



ALEXANDRIA®

**Alexandria Real Estate Equities, Inc.,
at the Vanguard of the Life Science Industry, Reports:
1Q22 Net Loss per Share – Diluted of \$0.96;
1Q22 FFO per Share – Diluted, As Adjusted, of \$2.05**

PASADENA, Calif. – April 25, 2022 – Alexandria Real Estate Equities, Inc. (NYSE:ARE) announced financial and operating results for the first quarter ended March 31, 2022.

Key highlights

Operating results

	1Q22	1Q21
Total revenues:		
In millions	\$ 615.1	\$ 479.8
Growth	28.2%	
Net (loss) income attributable to Alexandria's common stockholders – diluted		
In millions	\$ (151.7)	\$ 6.1
Per share	\$ (0.96)	\$ 0.04
Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted		
In millions	\$ 324.6	\$ 263.0
Per share	\$ 2.05	\$ 1.91

Continued strong leasing volume in 1Q22, after a historic year of leasing in 2021

- Strong leasing activity continued in 1Q22 with the second-highest leasing volume in Company history for both total space and development and redevelopment space:

	1Q22
Total leasing activity – RSF	2,463,438
Leasing of development and redevelopment space – RSF	1,439,696
Lease renewals and re-leasing of space:	
RSF (included in total leasing activity above)	864,077
Rental rate increases	32.2%
Rental rate increases (cash basis)	16.5%
Excluding short-term renewals executed to allow Bristol-Myers Squibb Company (“BMS”) to expand and consolidate into our Alexandria Point development project, described further below:	
Rental rate increases	39.8%
Rental rate increases (cash basis)	23.2%

- During 1Q22, we executed the following long-term leases:
 - 426,927 RSF with BMS, our largest tenant, for the development of BMS's newest innovative cutting-edge research hub focused on cancer as well as immune-mediated and neurodegenerative diseases at the Alexandria Point mega campus in San Diego.
 - 333,929 RSF with Eli Lilly and Company (“Lilly”), our third largest tenant, for the development of Lilly's new state-of-the-art Institute for Genetic Medicine at 15 Necco Street in our Seaport Innovation District submarket of Greater Boston.

Continued strong net operating income and internal growth

- Net operating income (cash basis) of \$1.5 billion for 1Q22 annualized, up \$301.3 million, or 24.9%, compared to 1Q21 annualized.
- 97% of our leases contain contractual annual rent escalations approximating 3%.
- 7.6% and 7.3% (cash basis) same property net operating income increase for 1Q22 over 1Q21.

A REIT industry-leading high-quality tenant roster with high-quality revenues and cash flows, strong margins, and operational excellence

Percentage of total annual rental revenue in effect from investment-grade or publicly traded large cap tenants	50%
Occupancy of operating properties in North America	94.7%
Occupancy of operating properties in North America (excluding vacancy at recently acquired properties)	98.6% ⁽¹⁾
Operating margin	71%
Adjusted EBITDA margin	71%
Weighted-average remaining lease term:	
All tenants	7.3 years
Top 20 tenants	10.5 years

- (1) Excludes 1.6 million RSF, or 3.9%, of vacancy at recently acquired properties representing lease-up opportunities that are expected to provide incremental annual rental revenue. Refer to “Occupancy” in our Supplemental Information.

100 Binney Street achieves \$1 billion valuation milestone in recapitalization

During 1Q22, we completed the sale of a 70% interest in 100 Binney Street in our Cambridge/Inner Suburbs submarket of Greater Boston for a sales price of \$713.2 million, or \$2,353 per RSF, at capitalization rates of 3.6% and 3.5% (cash basis), representing an excess of \$413.6 million above our book value of the 70% interest sold. The sales price at 100% represents a property valuation of \$1.02 billion. Proceeds from this sale will be reinvested into our highly leased value-creation pipeline and acquisitions with development and redevelopment opportunities.

Continued high demand drives visibility for future growth aggregating \$665 million of incremental annual rental revenue

Our highly leased value-creation pipeline of current and key near-term projects that are under construction or that will commence construction in the next six quarters is expected to generate greater than \$665 million of incremental annual rental revenue, primarily commencing from 2Q22 through 1Q25.

- 8.0 million RSF of our value-creation projects are either under construction or expected to commence construction in the next six quarters.
- 77% leased/negotiating.

Strong and flexible balance sheet with significant liquidity

- Investment-grade credit ratings ranked in the top 10% among all publicly traded U.S. REITs as of March 31, 2022.
- Net debt and preferred stock to Adjusted EBITDA of 5.5x and fixed-charge coverage ratio of 5.1x for 1Q22 annualized.
- Total debt and preferred stock to gross assets of 28% as of March 31, 2022.
- \$5.7 billion liquidity as of March 31, 2022.

First Quarter Ended March 31, 2022 Financial and Operating Results (continued)

March 31, 2022

Continued dividend strategy to share growth in cash flows with stockholders

Common stock dividend declared for 1Q22 of \$1.15 per common share, aggregating \$4.54 per common share for the twelve months ended March 31, 2022, up 24 cents, or 6%, over the twelve months ended March 31, 2021. Our FFO payout ratio of 57% for the three months ended March 31, 2022 allows us to continue to share growth in cash flows from operating activities with our stockholders while also retaining a significant portion for reinvestment.

Key items included in operating results

Key items included in net (loss) income attributable to Alexandria's common stockholders:

(In millions, except per share amounts)

	Amount		Per Share – Diluted	
	1Q22	1Q21	1Q22	1Q21
Unrealized losses on non-real estate investments	\$ (263.4)	\$ (46.3)	\$ (1.67)	\$ (0.34)
Significant realized gains on non-real estate investments	—	22.9	—	0.17
Gain on sales of real estate	—	2.8	—	0.02
Impairment of real estate	—	(5.1)	—	(0.04)
Loss on early extinguishment of debt	—	(67.3)	—	(0.49)
Total	<u>\$ (263.4)</u>	<u>\$ (93.0)</u>	<u>\$ (1.67)</u>	<u>\$ (0.68)</u>

External growth and investment in real estate

Alexandria at the vanguard of innovation with a focus on accommodating our tenants' current needs and providing a path for their future growth; high-quality roster of over 1,000 tenants

- During 1Q22, we completed acquisitions in our key life science cluster submarkets aggregating 7.3 million SF and comprising 6.9 million RSF of future development and redevelopment opportunities and 451,760 RSF of operating space for an aggregate purchase price of \$1.8 billion. These acquisitions continue to be primarily focused on future development or redevelopment opportunities to expand our mega campuses and accommodate the future growth of our tenants.

Delivery and commencement of value-creation projects

- During 1Q22, we placed into service development and redevelopment projects aggregating 566,665 RSF across multiple submarkets.
- 82% of construction costs related to active development and redevelopment projects aggregating 5.4 million RSF are under a guaranteed maximum price contract or other contracts. Our budgets also include a landlord contingency that generally ranges between 3% and 5%. Refer to "Definitions and reconciliations" in our Supplemental Information for additional details.
- Annual net operating income (cash basis) is expected to increase by \$48 million upon the burn-off of initial free rent from recently delivered projects.
- During 1Q22, we commenced construction on five value-creation projects aggregating 1.1 million RSF, including:
 - 345,995 RSF development project that is 97% leased at 15 Necco Street in our Seaport Innovation District submarket.
 - 300,010 RSF project at 651 Gateway Boulevard in our South San Francisco submarket, which will be redeveloped into office/laboratory space; and
 - 192,000 RSF development project that is 100% leased at 9810 Darnestown Road in our Rockville submarket.

Delivery and commencement of value-creation projects (continued)

Value-creation pipeline of new Class A development and redevelopment projects as a percentage of gross assets	1Q22
Under construction projects 76% leased/negotiating	9%
Pre-leased/negotiating near-term projects expected to commence construction in the next six quarters 82% leased/negotiating	2%
Income-producing/potential cash flows/covered land play ⁽¹⁾	7%
Land	2%

(1) Includes projects that have existing buildings that are generating or can generate operating cash flows. Also includes development rights associated with existing operating campuses.

Balance sheet management

Key metrics as of March 31, 2022

- \$42.8 billion in total market capitalization.
- \$32.5 billion in total equity capitalization, which ranks in the top 10% among all publicly traded U.S. REITs as of March 31, 2022.
- No debt maturities prior to 2025 as of April 25, 2022.
- 13.8 years weighted-average remaining term of debt as of March 31, 2022.

	1Q22		Goal
	Quarter Annualized	Trailing 12 Months	4Q22 Annualized
Net debt and preferred stock to Adjusted EBITDA	5.5x	5.9x	Less than or equal to 5.1x
Fixed-charge coverage ratio	5.1x	5.1x	Greater than or equal to 5.1x

Key capital events

- During 1Q22, our common equity transactions included the following:
 - In January 2022, we entered into new forward equity sales agreements aggregating \$1.7 billion to sell 8.1 million shares of our common stock (including the exercise of an underwriters' option) at a public offering price of \$210.00 per share, before underwriting discounts and commissions.
 - In March 2022, we settled a portion of these forward equity sales agreements by issuing 3.2 million shares and received net proceeds of \$648.2 million.
 - We expect to issue 4.8 million shares to settle our remaining outstanding forward equity sales agreements and receive net proceeds of approximately \$1.0 billion in 2022.
 - In March 2022, we entered into new forward equity sales agreements aggregating \$350.0 million to sell 1.8 million shares under our ATM program at an average price of \$192.42 per share (before underwriting discounts). We expect to settle these forward equity sales agreements in 2022.
 - As of March 31, 2022, the remaining aggregate amount available under our ATM program for future sales of common stock is \$650.0 million.

First Quarter Ended March 31, 2022 Financial and Operating Results (continued)

March 31, 2022

Key capital events (continued)

- In February 2022, we opportunistically issued \$1.8 billion of unsecured senior notes payable with a weighted-average interest rate of 3.28% and a weighted-average maturity of 22.0 years. The unsecured senior notes include:
 - \$800.0 million of 2.95% green unsecured senior notes due 2034; and
 - \$1.0 billion of 3.55% unsecured senior notes due 2052.

Investments

- As of March 31, 2022, our investments aggregated \$1.7 billion, including unrealized gains of \$532.6 million.
- Investment loss of \$240.3 million for the three months ended March 31, 2022 included \$23.1 million in realized gains and \$263.4 million in unrealized losses (due to changes in fair value).

Subsequent event

- In April 2022, we repaid two secured notes payable aggregating \$195.0 million due in 2024 with an effective interest rate of 3.40% and recognized a loss on early extinguishment of debt of \$3.3 million, including a prepayment penalty and the write-off of unamortized loan fees.

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

- In April 2022, 9880 Campus Point Drive, a 98,000 RSF development on the Alexandria Point mega campus in our University Town Center submarket, earned LEED Platinum certification, the highest level of certification under the U.S. Green Building Council's Core & Shell rating system. Home to Alexandria GradLabs®, a dynamic proprietary platform purpose-built to accelerate the growth of promising post-seed-stage life science companies, the cutting-edge facility demonstrates high levels of sustainability, including decreased water consumption, significantly reduced energy use, and increased use of recycled resources and materials.
- In March 2022, Alexandria's executive chairman and founder, Joel S. Marcus, was honored by the National Medal of Honor Museum Foundation in Arlington, Texas during a groundbreaking ceremony in celebration of the historic mission-critical milestone in the development of the national museum. Mr. Marcus, who serves on the foundation's board of directors, attended alongside fellow foundation board members, major museum donors, government officials, and 15 Medal of Honor recipients to commemorate the foundation's remarkable progress toward its goal to build a permanent home where the inspiring stories of our country's Medal of Honor recipients will be brought to life.
- In February 2022, Alexandria was ranked the #5 most sustainable REIT, as featured in the *Barron's* article, "10 Real Estate Companies That Are Both Greener and More Profitable."
- In February 2022, Alexandria earned the first-ever Fitwel Life Science certification for 300 Technology Square, located on the Alexandria Technology Square® mega campus in our Cambridge/Inner Suburbs submarket. The new rigorous, evidence-based Fitwel Life Science Scorecard — developed in partnership with the Center for Active Design exclusively for Alexandria — is the first healthy building framework dedicated to laboratory facilities, marking another pioneering effort by the company to prioritize tenant health and wellness and further differentiate our world-class laboratory buildings.

- In January 2022, Alexandria Venture Investments, our strategic venture capital platform, was recognized by Silicon Valley Bank in its "Healthcare Investments and Exits: 2022 Annual Report" as the #1 most active corporate investor in biopharma by new deal volume (2020-2021) for the fifth consecutive year. In March 2022, Alexandria Venture Investments was also recognized by AgFunder in its "2022 AgriFoodTech Investment Report" as one of the five most active U.S. Investors in agrifoodtech by number of companies in which it invested (2021) for the second consecutive year.
- Several of Alexandria's facilities and campuses across our regions received awards in honor of excellence in operations, development, and design:
 - 200 Technology Square on the Alexandria Technology Square® mega campus in our Cambridge/Inner Suburbs submarket earned a 2022 BOMA Mid-Atlantic TOBY (The Outstanding Building of the Year) award in the Corporate Category. The TOBY Awards honor and recognize quality in building operations and award excellence in building management.
 - The Alexandria Center® for AgTech in our Research Triangle submarket was named Top Flex/Warehouse Development in the *Triangle Business Journal's* 2022 SPACE Awards. The annual SPACE Awards recognize the Research Triangle's top real estate developments and transactions.
 - 685 Gateway Boulevard, an amenities building on our Alexandria Technology Center® — Gateway mega campus in our South San Francisco submarket, which is on track to achieve Zero Energy Certification, was awarded one of 10 national awards issued by WoodWorks — Wood Products Council in the 2022 Wood Design Awards, an annual awards program that celebrates excellence in wood building design.

Acquisitions

March 31, 2022

(Dollars in thousands)

Property	Submarket/Market	Date of Purchase	Number of Properties	Operating Occupancy	Square Footage										
					Acquisitions With Development/Redevelopment Opportunities ⁽¹⁾							Operating ⁽²⁾	Operating	Total ⁽³⁾	Purchase Price
					Future Development	Active Development/Redevelopment	Operating With Future Development/Redevelopment	Operating ⁽²⁾	Operating	Total ⁽³⁾	Purchase Price				
Completed in 1Q22:															
421 Park Drive ⁽⁴⁾	Fenway/Greater Boston	1/13/22	—	N/A	202,997 ⁽⁴⁾	—	—	—	—	202,997	\$ 81,119 ⁽⁴⁾				
225 and 235 Presidential Way	Route 128/Greater Boston	1/28/22	2	100%	—	—	440,130	—	—	440,130	124,673				
1150 El Camino Real	South San Francisco/San Francisco Bay Area	2/8/22	1	99	610,000	—	431,940	70,000	—	680,000	118,000				
3301, 3303, 3305, and 3307 Hillview Avenue	Greater Stanford/San Francisco Bay Area	1/6/22	4	100	—	—	292,013	—	—	292,013	446,000				
Costa Verde by Alexandria	University Town Center/San Diego	1/11/22	2	100	537,000	—	8,730	—	—	545,730	125,000				
800 Mercer Street (60% interest in consolidated JV)	Lake Union/Seattle	3/18/22	—	N/A	869,000	—	—	—	—	869,000	87,608				
Alexandria Center® for Life Science – Durham	Research Triangle/Research Triangle	1/11/22	—	N/A	1,175,000	—	—	—	—	1,175,000	99,428				
104 and 108/110/112/114 TW Alexander Drive, 2752 East NC Highway 54, and 10 South Triangle Drive ⁽⁵⁾	Research Triangle/Research Triangle	1/6/22	4	89	750,000	—	69,485	—	—	819,485	80,000				
Intersection Campus	Texas/Other	2/18/22	9	81	—	—	998,099	—	—	998,099	400,400				
Other	Various	Various	7	92	473,994	—	428,097	381,760	—	1,283,851	278,489				
			<u>29</u>	<u>91%</u>	<u>4,617,991</u>	<u>—</u>	<u>2,668,494⁽⁶⁾</u>	<u>451,760⁽⁶⁾</u>	<u>—⁽⁶⁾</u>	<u>7,306,305</u>	<u>1,840,717</u>				
Other targeted acquisitions											1,159,283				
2022 acquisitions (midpoint)											<u>\$ 3,000,000</u>				
2022 guidance range											\$2,500,000 – \$3,500,000				

(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 the operating component of our value-creation acquisitions that is not expected to undergo future development or redevelopment.

(3) Represents total square footage upon completion of development or redevelopment of a new Class A property. Square footage presented includes RSF of buildings currently in operation with future development or redevelopment opportunities. We intend to demolish and develop or to redevelop the existing properties upon expiration of the existing in-place leases. Refer to “Definitions and reconciliations” in our Supplemental Information for additional details on value-creation square feet currently included in rental properties.

(4) Represents the incremental purchase price related to the achievement of additional entitlement rights aggregating 202,997 SF at our Alexandria Center® for Life Science – Fenway mega campus.

(5) Includes the acquisition of fee simple interests in the land underlying our recently acquired 108/110/112/114 TW Alexander Drive buildings, which were previously subject to ground leases.

(6) We expect the acquisitions completed during the three months ended March 31, 2022 to generate initial annual net operating income of approximately \$75 million for the twelve months following acquisition. These acquisitions included 29 operating properties with a weighted-average acquisition date of January 23, 2022 (weighted by initial annual net operating income).

Dispositions and Sales of Partial Interest

March 31, 2022

(Dollars in thousands)

Property	Submarket/Market	Date of Sale	Interest Sold	RSF	Capitalization Rate	Capitalization Rate (Cash Basis)	Sales Price	Sales Price per RSF	Consideration in Excess of Book Value
100 Binney Street	Cambridge/Greater Boston	3/30/22	70%	432,931	3.6%	3.5%	\$ 713,228 ⁽¹⁾	\$ 2,353	\$ 413,615 ⁽²⁾
Other	Greater Boston	2Q22	100%	TBD			300,000 – 400,000		TBD
Other		TBD	TBD	TBD			286,772 – 1,486,772		TBD
2022 guidance range							<u>\$1,300,000 – \$2,600,000</u>		

(1) Represents the contractual sales price for the percentage interest of the property sold by us.

(2) We retained control over the newly formed real estate joint venture and therefore continued to consolidate this property. We accounted for the difference between the consideration received and the book value of the interest sold as an equity transaction, with no gain or loss recognized in earnings.

Guidance

March 31, 2022

(Dollars in millions, except per share amounts)



The following updated guidance is based on our current view of existing market conditions and assumptions for the year ending December 31, 2022. 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 7 of this Earnings Press Release for additional details.

Summary of Key Changes in Guidance	2022 Guidance	
	As of 4/25/22	As of 1/31/22
EPS, FFO per share, and FFO per share, as adjusted	See updates below	
Same property net operating income increases	5.9% to 7.9%	5.5% to 7.5%
Straight-line rent revenue	\$154 to \$164	\$150 to \$160

Projected 2022 Earnings per Share and Funds From Operations per Share Attributable to Alexandria's Common Stockholders – Diluted

	2022 Guidance	
	As of 4/25/22	As of 1/31/22
Earnings per share ⁽¹⁾	\$1.08 to \$1.18	\$2.65 to \$2.85
Depreciation and amortization of real estate assets	5.65	5.65
Allocation to unvested restricted stock awards	(0.02)	(0.04)
Funds from operations per share ⁽²⁾	\$6.71 to \$6.81	\$8.26 to \$8.46
Unrealized losses on non-real estate investments	1.67	—
Loss on early extinguishment of debt ⁽³⁾	0.02	—
Allocation to unvested restricted stock awards	(0.02)	—
Other	(0.05)	—
Funds from operations per share, as adjusted ⁽²⁾	<u>\$8.33 to \$8.43</u>	<u>\$8.26 to \$8.46</u>
Midpoint	\$8.38	\$8.36

Key Assumptions

	Low	High
Occupancy percentage in North America as of December 31, 2022	95.2%	95.8%
Lease renewals and re-leasing of space:		
Rental rate increases	30.0%	35.0%
Rental rate increases (cash basis)	18.0%	23.0%
Same property performance:		
Net operating income increase	5.9%	7.9%
Net operating income increase (cash basis)	6.5%	8.5%
Straight-line rent revenue	\$ 154	\$ 164
General and administrative expenses	\$ 168	\$ 176
Capitalization of interest	\$ 269	\$ 279
Interest expense	\$ 90	\$ 100

Summary of Key Changes in Sources and Uses of Capital Guidance	2022 Guidance Midpoint	
	As of 4/25/22	As of 1/31/22
Dispositions and sales of partial interest	\$1,950	\$1,700
Issuance of unsecured senior notes payable	\$1,800	\$1,450
Repayments of secured notes payable	\$(195)	\$—

Key Credit Metrics

	2022 Guidance
Net debt and preferred stock to Adjusted EBITDA – 4Q22 annualized	Less than or equal to 5.1x
Fixed-charge coverage ratio – 4Q22 annualized	Greater than or equal to 5.1x

Key Sources and Uses of Capital

	Range		Midpoint	Certain Completed Items as of 3/31/22
<i>Sources of capital:</i>				
Net cash provided by operating activities after dividends	\$ 275	\$ 325	\$ 300	
Incremental debt	1,375	525	950	See below
Dispositions and sales of partial interest (refer to page 5)	1,300	2,600	1,950	\$ 713
Common equity	2,250	3,250	2,750	\$ 2,040 ⁽⁴⁾
Total sources of capital	<u>\$ 5,200</u>	<u>\$ 6,700</u>	<u>\$ 5,950</u>	
<i>Uses of capital:</i>				
Construction (refer to page 46)	\$ 2,700	\$ 3,200	\$ 2,950	
Acquisitions (refer to page 4)	2,500	3,500	3,000	\$ 1,841
Total uses of capital	<u>\$ 5,200</u>	<u>\$ 6,700</u>	<u>\$ 5,950</u>	
<i>Incremental debt (included above):</i>				
Issuance of unsecured senior notes payable	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
Repayments of secured notes payable	(195)	(195)	(195)	\$ (195) ⁽³⁾
Unsecured senior line of credit, commercial paper, and other	(230)	(1,080)	(655)	
Incremental debt	<u>\$ 1,375</u>	<u>\$ 525</u>	<u>\$ 950</u>	

(1) Excludes unrealized gains or losses after March 31, 2022 that are required to be recognized in earnings and are excluded from funds from operations per share, as adjusted.

(2) 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.

(3) Refer to “Subsequent event” on page 3 of this Earnings Press Release for additional details.

(4) Refer to “Key capital events” on page 2 of this Earnings Press Release for additional details. During the three months ended March 31, 2022, we entered into new forward equity sales agreements aggregating \$2.0 billion to sell 9.9 million shares of our common stock. As of March 31, 2022, we settled a portion of these forward equity sales agreements by issuing 3.2 million shares and received net proceeds of \$648.2 million. We expect to issue 6.6 million shares to settle our remaining outstanding forward equity sales agreements and receive net proceeds of approximately \$1.3 billion in 2022.

Earnings Call Information and About the Company

March 31, 2022



We will host a conference call on Tuesday, April 26, 2022, 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, 2022. 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.aren.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 26, 2022. The replay number is (877) 344-7529 or (412) 317-0088, and the access code is 3372112.

Additionally, a copy of this Earnings Press Release and Supplemental Information for the first quarter ended March 31, 2022 is available in the “For Investors” section of our website at www.aren.com or by following this link: <http://www.aren.com/fs/2022q1.pdf>.

For any questions, please contact Joel S. Marcus, executive chairman and founder; Peter M. Moglia, co-chief executive officer and co-chief investment officer; Stephen A. Richardson, co-chief executive officer; Dean A. Shigenaga, president and chief financial officer; Paula Schwartz, managing director of Rx Communications Group, at (917) 322-2216; or Sara M. Kabakoff, vice president – communications, at (626) 578-0777.

About the Company

Alexandria Real Estate Equities, Inc. (NYSE:ARE), an S&P 500[®] urban office real estate investment trust (“REIT”), is the first, longest-tenured, and pioneering owner, operator, and developer uniquely focused on collaborative life science, agtech, and technology campuses in AAA innovation cluster locations, with a total market capitalization of \$42.8 billion and an asset base in North America of 74.2 million square feet (“SF”) as of March 31, 2022. The asset base in North America includes 41.9 million RSF of operating properties and 5.4 million RSF of Class A properties undergoing construction, 10.4 million RSF of near-term and intermediate-term development and redevelopment projects, and 16.5 million SF of future development projects. Founded in 1994, Alexandria pioneered this niche and has since established a significant market presence in key locations, including Greater Boston, the San Francisco Bay Area, New York City, San Diego, Seattle, Maryland, and Research Triangle. Alexandria has a longstanding and proven track record of developing Class A properties clustered in urban life science, agtech, and 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, agtech, 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.aren.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 2022 earnings per share attributable to Alexandria’s common stockholders – diluted, 2022 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.

Alexandria[®], Lighthouse Design[®] logo, Building the Future of Life-Changing Innovation[®], That’s What’s in Our DNA[®], GradLabs[®], 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, 2022

(Dollars in thousands, except per share amounts)



	Three Months Ended				
	3/31/22	12/31/21	9/30/21	6/30/21	3/31/21
Revenues:					
Income from rentals	\$ 612,554	\$ 574,656	\$ 546,527	\$ 508,371	\$ 478,695
Other income	2,511	2,267	1,232	1,248	1,154
Total revenues	615,065	576,923	547,759	509,619	479,849
Expenses:					
Rental operations	181,328	175,717	165,995	143,955	137,888
General and administrative	40,931	41,654	37,931	37,880	33,996
Interest	29,440	34,862	35,678	35,158	36,467
Depreciation and amortization	240,659	239,254	210,842	190,052	180,913
Impairment of real estate	—	—	42,620	4,926	5,129
Loss on early extinguishment of debt	—	—	—	—	67,253
Total expenses	492,358	491,487	493,066	411,971	461,646
Equity in earnings of unconsolidated real estate joint ventures	220	3,018	3,091	2,609	3,537
Investment (loss) income	(240,319)	(112,884)	67,084	304,263	1,014
Gain (loss) on sales of real estate	—	124,226	(435)	—	2,779
Net (loss) income	(117,392)	99,796	124,433	404,520	25,533
Net income attributable to noncontrolling interests	(32,177)	(24,901)	(21,286)	(19,436)	(17,412)
Net (loss) income attributable to Alexandria Real Estate Equities, Inc.'s stockholders	(149,569)	74,895	103,147	385,084	8,121
Net income attributable to unvested restricted stock awards	(2,081)	(2,098)	(1,883)	(4,521)	(2,014)
Net (loss) income attributable to Alexandria Real Estate Equities, Inc.'s common stockholders	\$ (151,650)	\$ 72,797	\$ 101,264	\$ 380,563	\$ 6,107
Net (loss) income per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders:					
Basic	\$ (0.96)	\$ 0.47	\$ 0.67	\$ 2.61	\$ 0.04
Diluted	\$ (0.96)	\$ 0.47	\$ 0.67	\$ 2.61	\$ 0.04
Weighted-average shares of common stock outstanding:					
Basic	158,198	153,464	150,854	145,825	137,319
Diluted	158,198	154,307	151,561	146,058	137,688
Dividends declared per share of common stock	\$ 1.15	\$ 1.15	\$ 1.12	\$ 1.12	\$ 1.09

Consolidated Balance Sheets

March 31, 2022

(In thousands)



	<u>3/31/22</u>	<u>12/31/21</u>	<u>9/30/21</u>	<u>6/30/21</u>	<u>3/31/21</u>
Assets					
Investments in real estate	\$ 27,100,009	\$ 24,980,669	\$ 23,071,514	\$ 21,692,385	\$ 20,253,418
Investments in unconsolidated real estate joint ventures	38,456	38,483	321,737	323,622	325,928
Cash and cash equivalents	775,060	361,348	325,872	323,876	492,184
Restricted cash	95,106	53,879	42,182	33,697	42,219
Tenant receivables	7,570	7,379	7,749	6,710	7,556
Deferred rent	881,743	839,335	816,219	781,600	751,967
Deferred leasing costs	484,184	402,898	329,952	321,005	294,328
Investments	1,661,101	1,876,564	2,046,878	1,999,283	1,641,811
Other assets	1,801,027	1,658,818	1,596,615	1,536,672	1,424,935
Total assets	<u>\$ 32,844,256</u>	<u>\$ 30,219,373</u>	<u>\$ 28,558,718</u>	<u>\$ 27,018,850</u>	<u>\$ 25,234,346</u>
Liabilities, Noncontrolling Interests, and Equity					
Secured notes payable	\$ 208,910	\$ 205,198	\$ 198,758	\$ 227,984	\$ 229,406
Unsecured senior notes payable	10,094,337	8,316,678	8,314,851	8,313,025	8,311,512
Unsecured senior line of credit and commercial paper	—	269,990	749,978	299,990	—
Accounts payable, accrued expenses, and other liabilities	2,172,692	2,210,410	2,149,450	1,825,387	1,750,687
Dividends payable	187,701	183,847	173,560	170,647	160,779
Total liabilities	<u>12,663,640</u>	<u>11,186,123</u>	<u>11,586,597</u>	<u>10,837,033</u>	<u>10,452,384</u>
Commitments and contingencies					
Redeemable noncontrolling interests	9,612	9,612	11,681	11,567	11,454
Alexandria Real Estate Equities, Inc.'s stockholders' equity:					
Common stock	1,614	1,580	1,532	1,507	1,457
Additional paid-in capital	16,934,094	16,195,256	14,727,735	14,194,023	12,994,748
Accumulated other comprehensive loss	(5,727)	(7,294)	(6,029)	(4,508)	(5,799)
Alexandria Real Estate Equities, Inc.'s stockholders' equity	<u>16,929,981</u>	<u>16,189,542</u>	<u>14,723,238</u>	<u>14,191,022</u>	<u>12,990,406</u>
Noncontrolling interests	3,241,023	2,834,096	2,237,202	1,979,228	1,780,102
Total equity	<u>20,171,004</u>	<u>19,023,638</u>	<u>16,960,440</u>	<u>16,170,250</u>	<u>14,770,508</u>
Total liabilities, noncontrolling interests, and equity	<u>\$ 32,844,256</u>	<u>\$ 30,219,373</u>	<u>\$ 28,558,718</u>	<u>\$ 27,018,850</u>	<u>\$ 25,234,346</u>

Funds From Operations and Funds From Operations per Share

March 31, 2022

(In thousands)



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				
	3/31/22	12/31/21	9/30/21	6/30/21	3/31/21
Net (loss) income attributable to Alexandria's common stockholders	\$ (151,650)	\$ 72,797	\$ 101,264	\$ 380,563	\$ 6,107
Depreciation and amortization of real estate assets	237,160	234,979	205,436	186,498	177,720
Noncontrolling share of depreciation and amortization from consolidated real estate JVs	(23,681)	(21,265)	(17,871)	(16,301)	(15,443)
Our share of depreciation and amortization from unconsolidated real estate JVs	955	3,058	3,465	4,135	3,076
(Gain) loss on sales of real estate	—	(124,226)	435	—	(2,779)
Impairment of real estate – rental properties	—	—	18,602	1,754	5,129
Allocation to unvested restricted stock awards	—	—	(1,472)	(2,191)	(201)
Funds from operations attributable to Alexandria's common stockholders – diluted⁽¹⁾	62,784	165,343	309,859	554,458	173,609
Unrealized losses (gains) on non-real estate investments	263,433	139,716	14,432	(244,031)	46,251
Significant realized gains on non-real estate investments	—	—	(52,427)	(34,773)	(22,919)
Impairment of real estate	—	—	24,018	3,172	—
Loss on early extinguishment of debt	—	—	—	—	67,253
Allocation to unvested restricted stock awards	(1,604)	(1,432)	149	3,428	(1,208)
Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted	\$ 324,613	\$ 303,627	\$ 296,031	\$ 282,254	\$ 262,986

(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, 2022

(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				
	3/31/22	12/31/21	9/30/21	6/30/21	3/31/21
Net (loss) income per share attributable to Alexandria's common stockholders – diluted	\$ (0.96)	\$ 0.47	\$ 0.67	\$ 2.61	\$ 0.04
Depreciation and amortization of real estate assets	1.36	1.40	1.26	1.19	1.20
(Gain) loss on sales of real estate	—	(0.80)	—	—	(0.02)
Impairment of real estate – rental properties	—	—	0.12	0.01	0.04
Allocation to unvested restricted stock awards	—	—	(0.01)	(0.01)	—
Funds from operations per share attributable to Alexandria's common stockholders – diluted	0.40	1.07	2.04	3.80	1.26
Unrealized losses (gains) on non-real estate investments	1.67	0.91	0.10	(1.67)	0.34
Significant realized gains on non-real estate investments	—	—	(0.35)	(0.24)	(0.17)
Impairment of real estate	—	—	0.16	0.02	—
Loss on early extinguishment of debt	—	—	—	—	0.49
Allocation to unvested restricted stock awards	(0.02)	(0.01)	—	0.02	(0.01)
Funds from operations per share attributable to Alexandria's common stockholders – diluted, as adjusted	\$ 2.05	\$ 1.97	\$ 1.95	\$ 1.93	\$ 1.91
Weighted-average shares of common stock outstanding for calculation of:					
Earnings per share – diluted	158,198	154,307	151,561	146,058	137,688
Funds from operations, diluted, per share	158,209	154,307	151,561	146,058	137,688
Funds from operations, diluted, as adjusted, per share	158,209	154,307	151,561	146,058	137,688