



ALEXANDRIA

AT THE VANGUARD AND HEART OF THE LIFE SCIENCE ECOSYSTEM™

Alexandria Real Estate Equities, Inc. Reports: 1Q23 Net Income per Share – Diluted of \$0.44; and 1Q23 FFO per Share – Diluted, As Adjusted, of \$2.19

PASADENA, Calif. – April 24, 2023 – Alexandria Real Estate Equities, Inc. (NYSE: ARE) announced financial and operating results for the first quarter ended March 31, 2023.

Key highlights

Operating results

	1Q23	1Q22
Total revenues:		
In millions	\$ 700.8	\$ 615.1
Growth	13.9%	
Net income (loss) attributable to Alexandria's common stockholders – diluted		
In millions	\$ 75.3	\$ (151.7)
Per share	\$ 0.44	\$ (0.96)
Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted		
In millions	\$ 373.7	\$ 324.6
Per share (refer to footnote 1 on page 9)	\$ 2.19	\$ 2.05

An operationally excellent, industry-leading REIT with a high-quality and diverse client base of over 850 tenants supporting high-quality revenues, stable cash flows, and strong margins

Percentage of total annual rental revenue in effect from investment-grade or publicly traded large cap tenants	49%
Sustained strength in tenant collections:	
Tenant receivables as of March 31, 2023	\$ 8.2 million
April 2023 tenant rent and receivables collected as of April 24, 2023	99.7%
1Q23 tenant rent and receivables collected as of April 24, 2023	99.9%
On March 10, 2023, we held \$108.3 million in letters of credit originally issued by Silicon Valley Bank, now a division of First Citizens Bank. As of April 24, 2023, our tenants have transitioned \$26.0 million to new banks or new forms of lease security, \$64.7 million are in the process of transitioning to new banks acceptable to us, and \$17.6 million remain to be transitioned.	
Occupancy of operating properties in North America	93.6%
Operating margin	70%
Adjusted EBITDA margin	69%
Weighted-average remaining lease term:	
All tenants	7.2 years
Top 20 tenants	9.5 years

Continued strong leasing volume and rental rate increases

- For 1Q23, rental rate increase of 48.3% represents the highest quarterly rental rate growth in Company history.
- Strong leasing activity continued in 1Q23 with leasing volume aggregating 1.2 million RSF, exceeding the 1.1 million RSF average in quarterly leasing for the five-year period prior to 2021, with 85% generated from our client base of over 850 tenants.

	1Q23
Total leasing activity – RSF	1,223,427
Lease renewals and re-leasing of space:	
RSF (included in total leasing activity above)	1,120,038
Rental rate increase	48.3%
Rental rate increase (cash basis)	24.2%

Continued strong net operating income and internal growth

- Net operating income (cash basis) of \$1.8 billion for 1Q23 annualized, up \$245.0 million, or 16.2%, compared to 1Q22 annualized.
- Same property net operating income growth:
 - 3.7% and 9.0% (cash basis) for 1Q23 over 1Q22.
 - Our 1Q23 same property growth outperformed our 10-year averages of 3.6% and 6.6% (cash basis).
- 95% of our leases contain contractual annual rent escalations approximating 3%.

Key updates to our 2023 sources and uses of capital guidance

- \$325 million reduction in total uses of capital to \$2.95 billion.
- \$325 million reduction in sources of capital to \$2.95 billion.
- \$950 million in net incremental debt for 2023 (\$1.0 billion of unsecured senior notes payable issued in February 2023).
- \$375 million in net cash provided by operating activities after dividends.
- \$1.625 billion in dispositions, sales of partial interests, and future settlement of forward equity sales agreements that were outstanding as of December 31, 2022.
 - \$965.4 million, or 59%, completed or subject to executed letters of intent or purchase and sale agreements, including \$865.4 million from dispositions and sales of partial interests and approximately \$100 million from forward equity sales agreements that were outstanding as of December 31, 2022.
 - \$659.6 million of targeted dispositions and sales of partial interests.
- \$275 million of excess bond offering proceeds to reduce debt capital for 2024.

Continued strong and flexible balance sheet with 13.4 years of remaining term of debt

- Investment-grade credit ratings ranked in the top 10% among all publicly traded U.S. REITs.
- \$5.3 billion of liquidity.
- No debt maturities prior to 2025.
- 13.4 years weighted-average remaining term of debt.
- 96.1% of our debt has a fixed rate.
- Net debt and preferred stock to Adjusted EBITDA of 5.3x and fixed-charge coverage ratio of 5.0x for 1Q23 annualized.
- Total debt and preferred stock to gross assets of 28%.
- In February 2023, we issued unsecured senior notes payable aggregating \$1.0 billion at 4.95% for average term of 21.2 years.
- \$1.4 billion of expected capital contributions from existing real estate joint venture partners from 2Q23 through 2026 to fund construction.

Continued strong and increasing dividends with a focus on retaining significant net cash flows from operating activities after dividends for reinvestment

- Common stock dividend declared for 1Q23 of \$1.21 per common share, aggregating \$4.78 per common share for the twelve months ended March 31, 2023, up 24 cents, or 5%, over the twelve months ended March 31, 2022.
- Dividend yield of 3.9% as of March 31, 2023.
- Dividend payout ratio of 55% for the three months ended March 31, 2023.
- Average annual dividend per-share growth of 5.4% from 2019 to 1Q23 annualized.

First Quarter Ended March 31, 2023 Financial and Operating Results (continued)

March 31, 2023



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Strong balance sheet management

Key metrics as of March 31, 2023

- \$33.0 billion in total market capitalization.
- \$21.5 billion in total equity capitalization, which ranks in the top 10% among all publicly traded U.S. REITs.

	1Q23		Goal
	Quarter	Trailing	4Q23
	Annualized	12 Months	Annualized
Net debt and preferred stock to Adjusted EBITDA	5.3x	5.6x	Less than or equal to 5.1x
Fixed-charge coverage ratio	5.0x	5.0x	4.5x to 5.0x

Key capital events

- In February 2023, we opportunistically issued \$1.0 billion of unsecured senior notes payable with a weighted-average interest rate of 4.95% and a weighted-average maturity of 21.2 years. The unsecured senior notes include:
 - \$500.0 million of 4.75% green unsecured senior notes due 2035; and
 - \$500.0 million of 5.15% unsecured senior notes due 2053.
- As of 1Q23, we have outstanding forward equity agreements from 2022 aggregating 699 thousand shares of common stock with expected net proceeds of \$102.5 million.
- As of March 31, 2023, the remaining aggregate amount available under our ATM program for future sales of common stock was \$141.9 million.

Investments

- As of March 31, 2023:
 - Our non-real estate investments aggregated \$1.6 billion.
 - Unrealized gains presented in our consolidated balance sheet were \$336.8 million, comprising gross unrealized gains and losses aggregating \$459.3 million and \$122.5 million, respectively.
- For 1Q23, investment loss of \$45.1 million presented in our consolidated statements of operations consisted of \$20.7 million of realized gains and \$65.9 million of unrealized losses/changes in fair value.

External growth and investments in real estate

Alexandria's value-creation pipeline drives visibility for future growth aggregating over \$610 million of incremental net operating income

- Highly leased value-creation pipeline of current and four near-term projects expected to generate greater than \$610 million of incremental net operating income, primarily commencing from 2Q23 through 1Q26.
 - 6.7 million RSF of value-creation projects, 74% of which is leased/negotiating.
 - 79% of the leased RSF of our value-creation projects was generated from our client base of over 850 tenants.
- During 1Q23, we placed into service development and redevelopment projects aggregating 453,511 RSF across multiple submarkets, resulting in \$23 million of incremental annual net operating income.
- Annual net operating income (cash basis) is expected to increase by \$41 million upon the burn-off of initial free rent from recently delivered projects.

Subsequent events

Sale of partial interest in consolidated real estate joint venture

As of March 31, 2023, our investment in 15 Necco Street, a development project aggregating 345,995 RSF located in our Seaport Innovation District submarket, was held in a consolidated real estate joint venture in which 90% was owned by us and 10% was owned by our existing joint venture partner.

In April 2023, an investor acquired a 20% interest in this joint venture, which consists of an 18% interest sold by us and a 2% interest sold by our existing partner. The sales price of the 18% interest sold by us was \$66.1 million. Upon completion of the sale, our ownership interest in the consolidated joint venture is 72% and our existing and new partners' noncontrolling interests are 8% and 20%, respectively. We retained control over this real estate joint venture and therefore continue to consolidate it. We expect our new joint venture partner to contribute capital aggregating \$119.0 million to fund construction spending over time and to accrete its ownership interest in the joint venture from 20% to 37%. Our ownership percentage is expected to decline from 90% prior to this transaction to 57%.

Asset held for sale

In January 2020, we acquired a three-building office campus aggregating 509,702 RSF in our Route 128 submarket. At the time of our acquisition, the campus was fully occupied with a weighted-average remaining lease term of 6.1 years. We had intended to convert the campus into office/laboratory space through redevelopment upon the expirations of the acquired in-place leases.

Since our acquisition, the macroeconomic environment and demand for office space have deteriorated considerably. In April 2023, upon meeting the criteria for classification as held for sale, we recognized a real estate impairment charge of approximately \$139 million to reduce our investment in this campus to its current fair value less costs to sell from the book value of \$259 million. These buildings represent our only pure operating office campus in the Greater Boston market, and we expect to complete the sale in mid-2023.

First Quarter Ended March 31, 2023 Financial and Operating Results (continued)

March 31, 2023



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Industry and ESG leadership: catalyzing and leading the way for positive change to benefit human health and society

- In March 2023, Alexandria was named one of *Newsweek's* Most Trustworthy Companies in America. The Company was one of only six S&P 500 REITs recognized based on three main public touchpoints of trust: customer trust, investor trust and employee trust.
- During 1Q23, Alexandria earned several awards in recognition of excellence in operations, asset management, development, and leasing across our regions:
 - In our Greater Boston market, Alexandria received two 2023 BOMA Mid-Atlantic TOBY (The Outstanding Building of the Year) awards — Corporate Facility of the Year for 225 Binney Street on our Alexandria Center® at Kendall Square mega campus and Building Under 100,000 SF for 700 Technology Square on our Alexandria Technology Square® mega campus. The TOBY Awards honor and recognize quality in commercial buildings and reward excellence in building management.
 - In our San Diego market, Alexandria was selected for two 2023 CoStar Impact Awards: Commercial Development of the Year for 10055 Barnes Canyon Road on our SD Tech by Alexandria mega campus; and Lease of the Year for a near-term development project on our Campus Point by Alexandria mega campus. The CoStar Impact Awards recognize exemplary commercial real estate transactions and projects completed in 2022 that have significantly influenced their communities.
 - In our Research Triangle market, Alexandria earned three awards in the *Triangle Business Journal's* 2023 SPACE Awards — Top Office Development for 8 Davis Drive on our Alexandria Center® for Advanced Technologies mega campus, Top Life Science/Laboratory Lease at 7 Triangle Drive, and Top Flex Lease at our Alexandria Center® for Life Science — Durham mega campus. The annual SPACE Awards recognize the Research Triangle's top real estate developments and transactions.
- In January 2023, Alexandria became a founding sponsor of the International Institute for Sustainable Laboratories (I²SL) new Labs2Zero program. As a founding sponsor, we are helping drive the development of I²SL's new roadmap, which aims to improve the energy and emissions performance of existing and future laboratory buildings.

About Alexandria Real Estate Equities, Inc.

Alexandria Real Estate Equities, Inc. (NYSE: ARE), an S&P 500® company, is a best-in-class, mission-driven life science REIT making a positive and lasting impact on the world. As the pioneer of the life science real estate niche since its founding in 1994, Alexandria is the preeminent and longest-tenured owner, operator, and developer of collaborative life science, agtech, and advanced technology campuses in AAA innovation cluster locations, including Greater Boston, the San Francisco Bay Area, New York City, San Diego, Seattle, Maryland, and Research Triangle. The trusted partner to over 850 tenants, Alexandria has a total market capitalization of \$33.0 billion and an asset base in North America of 75.6 million square feet ("SF") as of March 31, 2023, which includes 41.9 million RSF of operating properties and 5.5 million RSF of Class A properties undergoing construction, 9.7 million RSF of near-term and intermediate-term development and redevelopment projects, and 18.5 million SF of future development projects. Alexandria has a longstanding and proven track record of developing Class A properties clustered in life science, agtech, and advanced technology campuses that provide our innovative tenants with highly dynamic and collaborative environments that enhance their ability to successfully recruit and retain world-class talent and inspire productivity, efficiency, creativity, and success. Alexandria also provides strategic capital to transformative life science, agrifoodtech, climate innovation, and technology companies through our venture capital platform. We believe our unique business model and diligent underwriting ensure a high-quality and diverse tenant base that results in higher occupancy levels, longer lease terms, higher rental income, higher returns, and greater long-term asset value. For additional information on Alexandria, please visit www.are.com.

Guidance

March 31, 2023

(Dollars in millions)



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Guidance for 2023 has been updated to reflect our current view of existing market conditions and assumptions for the year ending December 31, 2023. There can be no assurance that actual amounts will not be materially higher or lower than these expectations. Also, refer to our discussion of “forward-looking statements” on page 8 of this Earnings Press Release for additional details. Key updates to our 2023 guidance include the following changes to the midpoints of our guidance ranges for our 2023 key sources and uses of capital:

- \$325 million reduction in total uses of capital to \$2.95 billion.
- \$325 million reduction in sources of capital to \$2.95 billion.
 - \$950 million in net incremental debt for 2023 (\$1.0 billion of unsecured senior notes payable issued in February 2023).
 - \$375 million in net cash provided by operating activities after dividends.
- \$1.625 billion in dispositions, sales of partial interests, and future settlement of forward equity sales agreements that were outstanding as of December 31, 2022.
 - \$965.4 million, or 59%, completed or subject to executed letters of intent or purchase and sale agreements, including \$865.4 million from dispositions and sales of partial interests and approximately \$100 million from forward equity sales agreements that were outstanding as of December 31, 2022.
 - \$659.6 million of targeted dispositions and sales of partial interests.
- \$275 million of excess bond offering proceeds to reduce debt capital for 2024.

Summary of key changes in guidance

	2023 Guidance	
	As of 4/24/23	As of 1/31/23
EPS, FFO per share, and FFO per share, as adjusted	Refer to page 5	
Occupancy percentage in North America as of December 31, 2023	94.6% to 95.6% ⁽¹⁾	94.8% to 95.8%
Rental rate increases	28.0% to 33.0%	27.0% to 32.0%
Rental rate increases (cash basis)	12.0% to 17.0%	11.0% to 16.0%

Key Sources and Uses of Capital	Midpoint			As of 4/24/23		
	As of 1/30/23	Key Changes	As of 4/24/23	Range	Midpoint	
<i>Sources of capital:</i>						
Incremental debt	\$ 700	\$ (50)	\$ 650	\$ 575	\$ 725	\$ 650
Excess 2022 bond capital held as cash at December 31, 2022	300	—	300	300	300	300 ⁽²⁾
Net cash provided by operating activities after dividends	375	—	375	350	400	375
Dispositions and sales of partial interests (refer to page 7)	1,900	(275)	1,525	1,425	1,625	1,525 ⁽³⁾
Future settlement of forward equity sales agreements outstanding as of December 31, 2022			100	100	100	100 ⁽⁴⁾
Total sources of capital before excess cash expected to be held at December 31, 2023	<u>\$ 3,275</u>	<u>\$ (325)</u>	<u>\$ 2,950</u>	<u>2,750</u>	<u>3,150</u>	<u>2,950</u>
Cash expected to be held at December 31, 2023 ⁽⁵⁾	<u>\$ —</u>	<u>\$ 275</u>	<u>\$ 275</u>	<u>125</u>	<u>425</u>	<u>275</u>
Total sources of capital				<u>\$ 2,875</u>	<u>\$ 3,575</u>	<u>\$ 3,225</u>
<i>Uses of capital:</i>						
Construction (refer to page 47)	\$ 2,975	\$ (250)	\$ 2,725	\$ 2,575	\$ 2,875	\$ 2,725
Acquisitions (refer to page 6)	300	(75)	225	175	275	225 ⁽⁶⁾
Total uses of capital	<u>\$ 3,275</u>	<u>\$ (325)</u>	<u>\$ 2,950</u>	<u>\$ 2,750</u>	<u>\$ 3,150</u>	<u>\$ 2,950</u>
<i>Incremental debt (included above):</i>						
Issuance of unsecured senior notes payable				\$ 1,000	\$ 1,000	\$ 1,000 ⁽⁷⁾
Unsecured senior line of credit, commercial paper, and other				(425)	(275)	(350)
Net incremental debt				<u>\$ 575</u>	<u>\$ 725</u>	<u>\$ 650</u>

(1) Refer to footnote 4 on the next page for additional details.

(2) Represents \$300.0 million of excess 2022 bond capital proceeds held as cash at December 31, 2022 that was used to reduce our 2023 debt capital needs.

(3) As of April 24, 2023, we have completed dispositions and pending transactions subject to signed letters of intent or purchase and sale agreements aggregating \$865.4 million.

(4) Represents outstanding forward equity sales agreements entered into during the three months ended December 31, 2022 to sell 699 thousand shares of common stock under our ATM program.

(5) Represents estimated excess 2023 bond capital proceeds expected to be held as cash at December 31, 2023, which reduces our 2024 debt capital needs.

(6) As of March 31, 2023, we have completed acquisitions aggregating \$171.9 million.

(7) Represents \$1.0 billion of unsecured senior notes payable issued in February 2023.

Guidance (continued)

March 31, 2023

(Dollars in millions, except per share amounts)

Projected 2023 Earnings per Share and Funds From Operations per Share Attributable to Alexandria's Common Stockholders – Diluted

	As of 4/24/23	As of 1/30/23	Key Changes
Earnings per share ⁽¹⁾	\$2.21 to \$2.31	\$3.41 to \$3.61	
Depreciation and amortization of real estate assets	5.55	5.50	5-cent increase
Impairment of real estate – rental properties	0.81	—	(2)
Allocation to unvested restricted stock awards	(0.04)	(0.05)	
Funds from operations per share ⁽³⁾	\$8.53 to \$8.63	\$8.86 to \$9.06	
Unrealized losses on non-real estate investments	0.39	—	
Allocation to unvested restricted stock awards	(0.01)	—	
Funds from operations per share, as adjusted ⁽³⁾	\$8.91 to \$9.01	\$8.86 to \$9.06	No change to midpoint; narrowed range by 10 cents
Midpoint	\$8.96	\$8.96	

Key Assumptions	As of 4/24/23		As of 1/30/23		Key Changes
	Low	High	Low	High	
Occupancy percentage in North America as of December 31, 2023	94.6%	95.6%	94.8%	95.8%	20 bps decline ⁽⁴⁾
Lease renewals and re-leasing of space:					
Rental rate increases	28.0%	33.0%	27.0%	32.0%	1.0% increase
Rental rate increases (cash basis)	12.0%	17.0%	11.0%	16.0%	
Same property performance:					
Net operating income increases	2.0%	4.0%	2.0%	4.0%	No change
Net operating income increases (cash basis)	4.0%	6.0%	4.0%	6.0%	
Straight-line rent revenue	\$ 130	\$ 145	\$ 130	\$ 145	No change
General and administrative expenses	\$ 183	\$ 193	\$ 183	\$ 193	
Capitalization of interest	\$ 342	\$ 362	\$ 342	\$ 362	
Interest expense	\$ 74	\$ 94	\$ 74	\$ 94	

Key Credit Metrics	As of 4/24/23	As of 1/30/23	Key Changes
Net debt and preferred stock to Adjusted EBITDA – 4Q23 annualized	Less than or equal to 5.1x	Less than or equal to 5.1x	No change
Fixed-charge coverage ratio – 4Q23 annualized	4.5x to 5.0x	4.5x to 5.0x	

(1) Excludes unrealized gains or losses after March 31, 2023 that are required to be recognized in earnings and are excluded from funds from operations per share, as adjusted.

(2) Refer to "Subsequent Events" on page 2 of our Earnings Press Release for additional information.

(3) Refer to "Funds from operations and funds from operations, as adjusted, attributable to Alexandria's common stockholders" in the "Definitions and reconciliations" of our Supplemental Information for additional details.

(4) The decline of 20 basis points in our 2023 guidance range for occupancy percentage in North America as of December 31, 2023 relates to a two-building value-creation project aggregating 201,499 RSF in our Greater Houston submarket to convert office space to office/laboratory space through redevelopment. One building aggregates 130,765 RSF and is 36% leased, with initial occupancy expected to commence in 2023. In connection with our strategic review of projected 2023 construction spending, we temporarily paused construction work on the second building, which aggregates 70,734 RSF, until further lease-up of the 130,765 RSF building. As of March 31, 2023, the vacant 70,734 RSF building was classified as an operating property.

Acquisitions

March 31, 2023

(Dollars in thousands)



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Property	Submarket/Market	Date of Purchase	Number of Properties	Operating Occupancy	Square Footage			Total ⁽²⁾	Purchase Price
					Acquisitions With Development/Redevelopment Opportunities ⁽¹⁾				
					Future Development	Active Development/ Redevelopment	Operating With Future Development/ Redevelopment		
Completed in 1Q23:									
Canada	Canada	1/30/23	1	100%	—	—	247,743	247,743	\$ 100,837
Other	Various		2	100	715,000	110,717	10,000	835,717	71,103
			3	100%	715,000	110,717	257,743	1,083,460	171,940
Other targeted acquisitions									53,060
2023 acquisitions (midpoint)									\$ 225,000
2023 guidance range									\$175,000 – \$275,000

(1) We expect to provide total estimated costs and related yields for development and redevelopment projects in the future, subsequent to the commencement of construction.

(2) Represents total square footage upon completion of development or redevelopment of one or more new Class A properties. Square footage presented includes RSF of buildings currently in operation with future development or redevelopment opportunities. Refer to "Definitions and reconciliations" in our Supplemental Information for additional details on value-creation square feet currently included in rental properties.

Dispositions and Sales of Partial Interests

March 31, 2023

(In thousands)



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Property	Submarket/Market	Interest Sold	Sales Price
Completed in April 2023:			
15 Necco Street ⁽¹⁾	Seaport Innovation District/Greater Boston	18% ⁽¹⁾	\$ 66,108
Pending transactions subject to signed letters of intent or purchase and sale agreements ⁽²⁾	Various	N/A	799,333
			865,441
Other targeted disposition and sales of partial interests			659,559
2023 dispositions and sales of partial interests (midpoint)			\$ 1,525,000
2023 guidance range			\$1,425,000 – \$1,625,000

(1) Represents a development project under construction aggregating 345,995 RSF, 97% of which is leased to the Lilly Institute for Genetic Medicine. In April 2023, an investor acquired a 20% interest in this joint venture, which consists of an 18% interest sold by us and a 2% interest sold by our existing partner. Upon completion of the sale, our ownership interest in the consolidated real estate joint venture is 72% and our existing and new partners' noncontrolling interests are 8% and 20%, respectively. We retained control over this real estate joint venture and therefore continue to consolidate it. We expect our new joint venture partner to contribute capital aggregating \$119.0 million to fund construction spending over time and to accrete its ownership interest in the joint venture from 20% to 37%. Our ownership percentage is expected to decline from 90% prior to this transaction to 57%.

(2) Includes an office campus classified as held for sale in April 2023. Refer to "Subsequent events" on page 2 of our Earnings Press Release for additional information.

Earnings Call Information and About the Company

March 31, 2023



We will host a conference call on Tuesday, April 25, 2023, at 3:00 p.m. Eastern Time ("ET")/noon Pacific Time ("PT"), which is open to the general public, to discuss our financial and operating results for the first quarter ended March 31, 2023. To participate in this conference call, dial (833) 366-1125 or (412) 902-6738 shortly before 3:00 p.m. ET/noon PT and ask the operator to join the call for Alexandria Real Estate Equities, Inc. The audio webcast can be accessed at www.alexandria-re.com in the "For Investors" section. A replay of the call will be available for a limited time from 5:00 p.m. ET/2:00 p.m. PT on Tuesday, April 25, 2023. The replay number is (877) 344-7529 or (412) 317-0088, and the access code is 9991022.

Additionally, a copy of this Earnings Press Release and Supplemental Information for the first quarter ended March 31, 2023 is available in the "For Investors" section of our website at www.alexandria-re.com or by following this link: <https://www.alexandria-re.com/fs/2023q1.pdf>.

For any questions, please contact Joel S. Marcus, executive chairman and founder; Peter M. Moglia, chief executive officer and co-chief investment officer; Dean A. Shigenaga, president and chief financial officer; Paula Schwartz, managing director of Rx Communications Group, at (917) 633-7790; or Sara M. Kabakoff, vice president – strategic communications.

About the Company

Alexandria Real Estate Equities, Inc. (NYSE: ARE), an S&P 500® company, is a best-in-class, mission-driven life science REIT making a positive and lasting impact on the world. As the pioneer of the life science real estate niche since its founding in 1994, Alexandria is the preeminent and longest-tenured owner, operator, and developer of collaborative life science, agtech, and advanced technology campuses in AAA innovation cluster locations, including Greater Boston, the San Francisco Bay Area, New York City, San Diego, Seattle, Maryland, and Research Triangle. The trusted partner to over 850 tenants, Alexandria has a total market capitalization of \$33.0 billion and an asset base in North America of 75.6 million SF as of March 31, 2023, which includes 41.9 million RSF of operating properties and 5.5 million RSF of Class A properties undergoing construction, 9.7 million RSF of near-term and intermediate-term development and redevelopment projects, and 18.5 million SF of future development projects. Alexandria has a longstanding and proven track record of developing Class A properties clustered in life science, agtech, and advanced technology campuses that provide our innovative tenants with highly dynamic and collaborative environments that enhance their ability to successfully recruit and retain world-class talent and inspire productivity, efficiency, creativity, and success. Alexandria also provides strategic capital to transformative life science, agrifoodtech, climate innovation, and technology companies through our venture capital platform. We believe our unique business model and diligent underwriting ensure a high-quality and diverse tenant base that results in higher occupancy levels, longer lease terms, higher rental income, higher returns, and greater long-term asset value. For additional information on Alexandria, please visit www.alexandria-re.com.

This document includes "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. Such forward-looking statements include, without limitation, statements regarding our 2023 earnings per share attributable to Alexandria's common stockholders – diluted, 2023 funds from operations per share attributable to Alexandria's common stockholders – diluted, net operating income, and our projected sources and uses of capital. You can identify the forward-looking statements by their use of forward-looking words, such as "forecast," "guidance," "goals," "projects," "estimates," "anticipates," "believes," "expects," "intends," "may," "plans," "seeks," "should," "targets," or "will," or the negative of those words or similar words. These forward-looking statements are based on our current expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts, as well as a number of assumptions concerning future events. There can be no assurance that actual results will not be materially higher or lower than these expectations. These statements are subject to risks, uncertainties, assumptions, and other important factors that could cause actual results to differ materially from the results discussed in the forward-looking statements. Factors that might cause such a difference include, without limitation, our failure to obtain capital (debt, construction financing, and/or equity) or refinance debt maturities, lower than expected yields, increased interest rates and operating costs, adverse economic or real estate developments in our markets, our failure to successfully place into service and lease any properties undergoing development or redevelopment and our existing space held for future development or redevelopment (including new properties acquired for that purpose), our failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, failure to obtain LEED and other healthy building certifications and efficiencies, and other risks and uncertainties detailed in our filings with the Securities and Exchange Commission ("SEC"). Accordingly, you are cautioned not to place undue reliance on such forward-looking statements. All forward-looking statements are made as of the date of this Earnings Press Release and Supplemental Information, and unless otherwise stated, we assume no obligation to update this information and expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. For more discussion relating to risks and uncertainties that could cause actual results to differ materially from those anticipated in our forward-looking statements, and risks to our business in general, please refer to our SEC filings, including our most recent annual report on Form 10-K and any subsequent quarterly reports on Form 10-Q.

This document is not an offer to sell or a solicitation to buy securities of Alexandria Real Estate Equities, Inc. Any offers to sell or solicitations to buy our securities shall be made only by means of a prospectus approved for that purpose. Unless otherwise indicated, the "Company," "Alexandria," "ARE," "we," "us," and "our" refer to Alexandria Real Estate Equities, Inc. and our consolidated subsidiaries. Alexandria®, Lighthouse Design® logo, Building the Future of Life-Changing Innovation®, That's What's in Our DNA®, At the Vanguard and Heart of the Life Science Ecosystem™, Alexandria Center®, Alexandria Technology Square®, Alexandria Technology Center®, and Alexandria Innovation Center® are copyrights and trademarks of Alexandria Real Estate Equities, Inc. All other company names, trademarks, and logos referenced herein are the property of their respective owners.

Consolidated Statements of Operations

March 31, 2023

(Dollars in thousands, except per share amounts)



ALEXANDRIA®
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	Three Months Ended				
	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
Revenues:					
Income from rentals	\$ 687,949	\$ 665,674	\$ 656,853	\$ 640,959	\$ 612,554
Other income	12,846 ⁽¹⁾	4,607	2,999	2,805	2,511
Total revenues	700,795	670,281	659,852	643,764	615,065
Expenses:					
Rental operations	206,933	204,352	201,189	196,284	181,328
General and administrative	48,196	42,992	49,958	43,397	40,931
Interest	13,754	17,522	22,984	24,257	29,440
Depreciation and amortization	265,302	264,480	254,929	242,078	240,659
Impairment of real estate	—	26,186	38,783	—	—
Loss on early extinguishment of debt	—	—	—	3,317	—
Total expenses	534,185	555,532	567,843	509,333	492,358
Equity in earnings of unconsolidated real estate joint ventures	194	172	40	213	220
Investment loss	(45,111) ⁽¹⁾	(19,653)	(32,305)	(39,481)	(240,319)
Gain on sales of real estate	—	—	323,699	214,219	—
Net income (loss)	121,693	95,268	383,443	309,382	(117,392)
Net income attributable to noncontrolling interests	(43,831)	(40,949)	(38,747)	(37,168)	(32,177)
Net income (loss) attributable to Alexandria Real Estate Equities, Inc.'s stockholders	77,862	54,319	344,696	272,214	(149,569)
Net income attributable to unvested restricted stock awards	(2,606)	(2,526)	(3,257)	(2,934)	(2,081)
Net income (loss) attributable to Alexandria Real Estate Equities, Inc.'s common stockholders	<u>\$ 75,256</u>	<u>\$ 51,793</u>	<u>\$ 341,439</u>	<u>\$ 269,280</u>	<u>\$ (151,650)</u>
Net income (loss) per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders:					
Basic	\$ 0.44	\$ 0.31	\$ 2.11	\$ 1.67	\$ (0.96)
Diluted	\$ 0.44	\$ 0.31	\$ 2.11	\$ 1.67	\$ (0.96)
Weighted-average shares of common stock outstanding:					
Basic	170,784	165,393	161,554	161,412	158,198
Diluted	170,784	165,393	161,554	161,412	158,198
Dividends declared per share of common stock	\$ 1.21	\$ 1.21	\$ 1.18	\$ 1.18	\$ 1.15

(1) Our 1Q23 FFO per share – diluted, as adjusted includes realized investment gains of \$20.7 million, representing a decline of \$4.5 million compared to the average of the preceding four quarters of \$25.2 million. Other income for 1Q23 includes a \$5.3 million leasing fee related to a joint venture in our Seattle market. Other income for 1Q23 also includes \$4.4 million of interest income generated primarily by excess cash held and was offset by a corresponding increase in interest expense.

Consolidated Balance Sheets

March 31, 2023

(In thousands)



ALEXANDRIA®
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	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
Assets					
Investments in real estate	\$ 30,889,395	\$ 29,945,440	\$ 28,771,745	\$ 27,952,931	\$ 27,100,009
Investments in unconsolidated real estate joint ventures	38,355	38,435	38,285	37,587	38,456
Cash and cash equivalents	1,263,452	825,193	533,824	420,258	775,060
Restricted cash	34,932	32,782	332,344	97,404	95,106
Tenant receivables	8,197	7,614	7,759	7,069	7,570
Deferred rent	974,865	942,646	918,995	905,699	881,743
Deferred leasing costs	527,848	516,275	506,864	498,434	484,184
Investments	1,573,018	1,615,074	1,624,921	1,657,461	1,661,101
Other assets	1,602,403	1,599,940	1,633,877	1,667,210	1,801,027
Total assets	<u>\$ 36,912,465</u>	<u>\$ 35,523,399</u>	<u>\$ 34,368,614</u>	<u>\$ 33,244,053</u>	<u>\$ 32,844,256</u>
Liabilities, Noncontrolling Interests, and Equity					
Secured notes payable	\$ 73,645	\$ 59,045	\$ 40,594	\$ 24,986	\$ 208,910
Unsecured senior notes payable	11,089,124	10,100,717	10,098,588	10,096,462	10,094,337
Unsecured senior line of credit and commercial paper	374,536	—	386,666	149,958	—
Accounts payable, accrued expenses, and other liabilities	2,479,047	2,471,259	2,393,764	2,317,940	2,172,692
Dividends payable	209,346	209,131	193,623	192,571	187,701
Total liabilities	<u>14,225,698</u>	<u>12,840,152</u>	<u>13,113,235</u>	<u>12,781,917</u>	<u>12,663,640</u>
Commitments and contingencies					
Redeemable noncontrolling interests	44,862	9,612	9,612	9,612	9,612
Alexandria Real Estate Equities, Inc.'s stockholders' equity:					
Common stock	1,709	1,707	1,626	1,615	1,614
Additional paid-in capital	18,902,821	18,991,492	17,639,434	17,149,571	16,934,094
Accumulated other comprehensive loss	(20,536)	(20,812)	(24,725)	(11,851)	(5,727)
Alexandria Real Estate Equities, Inc.'s stockholders' equity	<u>18,883,994</u>	<u>18,972,387</u>	<u>17,616,335</u>	<u>17,139,335</u>	<u>16,929,981</u>
Noncontrolling interests	3,757,911	3,701,248	3,629,432	3,313,189	3,241,023
Total equity	<u>22,641,905</u>	<u>22,673,635</u>	<u>21,245,767</u>	<u>20,452,524</u>	<u>20,171,004</u>
Total liabilities, noncontrolling interests, and equity	<u>\$ 36,912,465</u>	<u>\$ 35,523,399</u>	<u>\$ 34,368,614</u>	<u>\$ 33,244,053</u>	<u>\$ 32,844,256</u>

Funds From Operations and Funds From Operations per Share

March 31, 2023

(In thousands)



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The following table presents a reconciliation of net income (loss) attributable to Alexandria's common stockholders, the most directly comparable financial measure presented in accordance with U.S. generally accepted accounting principles ("GAAP"), including our share of amounts from consolidated and unconsolidated real estate joint ventures, to funds from operations attributable to Alexandria's common stockholders – diluted, and funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted, for the periods below:

	Three Months Ended				
	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
Net income (loss) attributable to Alexandria's common stockholders	\$ 75,256	\$ 51,793	\$ 341,439	\$ 269,280	\$ (151,650)
Depreciation and amortization of real estate assets	262,124	261,185	251,453	238,565	237,160
Noncontrolling share of depreciation and amortization from consolidated real estate JVs	(28,178)	(29,702)	(27,790)	(26,418)	(23,681)
Our share of depreciation and amortization from unconsolidated real estate JVs	859	982	795	934	955
Gain on sales of real estate	—	—	(323,699)	(214,219)	—
Impairment of real estate – rental properties	—	20,899	—	—	—
Allocation to unvested restricted stock awards	(1,359)	(953)	1,002	—	—
Funds from operations attributable to Alexandria's common stockholders – diluted⁽¹⁾	308,702	304,204	243,200	268,142	62,784
Unrealized losses on non-real estate investments	65,855	24,117	56,515	68,128	263,433
Impairment of non-real estate investments	—	20,512	—	—	—
Impairment of real estate	—	5,287	38,783	—	—
Loss on early extinguishment of debt	—	—	—	3,317	—
Acceleration of stock compensation expense due to executive officer resignation	—	—	7,185	—	—
Allocation to unvested restricted stock awards	(867)	(482)	(1,033)	(778)	(1,604)
Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted	\$ 373,690	\$ 353,638	\$ 344,650	\$ 338,809	\$ 324,613

(1) Calculated in accordance with standards established by the Nareit Board of Governors.

Funds From Operations and Funds From Operations per Share (continued)

March 31, 2023

(In thousands, except per share amounts)

The following table presents a reconciliation of net income (loss) per share attributable to Alexandria's common stockholders, the most directly comparable financial measure presented in accordance with GAAP, including our share of amounts from consolidated and unconsolidated real estate joint ventures, to funds from operations per share attributable to Alexandria's common stockholders – diluted, and funds from operations per share attributable to Alexandria's common stockholders – diluted, as adjusted, for the periods below. Per share amounts may not add due to rounding.

	Three Months Ended				
	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
Net income (loss) per share attributable to Alexandria's common stockholders – diluted	\$ 0.44	\$ 0.31	\$ 2.11	\$ 1.67	\$ (0.96)
Depreciation and amortization of real estate assets	1.38	1.41	1.39	1.32	1.36
Gain on sales of real estate	—	—	(2.00)	(1.33)	—
Impairment of real estate – rental properties	—	0.13	—	—	—
Allocation to unvested restricted stock awards	(0.01)	(0.01)	0.01	—	—
Funds from operations per share attributable to Alexandria's common stockholders – diluted	1.81	1.84	1.51	1.66	0.40
Unrealized losses on non-real estate investments	0.39	0.15	0.35	0.42	1.67
Impairment of non-real estate investments	—	0.12	—	—	—
Impairment of real estate	—	0.03	0.24	—	—
Loss on early extinguishment of debt	—	—	—	0.02	—
Acceleration of stock compensation expense due to executive officer resignation	—	—	0.04	—	—
Allocation to unvested restricted stock awards	(0.01)	—	(0.01)	—	(0.02)
Funds from operations per share attributable to Alexandria's common stockholders – diluted, as adjusted	\$ 2.19	\$ 2.14	\$ 2.13	\$ 2.10	\$ 2.05
Weighted-average shares of common stock outstanding for calculation of:					
Earnings per share – diluted	170,784	165,393	161,554	161,412	158,198
Funds from operations, diluted, per share	170,784	165,393	161,554	161,412	158,209
Funds from operations, diluted, as adjusted, per share	170,784	165,393	161,554	161,412	158,209