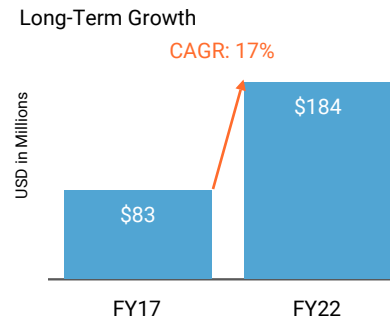
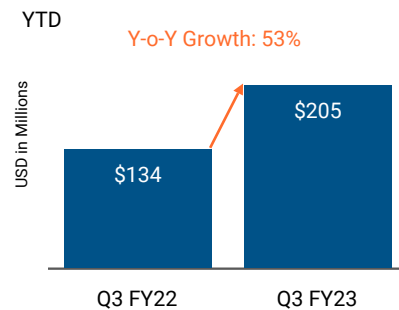
Profitability stable and growing

Net Income Attributable to HLI



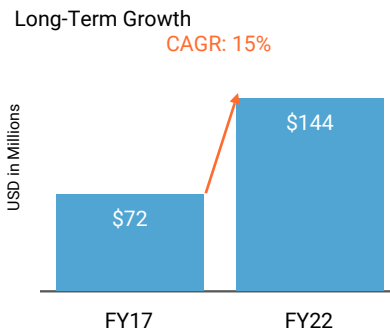
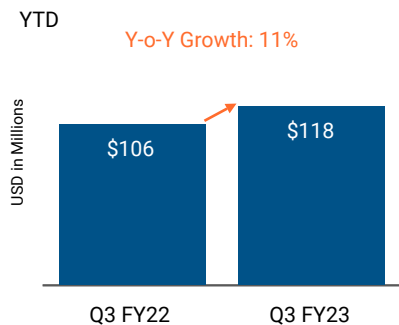
- \$10M in net income attributable to HLI for the quarter

Adjusted EBITDA²



- Y-o-Y increase of 53% driven by growth in both management and advisory fees and incentive fees

Fee Related Earnings²



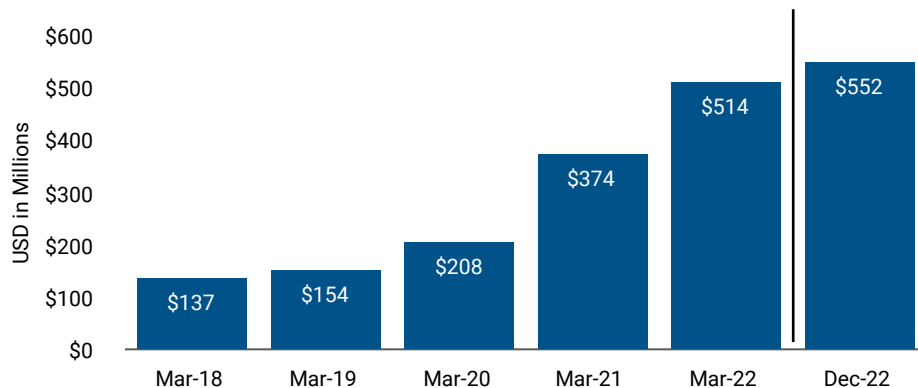
- Y-o-Y growth of 11%
- Long-term double digit growth in Fee Related Earnings

¹Prior to our IPO, HLI was a wholly-owned subsidiary of HLA with no operations or assets.

²Adjusted EBITDA and Fee Related Earnings are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures and for the reasons we believe the non-GAAP measures provide useful information, see pages 20 and 21 of this presentation.

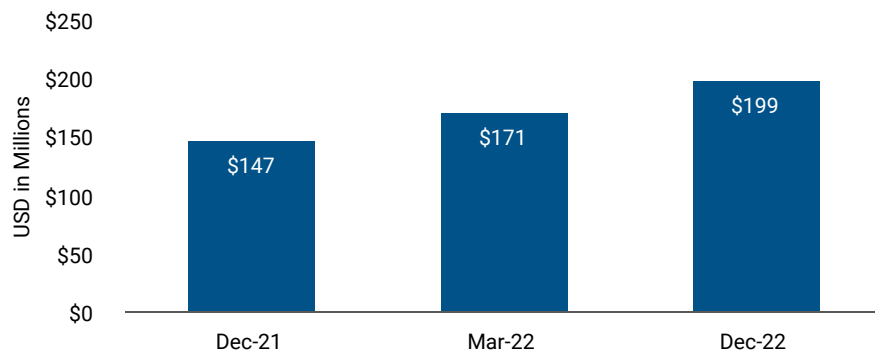
Strong balance sheet with investments in our own products and a modest amount of leverage...

Investments



- For 12/31/22, the total investment balance consisted of:
 - ~\$366M in equity method investments in our funds
 - ~\$186M in technology related and other investments

Leverage



- Modest leverage
- \$199M of debt as of 12/31/22

Appendix

Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2021	2022	% Change	2021	2022	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Management and advisory fees	\$79,836	\$97,355	22 %	\$229,653	\$276,182	20 %
Incentive fees	10,490	24,075	130 %	34,217	132,835	288 %
Consolidated variable interest entities related:						
Incentive fees	1,378	5,644	310 %	3,149	6,948	121 %
Total revenues	91,704	127,074	39 %	267,019	415,965	56 %
Compensation and benefits	34,004	45,676	34 %	94,028	158,235	68 %
General, administrative and other	16,332	22,717	39 %	48,742	66,066	36 %
Consolidated variable interest entities related:						
General, administrative and other	322	309	(4)%	952	941	(1)%
Total expenses	50,658	68,702	36 %	143,722	225,242	57 %
Equity in income (loss) of investees	12,924	650	(95)%	60,181	(7,493)	(112)%
Interest expense	(1,157)	(2,419)	109 %	(3,488)	(6,027)	73 %
Interest income	26	442	1,601 %	488	839	72 %
Non-operating income (expense)	37,043	(27,960)	(175)%	65,500	(11,878)	(118)%
Consolidated variable interest entities related:						
Equity in (loss) income of investees	(298)	389	N/A	170	1,030	506 %
Unrealized income	2,135	2,087	(2)%	1,067	4,333	306 %
Interest expense	(4)	—	N/A	(4)	—	N/A
Interest income	—	2,111	N/A	—	2,989	N/A
Total other income (expense)	50,669	(24,700)	(149)%	123,914	(16,207)	(113)%
Income before income taxes	91,715	33,672	(63)%	247,211	174,516	(29)%
Income tax expense	11,519	11,788	2 %	37,515	38,766	3 %
Net income	80,196	21,884	(73)%	209,696	135,750	(35)%
Less: (Loss) income attributable to non-controlling interests in general partnerships	(119)	422	N/A	167	773	363 %
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	26,181	9,146	(65)%	76,849	51,326	(33)%
Less: Income attributable to redeemable non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	2,285	2,647	16 %	519	5,617	982 %
Net income attributable to Hamilton Lane Incorporated	\$51,849	\$9,669	(81)%	\$132,161	\$78,034	(41)%
Basic earnings per share of Class A common stock	\$1.44	\$0.32	(78)%	\$3.64	\$2.21	(39)%
Diluted earnings per share of Class A Common stock	\$1.40	\$0.31	(78)%	\$3.59	\$2.19	(39)%
Weighted-average shares of Class A common stock outstanding - basic	36,902,741	37,025,416		36,375,797	37,004,657	
Weighted-average shares of Class A common stock outstanding - diluted	53,744,144	53,769,379		53,707,401	53,733,521	

Non-GAAP Financial Measures

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2021	2022	% Change	2021	2022	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Adjusted EBITDA¹						
Management and advisory fees	\$79,836	\$97,355	22 %	\$229,653	\$276,182	20 %
Total expenses	50,658	68,702	36 %	143,722	225,242	57 %
Less:						
Incentive fee related compensation ²	(5,609)	(14,001)	150 %	(17,685)	(66,254)	275 %
SPAC related general, administrative and other expenses	(309)	(278)	(10)%	(868)	(846)	(3)%
Non-operating income related compensation	(1,790)	1,413	(179)%	(1,790)	(54)	(97)%
Management fee related expenses	42,950	55,836	30 %	123,379	158,088	28 %
Fee Related Earnings	\$36,886	\$41,519	13 %	\$106,274	\$118,094	11 %
Fee Related Earnings Margin	46 %	43 %		46 %	43 %	
Incentive fees	11,868	29,719	150 %	37,366	139,783	274 %
Incentive fees attributable to non-controlling interests	(59)	(243)	312 %	(134)	(302)	125 %
Incentive fee related compensation ²	(5,609)	(14,001)	150 %	(17,685)	(66,254)	275 %
Non-operating income related compensation	(1,790)	1,413	N/A	(1,790)	(54)	(97)%
Interest income	26	442	1,601 %	488	839	72 %
Equity-based compensation	1,711	2,834	66 %	5,706	6,816	19 %
Depreciation and amortization	1,292	2,022	57 %	3,744	5,600	50 %
Adjusted EBITDA	\$44,325	\$63,705	44 %	\$133,969	\$204,522	53 %
Adjusted EBITDA Margin	48 %	50 %		50 %	49 %	
Non-GAAP earnings per share¹						
Net income attributable to Hamilton Lane Incorporated	\$51,849	\$9,669	(81)%	\$132,161	\$78,034	(41)%
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	26,181	9,146	(65)%	76,849	51,326	(33)%
Income tax expense	11,519	11,788	2 %	37,515	38,766	3 %
Adjusted pre-tax net income	89,549	30,603	(66)%	246,525	168,126	(32)%
Adjusted income taxes ³	(21,312)	(7,314)	(66)%	(58,673)	(40,182)	(32)%
Adjusted net income	\$68,237	\$23,289	(66)%	\$187,852	\$127,944	(32)%
Adjusted shares outstanding	53,744,144	53,769,379		53,707,401	53,733,521	
Non-GAAP earnings per share	\$1.27	\$0.43	(66)%	\$3.50	\$2.38	(32)%

¹ Adjusted EBITDA and Non-GAAP earnings per share are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures, see page 20.

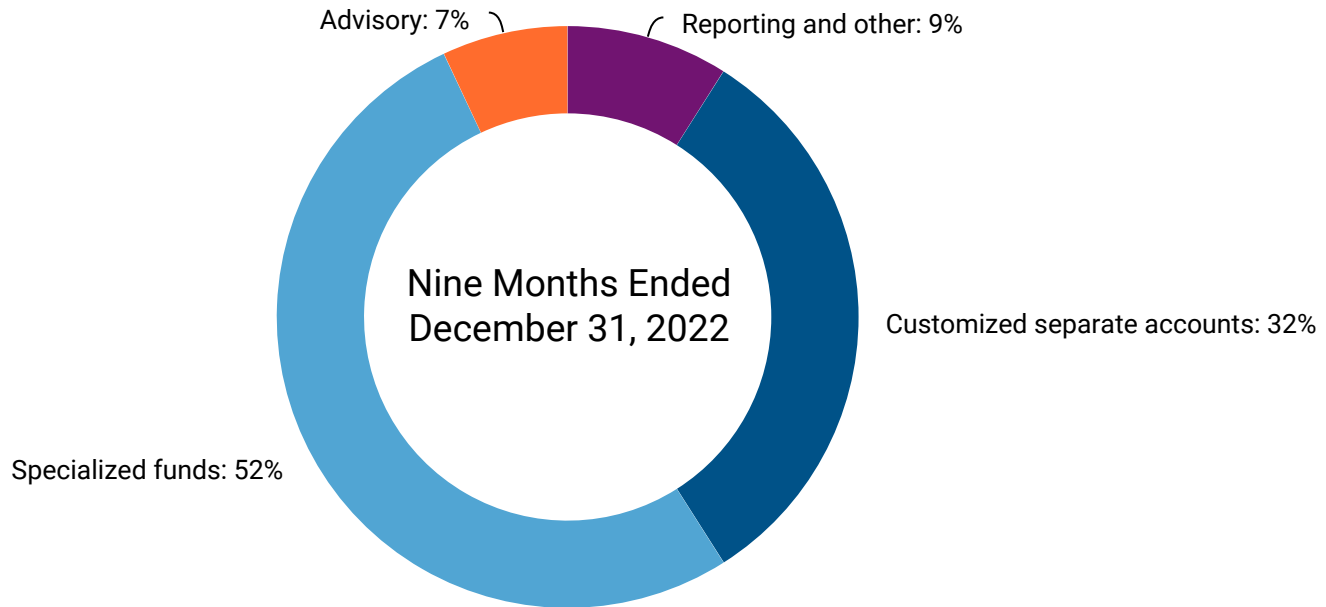
² Incentive fee related compensation includes incentive fee compensation expense and bonus related to carried interest that is classified as base compensation.

³ Represents corporate income taxes at our estimated statutory tax rate of 23.9% and 23.8% for the three and nine month periods ended December 31, 2022 and 2021, respectively, applied to adjusted pre-tax net income. The 23.9% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.9%. The 23.8% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.8%.

Management and Advisory Fees

(Dollars in thousands)

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2021	2022	% Change	2021	2022	% Change
Management and advisory fees						
Specialized funds	\$38,233	\$53,299	39 %	\$107,935	\$144,099	34 %
Customized separate accounts	25,982	29,571	14 %	75,416	87,329	16 %
Advisory	6,119	6,613	8 %	18,781	19,073	2 %
Reporting and other	5,992	6,720	12 %	16,983	19,170	13 %
Distribution management	3,170	596	(81)%	9,313	1,863	(80)%
Fund reimbursement revenue	340	556	63 %	1,225	4,648	279 %
Total management and advisory fees	\$79,836	\$97,355	22 %	\$229,653	\$276,182	20 %



Incentive Fees

(Dollars in thousands)	Three Months Ended December 31,			Nine Months Ended December 31,		
	2021	2022	% Change	2021	2022	% Change
Incentive fees						
Direct equity funds	\$1,377	\$5,644	310 %	\$3,149	\$58,104	1,745 %
Secondary funds	209	447	113 %	5,574	27,393	391 %
Direct credit funds	359	6	(98)%	5,477	7,638	39 %
Evergreen funds	1,456	3,072	111 %	1,611	4,069	152 %
Other specialized funds	4,742	5,154	9 %	11,241	12,559	12 %
Customized separate accounts	3,725	15,396	313 %	10,314	30,020	191 %
Incentive fees	\$11,868	\$29,719	150 %	\$37,366	\$139,783	274 %

	As of				
	December 31, 2021	September 30, 2022	December 31, 2022	YoY Change %	QoQ Change %
Allocated carried interest					
Secondary Fund II	\$638	\$369	\$385	(40)%	4 %
Secondary Fund III	32,839	32,591	31,285	(5)%	(4)%
Secondary Fund IV	150,561	126,602	126,943	(16)%	0 %
Secondary Fund V	115,378	144,199	142,538	24 %	(1)%
Secondary Fund VI	–	–	1,730	N/A	N/A
Co-investment Fund II	18,352	18,871	15,436	(16)%	(18)%
Co-investment Fund III	108,072	59,703	54,964	(49)%	(8)%
Co-investment Fund IV	131,001	104,421	103,252	(21)%	(1)%
Equity Opportunities Fund V	–	6,358	4,678	N/A	(26)%
Evergreen funds	31,445	56,671	66,030	110 %	17 %
Other specialized funds	140,937	111,772	109,042	(23)%	(2)%
Customized separate accounts	335,207	322,973	295,905	(12)%	(8)%
Total allocated carried interest	\$1,064,430	\$984,530	\$952,188	(11)%	(3)%

Assets Under Management

(Dollars in millions)

	December 31, 2021	September 30, 2022	December 31, 2022	YoY Change %	QoQ Change %
Assets under management / advisement					
Assets under management	\$98,131	\$107,107	\$107,530	10 %	0 %
Assets under advisement	752,917	716,515	724,364	(4)%	1 %
Total assets under management / advisement	\$851,048	\$823,622	\$831,894	(2)%	1 %
Fee-earning assets under management					
Customized separate accounts					
Balance, beginning of period	\$27,390	\$31,749	\$32,333	18 %	2 %
Contributions	1,540	1,264	1,432	(7)%	13 %
Distributions	(719)	(587)	(576)	(20)%	(2)%
Foreign exchange, market value and other	153	(93)	(100)	(165)%	8 %
Balance, end of period	\$28,364	\$32,333	\$33,089	17 %	2 %
Specialized funds					
Balance, beginning of period	\$17,243	\$19,372	\$20,354	18 %	5 %
Contributions	770	1,230	1,472	91 %	20 %
Distributions	(384)	(324)	(213)	(45)%	(34)%
Foreign exchange, market value and other	76	76	163	114 %	114 %
Balance, end of period	\$17,705	\$20,354	\$21,776	23 %	7 %
Total					
Balance, beginning of period	\$44,633	\$51,121	\$52,687	18 %	3 %
Contributions	2,310	2,494	2,904	26 %	16 %
Distributions	(1,103)	(911)	(789)	(28)%	(13)%
Foreign exchange, market value and other	229	(17)	63	(72)%	N/A
Balance, end of period	\$46,069	\$52,687	\$54,865	19 %	4 %

Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands except share and per share amounts)

	March 31, 2022	December 31, 2022
Assets		
Cash and cash equivalents	\$72,138	\$146,070
Restricted cash	4,023	3,116
Fees receivable	51,869	52,074
Prepaid expenses	6,858	7,078
Due from related parties	1,872	7,784
Furniture, fixtures and equipment, net	28,842	28,348
Lease right-of-use assets, net	65,636	63,152
Investments	503,789	514,332
Deferred income taxes	245,046	230,154
Other assets	28,162	30,755
Assets of consolidated variable interest entities:		
Cash and cash equivalents	36	3,909
Investments held in trust	276,016	—
Investments	10,036	37,360
Other assets	623	229
Total assets	\$1,294,946	\$1,124,361
Liabilities, redeemable non-controlling interests and equity		
Accounts payable	\$2,827	\$2,045
Accrued compensation and benefits	20,117	65,761
Accrued members' distributions	27,119	19,161
Accrued dividend	12,947	14,810
Debt	171,326	199,126
Payable to related parties pursuant to tax receivable agreement	180,536	179,431
Lease liabilities	82,244	79,549
Other liabilities (includes \$13,818 and \$13,954 at fair value)	47,669	34,503
Liabilities of consolidated variable interest entities:		
Other liabilities	12,675	17
Total liabilities	557,460	594,403
Redeemable non-controlling interests	276,000	—
Total equity	461,486	529,958
Total liabilities, redeemable non-controlling interests and equity	\$1,294,946	\$1,124,361

Condensed Consolidated Statements of Cash Flows (Unaudited)

(Dollars in thousands)	Nine Months Ended December 31,	
	2021	2022
Operating activities		
Net income	\$209,696	\$135,750
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,744	5,600
Change in deferred income taxes	19,941	14,892
Change in payable to related parties pursuant to tax receivable agreement	(6,202)	(1,105)
Equity-based compensation	5,706	6,816
Equity in (income) loss of investees	(60,181)	7,493
Gain on sale of investment	(11,936)	(9,783)
Fair value adjustment of other investments	(47,774)	(18,578)
Proceeds received from partnerships	38,945	11,877
Non-cash lease expense	7,210	5,370
Gain on sale of intangible asset	—	2,771
Impairment of other investment	—	43,289
Other	43	(2,864)
Changes in operating assets and liabilities	(5,868)	16,088
Consolidated variable interest entities related	(812)	(4,245)
Net cash provided by operating activities	\$152,512	\$213,371
Investing activities		
Purchase of furniture, fixtures and equipment	(7,788)	(3,261)
Cash paid for acquisition of business	(10,096)	(1,500)
Loans to investees	—	(2,535)
Purchase of other investments	(18,798)	(34,125)
Proceeds from sale of investments	12,623	10,000
Distributions from investments	12,739	1,406
Distributions received from partnerships	12,088	15,990
Contributions to partnerships	(56,432)	(63,364)
Sale of investments held in trust	—	278,954
Net cash (used in) provided by investing activities	\$(55,664)	\$201,565
Financing activities		
Proceeds from offerings	73,833	—
Purchase of membership interests	(73,833)	—
Borrowings of debt	—	31,682
Repayments of debt	(1,382)	(3,873)
Draw-down on revolver	—	25,000
Repayment of revolver	(15,000)	(25,000)
Repurchase of Class B common stock	(1)	—
Repurchase of Class A shares for employee tax withholding	(605)	(162)
Proceeds received from issuance of shares under Employee Share Purchase Plan	1,382	1,441
Payments to related parties, pursuant to tax receivable agreement	(15,584)	—
Dividends paid	(36,714)	(42,550)
Members' distributions paid	(37,469)	(45,828)
Other	(75)	—
Consolidated variable interest entities related	563	(278,748)
Net cash used in financing activities	\$(104,885)	\$(338,038)
(Decrease) increase in cash, cash equivalents, and restricted cash	(8,037)	76,898
Cash, cash equivalents, and restricted cash at beginning of the period	90,377	76,197
Cash, cash equivalents, and restricted cash at end of the period	\$82,340	\$153,095

Non-GAAP Reconciliation

Reconciliation from Net Income

(Dollars in thousands except share and per share amounts)

	Year Ended March 31,		Three Months Ended December 31,		Nine Months Ended December 31,	
	2017	2022	2021	2022	2021	2022
Net income attributable to Hamilton Lane Incorporated	\$612	\$145,986	\$51,849	\$9,669	\$132,161	\$78,034
Income (loss) attributable to non-controlling interests in general partnerships	1,192	376	(119)	422	167	773
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	72,634	96,548	26,181	9,146	76,849	51,326
Income attributable to non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	—	4,343	2,285	2,647	519	5,617
Incentive fees	(7,146)	(53,691)	(11,868)	(29,719)	(37,366)	(139,783)
Incentive fee related compensation ¹	3,283	25,395	5,609	14,001	17,685	66,254
SPAC related general, administrative and other expenses	—	1,176	309	278	868	846
Non-operating income related compensation	—	1,810	1,790	(1,413)	1,790	54
Interest income	(320)	(500)	(26)	(2,553)	(488)	(3,829)
Interest expense	14,565	4,638	1,161	2,419	3,492	6,027
Income tax expense	316	66,423	11,519	11,788	37,515	38,766
Equity in (income) loss of investees	(12,801)	(79,296)	(12,626)	(1,039)	(60,351)	6,463
Non-operating (income) expense	(83)	(68,954)	(39,178)	25,873	(66,567)	7,546
Fee Related Earnings	\$72,252	\$144,254	\$36,886	\$41,519	\$106,274	\$118,094
Depreciation and amortization	1,915	5,495	1,292	2,022	3,744	5,600
Equity-based compensation	4,681	7,404	1,711	2,834	5,706	6,816
Incentive fees	7,146	53,691	11,868	29,719	37,366	139,783
Incentive fees attributable to non-controlling interests	—	(228)	(59)	(243)	(134)	(302)
Incentive fee related compensation ¹	(3,283)	(25,395)	(5,609)	(14,001)	(17,685)	(66,254)
Non-operating income related compensation	—	(1,810)	(1,790)	1,413	(1,790)	(54)
Interest income	320	500	26	442	488	839
Adjusted EBITDA	\$83,031	\$183,911	\$44,325	\$63,705	\$133,969	\$204,522
Non-GAAP earnings per share reconciliation						
Net income attributable to Hamilton Lane Incorporated			\$51,849	\$9,669	\$132,161	\$78,034
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.			26,181	9,146	76,849	51,326
Income tax expense			11,519	11,788	37,515	38,766
Adjusted pre-tax net income			89,549	30,603	246,525	168,126
Adjusted income taxes ²			(21,312)	(7,314)	(58,673)	(40,182)
Adjusted net income			\$68,237	\$23,289	\$187,852	\$127,944
Adjusted shares outstanding			53,744,144	53,769,379	53,707,401	53,733,521
Non-GAAP earnings per share			\$1.27	\$0.43	\$3.50	\$2.38

¹ Incentive fee related compensation includes incentive fee compensation expense and bonus related to carried interest that is classified as base compensation.

² Represents corporate income taxes at our estimated statutory tax rate of 23.9% and 23.8% for the three and nine month periods ended December 31, 2022 and 2021, respectively, applied to adjusted pre-tax net income. The 23.9% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.9%. The 23.8% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.8%.

Adjusted EBITDA is an internal measure of profitability. We believe Adjusted EBITDA is useful to investors because it enables them to better evaluate the performance of our core business across reporting periods. Adjusted EBITDA represents net income excluding (a) interest expense on our outstanding debt, (b) income tax expense, (c) depreciation and amortization expense, (d) equity-based compensation expense, (e) other non-operating income and (f) certain other significant items that we believe are not indicative of our core performance.

Fee Related Earnings ("FRE") is used to highlight earnings from recurring management fees. FRE represents net income excluding (a) incentive fees and related compensation, (b) interest income and expense, (c) income tax expense, (d) equity in income of investees, (e) other non-operating income and (f) certain other significant items that we believe are not indicative of our core performance. We believe FRE is useful to investors because it provides additional insight into the operating profitability of our business. FRE is presented before income taxes.

Non-GAAP earnings per share measures our per-share earnings excluding certain significant items that we believe are not indicative of our core performance and assuming all Class B and Class C units in HLA were exchanged for Class A common stock in HLI. Non-GAAP earnings per share is calculated as adjusted net income divided by adjusted shares outstanding. **Adjusted net income** is income before taxes fully taxed at our estimated statutory tax rate and excludes any impact of changes in carrying amount of our redeemable non-controlling interest. Adjusted shares outstanding for the three and nine months ended December 31, 2021 and 2022 are equal to weighted-average shares of Class A common stock outstanding - diluted. We believe adjusted net income and non-GAAP earnings per share are useful to investors because they enable them to better evaluate total and per-share operating performance across reporting periods.

Our **assets under management ("AUM")**, as presented in these materials, comprise the assets associated with our customized separate accounts and specialized funds. AUM does not include the assets associated with our distribution management services. We classify assets as AUM if we have full discretion over the investment decisions in an account. We calculate our AUM as the sum of:

- (1) the net asset value of our clients' and funds' underlying investments;
- (2) the unfunded commitments to our clients' and funds' underlying investments; and
- (3) the amounts authorized for us to invest on behalf of our clients and fund investors but not committed to an underlying investment.

Management fee revenue is based on a variety of factors and is not linearly correlated with AUM. However, we believe AUM is a useful metric for assessing the relative size and scope of our asset management business.

Our **assets under advisement ("AUA")** comprise assets from clients for which we do not have full discretion to make investments in their account. We generally earn revenue on a fixed fee basis on our AUA client accounts for services including asset allocation, strategic planning, development of investment policies and guidelines, screening and recommending investments, legal negotiations, monitoring and reporting on investments and investment manager review and due diligence. Advisory fees vary by client based on the amount of annual commitments, services provided and other factors. Since we earn annual fixed fees from the majority of our AUA clients, the growth in AUA from existing accounts does not have a material impact on our revenues. However, we view AUA growth as a meaningful benefit in terms of the amount of data we are able to collect and the degree of influence we have with fund managers.

Fee-earning assets under management (Fee-earning "AUM" or "FEAUM") is a metric we use to measure the assets from which we earn management fees. Our fee-earning AUM comprise assets in our customized separate accounts and specialized funds from which we derive management fees that are generally derived from applying a certain percentage to the appropriate fee base. We classify customized separate account revenue as management fees if the client is charged an asset-based fee, which includes the majority of our discretionary AUM accounts but also includes certain non-discretionary AUA accounts. Our fee-earning AUM is equal to the amount of capital commitments, net invested capital and net asset value of our customized separate accounts and specialized funds depending on the fee terms. Substantially all of our customized separate accounts and specialized funds earn fees based on commitments or net invested capital, which are not affected by market appreciation or depreciation. Therefore, revenues and fee-earning AUM are not significantly affected by changes in market value. Our calculations of fee-earning AUM may differ from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers. Our definition of fee-earning AUM is not based on any definition that is set forth in the agreements governing the customized separate accounts or specialized funds that we manage.

Hamilton Lane Incorporated (or "**HLI**"), a Delaware corporation, was formed for the purpose of completing an initial public offering ("**IPO**") and related transactions in order to carry on the business of Hamilton Lane Advisors, L.L.C. ("**HLA**") as a publicly-traded entity. As of the closing of our IPO on March 6, 2017, HLI became the sole managing member of HLA.

Some of the statements in this presentation may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Words such as "will", "expect", "believe", "estimate", "continue", "anticipate", "intend", "plan", and similar expressions are intended to identify these forward-looking statements. Forward-looking statements discuss management's current expectations and projections relating to our financial position, results of operations, plans, objectives, future performance and business. All forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause actual results to be materially different, including risks relating to: our ability to manage growth, fund performance, competition in our industry, changes in our regulatory environment and tax status; market conditions generally; our ability to access suitable investment opportunities for our clients; our ability to maintain our fee structure; our ability to attract and retain key employees; our ability to manage our obligations under our debt agreements; defaults by clients and third-party investors on their obligations to fund commitments; our ability to comply with investment guidelines set by our clients; our ability to successfully integrate acquired businesses with ours; our ability to manage risks associated with pursuing new lines of business or entering into strategic partnerships; our ability to anticipate, identify and manage risks we face; our ability to manage the effects of events outside of our control; and our ability to receive distributions from HLA to fund our payment of dividends, taxes and other expenses.

The foregoing list of factors is not exhaustive. For more information regarding these risks and uncertainties as well as additional risks we face, you should refer to the "Risk Factors" detailed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2022 and in our subsequent reports filed from time to time with the Securities and Exchange Commission. The forward-looking statements included in this presentation are made only as of the date presented. We undertake no obligation to update or revise any forward-looking statement as a result of new information or future events, except as otherwise required by law.

Values appearing in this presentation that are whole numbers are rounded approximations.

As of February 7, 2023