



ALEXANDRIA

AT THE VANGUARD AND HEART OF THE LIFE SCIENCE ECOSYSTEM™

Alexandria Real Estate Equities, Inc. Reports:

3Q23 and YTD 3Q23 Net Income per Share – Diluted of \$0.13 and \$1.08, respectively; and 3Q23 and YTD 3Q23 FFO per Share – Diluted, As Adjusted, of \$2.26 and \$6.69, respectively

PASADENA, Calif. – October 23, 2023 – Alexandria Real Estate Equities, Inc. (NYSE: ARE) announced financial and operating results for the third quarter ended September 30, 2023.

Key highlights

			YTD	
<u>Operating results</u>	3Q23	3Q22	3Q23	3Q22
Total revenues:				
In millions	\$ 713.8	\$ 659.9	\$ 2,128.5	\$ 1,918.7
Growth	8.2%		10.9%	
Net income attributable to Alexandria's common stockholders – diluted				
In millions	\$ 21.9	\$ 341.4	\$ 184.4	\$ 461.5
Per share	\$ 0.13	\$ 2.11	\$ 1.08	\$ 2.88
Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted				
In millions	\$ 386.4	\$ 344.7	\$ 1,142.5	\$ 1,008.1
Per share	\$ 2.26	\$ 2.13	\$ 6.69	\$ 6.28

An operationally excellent, industry-leading REIT with a high-quality, diverse client base of over 800 tenants to support growing 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:	
Low tenant receivables as of September 30, 2023	\$ 6.9 million
October 2023 tenant rents and receivables collected as of October 23, 2023	99.7%
3Q23 tenant rents and receivables collected as of October 23, 2023	99.9%
Occupancy of operating properties in North America as of September 30, 2023	93.7%
Adjusted EBITDA margin	69%
Weighted-average remaining lease term as of September 30, 2023:	
Top 20 tenants	8.9 years
All tenants	7.0 years

Solid leasing volume and rental rate increases and long lease terms

- Solid leasing volume during 3Q23 aggregating 867,582 RSF, despite minimal remaining contractual lease expirations for 2023 aggregating 622,654 RSF available for lease as of the beginning of 3Q23.
- Weighted-average lease terms of 13.0 years and 11.0 years for 3Q23 and YTD 3Q23, respectively, above our historically long weighted-average lease term of 8.7 years over the last 10 years.
- YTD 3Q23 annualized leasing volume of 4.6 million RSF is in line with 2013-2020 results.
- 80% of our leasing activity during the last twelve months was generated from our client base of over 800 tenants.

	3Q23	YTD 3Q23
Total leasing activity – RSF	867,582	3,416,335
Leasing of development and redevelopment space – RSF	204,530	363,017
Lease renewals and re-leasing of space:		
RSF (included in total leasing activity above)	396,334	2,569,244
Rental rate increase	28.8%	33.9%
Rental rate increase (cash basis)	19.7%	18.1%

Continued strong net operating income and internal growth

- Net operating income (cash basis) of \$1.8 billion for 3Q23 annualized, up \$129.6 million, or 7.9%, compared to 3Q22 annualized.
- Same property net operating income growth of 3.1% and 4.6% (cash basis) for 3Q23 over 3Q22 and 3.7% and 5.6% (cash basis) for YTD 3Q23 over YTD 3Q22.
- 96% of our leases contain contractual annual rent escalations approximating 3%.

Strong and flexible balance sheet with significant liquidity, 13.1 years of remaining term of debt, and no debt maturities prior to 2025

- In September 2023, S&P Global Ratings affirmed Alexandria's credit rating of BBB+ with a positive outlook, and in October 2023, Moody's Investors Service affirmed Alexandria's credit rating of Baa1 with a stable outlook. These ratings affirmations reflect several factors, including the scale and quality of our essential Labspace® assets and market leadership. Additionally, our investment-grade credit ratings continue to rank in the top 10% among all publicly traded U.S. REITs.
- Significant liquidity of \$5.9 billion.
- No debt maturities prior to 2025.
- 13.1 years weighted-average remaining term of debt.
- 99.0% of our debt has a fixed rate.
- Net debt and preferred stock to Adjusted EBITDA of 5.4x and fixed-charge coverage ratio of 4.8x for 3Q23 annualized.
- Total debt and preferred stock to gross assets of 27%.
- \$1.2 billion of expected capital contributions from existing real estate joint venture partners from 4Q23 through 2026 to fund construction.

Consistent dividend strategy focuses on retaining significant net cash flows from operating activities after dividends for reinvestment

- Common stock dividend declared for 3Q23 of \$1.24 per common share, aggregating \$4.90 per common share for the twelve months ended September 30, 2023, up 24 cents, or 5%, over the twelve months ended September 30, 2022.
- Dividend yield of 5.0% as of September 30, 2023.
- Dividend payout ratio of 55% for the three months ended September 30, 2023.
- Average annual dividend per-share growth of 6% from 2019 to 3Q23 annualized.

Ongoing execution of our value harvesting and asset recycling self-funding strategy

Our \$1.65 billion value harvesting plan for 2023 is focused on the enhancement of our asset base through the following:

(in millions)	Completed During YTD 3Q23	Expected Completion During 4Q23
Value harvesting dispositions of 100% interest in properties not integral to our mega campus strategy	\$ 603	\$ —
Strategic dispositions and partial interest sales	273	—
Pending transactions subject to signed letters of intent or purchase and sale agreements	—	699
Additional targeted non-core dispositions and partial interest sales in process	—	75
Completed and pending transactions	\$ 876	\$ 774
Total 2023 value harvesting plan	\$1.650	

Third Quarter Ended September 30, 2023 Financial and Operating Results (continued)

September 30, 2023



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External growth and investments in real estate

Alexandria's highly leased value-creation pipeline delivers annual incremental net operating income of \$120 million commencing during YTD 3Q23, including \$39 million from 3Q23, and drives future annual incremental net operating income aggregating \$580 million

(dollars in millions)	Incremental Annual Net Operating Income	RSF	Leased/ Negotiating Percentage
Placed into service ⁽¹⁾ :			
1H23	\$ 81	840,587	100 %
3Q23	39	450,134	100
YTD 3Q23	<u>\$ 120</u>	<u>1,290,721</u>	<u>100 %</u>
Expected to be placed into service and stabilized ⁽²⁾ :			
4Q23	\$ 114	808,095	99 %
2024	127	1,786,735	92
4Q23 through 4Q24	241	2,594,830	94
1Q25 through 3Q26	339	3,776,614	41
	<u>\$ 580</u>	<u>6,371,444</u>	<u>66 %</u> ⁽³⁾

- (1) Annual net operating income (cash basis) is expected to increase by \$42 million upon the burn-off of initial free rent from recently delivered projects, which has a weighted-average burn-off of seven months.
(2) Refer to "New Class A/A+ development and redevelopment properties: current projects" of our Supplemental Information for additional details.
(3) 76% of the leased RSF of our value-creation projects was generated from our client base.

Strong balance sheet management

Key metrics as of September 30, 2023

- \$28.3 billion in total market capitalization.
- \$17.1 billion in total equity capitalization, which ranks in the top 10% among all publicly traded U.S. REITs.

	3Q23		Goal
	Quarter Annualized	Trailing 12 Months	4Q23 Annualized
Net debt and preferred stock to Adjusted EBITDA	5.4x	5.5x	Less than or equal to 5.1x
Fixed-charge coverage ratio	4.8x	4.9x	4.5x to 5.0x

Key capital events

- As of 3Q23, we have outstanding forward equity agreements from 2022 aggregating 699 thousand shares of common stock, with expected net proceeds of \$103.1 million.
- As of September 30, 2023, the remaining aggregate amount available under our ATM program for future sales of common stock was \$141.9 million. We plan to file a new program in the near future.

Investments

- As of September 30, 2023:
 - Our non-real estate investments aggregated \$1.4 billion.
 - Unrealized gains presented in our consolidated balance sheet were \$176.0 million, comprising gross unrealized gains and losses aggregating \$311.4 million and \$135.4 million, respectively.
 - Investment loss of \$80.7 million for 3Q23, presented in our consolidated statement of operations, consisted of \$77.2 million of unrealized losses and \$3.5 million of realized losses, including \$28.5 million of impairments.

Other key highlights

Executive management change, effective September 15, 2023

Effective on September 15, 2023, Dean A. Shigenaga resigned from his positions as President and Chief Financial Officer and Marc E. Binda, who previously served the Company as Executive Vice President – Finance & Treasurer, was appointed as Chief Financial Officer and Treasurer. Mr. Shigenaga is expected to remain a full-time employee through December 31, 2023, and a part-time employee thereafter.

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

	YTD							
	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22
(In millions, except per share amounts)	Amount		Per Share – Diluted		Amount		Per Share – Diluted	
Unrealized losses on non-real estate investments	\$ (77.2)	\$ (56.5)	\$ (0.45)	\$ (0.35)	\$(221.0)	\$(388.1)	\$ (1.29)	\$ (2.42)
Gain on sales of real estate	—	323.7	—	2.00	214.8	537.9	1.26	3.35
Impairment of non-real estate investments	(28.5)	—	(0.17)	—	(51.5)	—	(0.30)	—
Impairment of real estate	(20.6)	(38.8)	(0.12)	(0.24)	(189.2)	(38.8)	(1.11)	(0.24)
Loss on early extinguishment of debt	—	—	—	—	—	(3.3)	—	(0.02)
Acceleration of share-based compensation expense due to executive officer resignation	(1.9)	(7.2)	(0.01)	(0.04)	(1.9)	(7.2)	(0.01)	(0.04)
Total	<u>\$(128.2)</u>	<u>\$ 221.2</u>	<u>\$ (0.75)</u>	<u>\$ 1.37</u>	<u>\$(248.8)</u>	<u>\$ 100.5</u>	<u>\$ (1.45)</u>	<u>\$ 0.63</u>

Refer to "Funds from operations and funds from operations per share" of this Earnings Press Release for additional details.



Subsequent event

- In October 2023, we recognized a real estate impairment charge of approximately \$90.8 million to reduce the carrying amounts of two non-laboratory properties located in our Greater Boston market to their current fair values, less costs to sell. We initially acquired these industrial and self-storage properties with an intention to entitle the site as a life science campus, demolish the properties upon expiration of the existing in-place leases, and ultimately develop life science properties. Since our acquisition, the macroeconomic environment has changed. Upon our reevaluation of the project's financial outlook and its alignment with our mega campus strategy, we decided not to proceed with this project. The impairment charge was recognized upon meeting the criteria for classification as held for sale. We expect to complete the sale of these properties in 4Q23.

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

- Alexandria has a longstanding, impactful partnership with the Galien Foundation, the premier global institution dedicated to honoring life science innovations that improve human health through a range of programs, including the annual Galien Forum USA and Prix Galien USA Awards, which will be held this week, on October 26, 2023, in New York City.
- Alexandria will present a mission-critical panel, titled "A National Imperative to Combat Mental Illness and Addiction," featuring leading advocates of mental health and addiction recovery, congressmen and veterans Seth Moulton (MA-6) and Michael Waltz (FL-6) and Navy SEAL Foundation CEO Robin King, at the 2023 Galien Forum USA. The Galien Forum will take place at the Alexandria Center® for Life Science – New York City.
- Mr. Marcus, as a member of the Prix Galien USA Awards esteemed jury again this year, will honor transformational innovations in life science. He, alongside other influential life science leaders, will serve on the Prix Galien USA Awards committee responsible for evaluating and recognizing the Best Digital Health Solution; Best Medical Technology; Best Incubators, Accelerators and Equity; and Best Startup.
- In October 2023, Alexandria's sustained ESG leadership and performance was reinforced by several achievements in the 2023 GRESB Real Estate Assessment: (i) 4 Star Ratings in the operating asset and development benchmarks, (ii) our seventh consecutive Green Star designation, and (iii) our sixth consecutive "A" disclosure score, with a perfect score of 100 and a #1 ranking for our best-in-class transparency around ESG practices and reporting in 2023. GRESB is one of the leading global ESG benchmarks for real estate and infrastructure investments.
- In September 2023, Alexandria received the Cambridge Chamber of Commerce's 2023 Visionary Award for developing 325 Binney Street, designed to be the most sustainable laboratory building in Cambridge and selected by Moderna as its new global headquarters and R&D center. The Chamber's annual awards recognize innovators from the business, institutional, and non-profit communities that are effecting change and making an extraordinary, positive impact on people's lives in Cambridge and beyond.
- In August 2023, 685 Gateway Boulevard, an amenities hub designed at the forefront of sustainability in our South San Francisco submarket, was awarded a 2023 AIA California Design Award in the Climate Action category. The building, which is designated as Zero Energy Ready and is on track to achieve ILFI Zero Energy certification, was one of two projects recognized at the highest level in the awards program. The AIA California Design Award winners embody design excellence and address climate change.

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 our founding in 1994, Alexandria is the preeminent and longest-tenured owner, operator, and developer of collaborative life science, agtech, and advanced technology mega 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 800 tenants, Alexandria has a total market capitalization of \$28.3 billion and an asset base in North America of 75.1 million SF as of September 30, 2023, which includes 41.5 million RSF of operating properties and 5.6 million RSF of Class A/A+ properties undergoing construction, 8.9 million RSF of near-term and intermediate-term development and redevelopment projects, and 19.1 million SF of future development projects. Alexandria has a longstanding and proven track record of developing Class A/A+ properties clustered in life science, agtech, and advanced technology mega 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

September 30, 2023

(Dollars in millions, except per share amounts)



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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 changes to our guidance include an increase to the midpoint of our guidance for funds from operations per share, as adjusted by two cents driven by the accelerated delivery of our under construction 462,100 RSF Class A+ property at 325 Binney Street that is now set to deliver to Moderna, Inc. in November 2023 and general and administrative savings after September 15, 2023, resulting from the resignation of Dean A. Shigenaga, our President and Chief Financial Officer. Additionally, changes to our key sources and uses of capital include a \$100 million decrease to our guidance range for dispositions and sales of partial interests and a corresponding \$100 million increase to our guidance range for incremental debt for the year ending December 31, 2023. These updates are primarily due to changes in the mix and timing of dispositions pending and under executed letters of intent or purchase and sales agreements that are expected to close in 4Q23.

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

	As of 10/23/23	As of 7/24/23	Key Changes
Earnings per share ⁽¹⁾	\$1.36 to \$1.38	\$2.72 to \$2.78	
Depreciation and amortization of real estate assets	5.60	5.55	
Gain on sales of real estate	(1.26)	(1.26)	
Impairment of real estate – rental properties	1.62	0.98	(2)
Allocation to unvested restricted stock awards	(0.03)	(0.04)	
Funds from operations per share ⁽³⁾	\$7.29 to \$7.31	\$7.95 to \$8.01	
Unrealized losses on non-real estate investments	1.29	0.84	
Impairment of non-real estate investments	0.30	0.13	(4)
Impairment of real estate	0.02	0.02	
Acceleration of stock compensation due to executive officer resignation	0.09	—	(5)
Allocation to unvested restricted stock awards	(0.02)	(0.01)	
Funds from operations per share, as adjusted ⁽³⁾	<u>\$8.97 to \$8.99</u>	<u>\$8.93 to \$8.99</u>	2-cent increase to midpoint; narrowed range by 4 cents
Midpoint	\$8.98	\$8.96	

Key Assumptions	As of 10/23/23		As of 7/24/23		Key Changes
	Low	High	Low	High	
Occupancy percentage in North America as of December 31, 2023	94.6%	95.6%	94.6%	95.6%	No Change
Lease renewals and re-leasing of space:					
Rental rate increases	28.0%	33.0%	28.0%	33.0%	
Rental rate increases (cash basis)	12.0%	17.0%	12.0%	17.0%	
Same property performance:					
Net operating income increases	2.0%	4.0%	2.0%	4.0%	
Net operating income increases (cash basis)	4.0%	6.0%	4.0%	6.0%	
Straight-line rent revenue	\$ 130	\$ 145	\$ 130	\$ 145	
General and administrative expenses	\$ 197	\$ 207	\$ 183	\$ 193	\$14 million increase ⁽⁵⁾
Capitalization of interest	\$ 346	\$ 366	\$ 342	\$ 362	\$4 million increase ⁽⁶⁾
Interest expense	\$ 70	\$ 90	\$ 74	\$ 94	\$4 million decrease ⁽⁶⁾

(1) Excludes unrealized gains or losses after September 30, 2023 that are required to be recognized in earnings and are excluded from funds from operations per share, as adjusted.

(2) Includes a real estate impairment charge of approximately \$90.8 million recognized in October 2023 to reduce the carrying amounts of two non-laboratory properties located in our Greater Boston market to their current fair values, less costs to sell upon meeting the criteria for classification as held for sale. Refer to “Subsequent event” and “Funds from operations and funds from operations per share” in this 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) Refer to “Funds from operations and funds from operations per share” in this Earnings Press Release for additional information.

(5) Effective on September 15, 2023, Dean A. Shigenaga resigned from his positions as President and Chief Financial Officer and is expected to remain a full-time employee through December 31, 2023, and a part-time employee thereafter. In connection with Mr. Shigenaga’s resignation, stock-based compensation expense aggregating \$15.6 million was accelerated through December 31, 2023, of which \$1.9 million was recognized during the three months ended September 30, 2023. The increase in general and administrative expenses for the year ending December 31, 2023 was partially offset by a reduction to his compensation after September 15, 2023.

(6) The changes to our guidance ranges for capitalization of interest and interest expense for the year ending December 31, 2023 are primarily due to a five-week change in the delivery of our 140 First Street redevelopment project in our Cambridge submarket and a two-and-a-half-month change in the timing of our disposition of 268,023 RSF in a 660,034 RSF near-term development project at 421 Park Drive in our Fenway submarket. Both the delivery and the partial disposition were completed during 3Q23.

Guidance (continued)

September 30, 2023

(Dollars in millions)



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Key Credit Metrics

Net debt and preferred stock to Adjusted EBITDA – 4Q23 annualized

As of 10/23/23

Less than or equal to 5.1x

As of 7/24/23

Less than or equal to 5.1x

Key Changes

Fixed-charge coverage ratio – 4Q23 annualized

4.5x to 5.0x

4.5x to 5.0x

No change

Key Sources and Uses of Capital

Sources of capital:

Incremental debt	\$	660	\$	810	\$	735	See below	\$	635	\$100 million increase ⁽¹⁾	
Excess 2022 bond capital held as cash at December 31, 2022		300		300		300	\$	300 ⁽²⁾		300	No change
Net cash provided by operating activities after dividends		350		400		375				375	
Dispositions and sales of partial interests (refer to page 7)		1,550		1,750		1,650	\$	875 ⁽³⁾		1,750	\$100 million decrease ⁽¹⁾
Future settlement of forward equity sales agreements outstanding as of December 31, 2022		100		100		100	\$	100 ⁽⁴⁾		100	No change
Total sources of capital before excess cash expected to be held at December 31, 2023		2,960		3,360		3,160			\$	3,160	
Cash expected to be held at December 31, 2023 ⁽⁵⁾		125		425		275			\$	275	
Total sources of capital	\$	3,085	\$	3,785	\$	3,435					

Uses of capital:

Construction (refer to page 48)	\$ 2,785 \$ 3,085	\$ 2,935		\$ 2,935	
Acquisitions (refer to page 6)	175 275	225	\$ 259	225	No change
Total uses of capital	\$ 2,960 \$ 3,360	\$ 3,160		\$ 3,160	

Incremental debt (included above):

Issuance of unsecured senior notes payable	\$ 1,000 \$ 1,000	\$ 1,000	\$ 1,000 ⁽⁶⁾	
Unsecured senior line of credit, commercial paper, and other	(340) (190)	(265)		
Net incremental debt	\$ 660 \$ 810	\$ 735		

(1) The changes to our guidance ranges for incremental debt and dispositions and sales of partial interests for the year ending December 31, 2023 is primarily due to changes in the mix and timing of dispositions pending and under executed letters of intent or purchase and sale agreements that are expected to close in 4Q23.

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

(3) In addition to completed transactions, we have pending transactions subject to signed letters of intent or purchase and sale agreements aggregating \$699.3 million as of October 23, 2023.

(4) Represents outstanding forward equity sales agreements to sell 699 thousand shares of common stock under our ATM program entered into during 2022 and expected to be settled during 4Q23.

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

Acquisitions

September 30, 2023

(Dollars in thousands)



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Property	Submarket/Market	Date of Purchase	Number of Properties	Operating Occupancy	Square Footage				Purchase Price
					Acquisitions With Development/Redevelopment Opportunities ⁽¹⁾			Total ⁽²⁾	
					Future Development	Active Development/ Redevelopment	Operating With Future Development/ Redevelopment		
Completed in YTD 3Q23:									
Canada	Canada	1/30/23	1	100%	—	—	247,743	247,743	\$ 100,837
Other	Various		4	100	1,089,349	110,717	185,676	1,385,742	150,139
			5	100%	1,089,349	110,717	433,419	1,633,485	250,976
Completed in October 2023									8,000
2023 acquisitions completed as of October 23, 2023									\$ 258,976
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/A+ properties. Square footage presented includes RSF of buildings currently in operation with future development or redevelopment opportunities. Refer to "Investments in real estate" in the "Definitions and reconciliations" of our Supplemental Information for additional details on value-creation square feet currently included in rental properties.

Dispositions and Sales of Partial Interests

September 30, 2023

(Dollars in thousands, except per RSF amounts)



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Property	Submarket/Market	Date of Sale	Interest Sold	RSF	Capitalization Rate	Capitalization Rate (Cash Basis)	Sales Price	Sales Price per RSF
<i>Value harvesting of dispositions and recycling of assets not integral to our mega campus strategy</i>								
225, 266, and 275 Second Avenue and 780 and 790 Memorial Drive	Route 128 and Cambridge/Inner Suburbs/Greater Boston	6/13/23	100%	428,663	5.0 %	5.2 %	\$ 365,226	\$ 852
11119 North Torrey Pines Road	Torrey Pines/San Diego	5/4/23	100%	72,506	4.4 %	4.6 %	86,000	\$ 1,186
275 Grove Street	Route 128/Greater Boston	6/27/23	100%	509,702	N/A	N/A	109,349	N/A
Other							42,092	
							602,667	
<i>Strategic dispositions and partial interest sales</i>								
421 Park Drive ⁽¹⁾	Fenway/Greater Boston	9/19/23	⁽¹⁾	⁽¹⁾	N/A	N/A	174,412	N/A
15 Necco Street	Seaport Innovation District/Greater Boston	4/11/23	18%	345,995	6.6 %	5.4 %	66,108	\$ 1,626
9625 Towne Centre Drive	University Town Center/San Diego	6/21/23	20.1%	163,648	4.2 %	4.5 %	32,261	\$ 981
							272,781	
							875,448	
Dispositions and sales of partial interests completed in YTD 3Q23								
Pending and under executed letters of intent or purchase and sale agreements							699,274	
							1,574,722	
Additional targeted non-core dispositions in process							75,278	
2023 dispositions and sales of partial interests (midpoint)							\$ 1,650,000	
2023 guidance range							\$1,550,000 – \$1,750,000	

(1) Represents the disposition of 268,023 RSF in a 660,034 RSF near-term development at 421 Park Drive. The proceeds from this transaction will help fund the construction of our remaining 392,011 RSF of the project. The project is expected to commence vertical construction in 4Q23 and be substantially complete in 2026. The buyer will fund the remaining costs to construct its 268,023 RSF, and these costs are not included in our projected construction spending. We will develop and operate the completed project and will earn development fees over the next three years.

Earnings Call Information and About the Company

September 30, 2023



We will host a conference call on Tuesday, October 24, 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 third quarter ended September 30, 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.are.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, October 24, 2023. The replay number is (877) 344-7529 or (412) 317-0088, and the access code is 4808355.

Additionally, a copy of this Earnings Press Release and Supplemental Information for the third quarter ended September 30, 2023 is available in the “For Investors” section of our website at www.are.com or by following this link: <https://www.are.com/fs/2023q3.pdf>.

For any questions, please contact Joel S. Marcus, executive chairman and founder; Peter M. Moglia, chief executive officer and chief investment officer; Marc E. Binda, chief financial officer and treasurer; Paula Schwartz, managing director of Rx Communications Group, at (917) 633-7790; or Sara M. Kabakoff, senior vice president – chief content officer.

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 our founding in 1994, Alexandria is the preeminent and longest-tenured owner, operator, and developer of collaborative life science, agtech, and advanced technology mega 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 800 tenants, Alexandria has a total market capitalization of \$28.3 billion and an asset base in North America of 75.1 million SF as of September 30, 2023, which includes 41.5 million RSF of operating properties and 5.6 million RSF of Class A/A+ properties undergoing construction, 8.9 million RSF of near-term and intermediate-term development and redevelopment projects, and 19.1 million SF of future development projects. Alexandria has a longstanding and proven track record of developing Class A/A+ properties clustered in life science, agtech, and advanced technology mega 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.

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

September 30, 2023

(Dollars in thousands, except per share amounts)



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	Three Months Ended					Nine Months Ended	
	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	9/30/23	9/30/22
Revenues:							
Income from rentals	\$ 707,531	\$ 704,339	\$ 687,949	\$ 665,674	\$ 656,853	\$ 2,099,819	\$ 1,910,366
Other income	6,257	9,561	12,846	4,607	2,999	28,664	8,315
Total revenues	713,788	713,900	700,795	670,281	659,852	2,128,483	1,918,681
Expenses:							
Rental operations	217,687	211,834	206,933	204,352	201,189	636,454	578,801
General and administrative	45,987	45,882	48,196	42,992	49,958	140,065	134,286
Interest	11,411	17,072	13,754	17,522	22,984	42,237	76,681
Depreciation and amortization	269,370	273,555	265,302	264,480	254,929	808,227	737,666
Impairment of real estate	20,649	168,575	—	26,186	38,783	189,224	38,783
Loss on early extinguishment of debt	—	—	—	—	—	—	3,317
Total expenses	565,104	716,918	534,185	555,532	567,843	1,816,207	1,569,534
Equity in earnings of unconsolidated real estate joint ventures	242	181	194	172	40	617	473
Investment loss	(80,672)	(78,268)	(45,111)	(19,653)	(32,305)	(204,051)	(312,105)
Gain on sales of real estate	—	214,810	—	—	323,699	214,810	537,918
Net income	68,254	133,705	121,693	95,268	383,443	323,652	575,433
Net income attributable to noncontrolling interests	(43,985)	(43,768)	(43,831)	(40,949)	(38,747)	(131,584)	(108,092)
Net income attributable to Alexandria Real Estate Equities, Inc.'s stockholders	24,269	89,937	77,862	54,319	344,696	192,068	467,341
Net income attributable to unvested restricted stock awards	(2,414)	(2,677)	(2,606)	(2,526)	(3,257)	(7,697)	(5,866)
Net income attributable to Alexandria Real Estate Equities, Inc.'s common stockholders	\$ 21,855	\$ 87,260	\$ 75,256	\$ 51,793	\$ 341,439	\$ 184,371	\$ 461,475
Net income per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders:							
Basic	\$ 0.13	\$ 0.51	\$ 0.44	\$ 0.31	\$ 2.11	\$ 1.08	\$ 2.88
Diluted	\$ 0.13	\$ 0.51	\$ 0.44	\$ 0.31	\$ 2.11	\$ 1.08	\$ 2.88
Weighted-average shares of common stock outstanding:							
Basic	170,890	170,864	170,784	165,393	161,554	170,846	160,400
Diluted	170,890	170,864	170,784	165,393	161,554	170,846	160,400
Dividends declared per share of common stock	\$ 1.24	\$ 1.24	\$ 1.21	\$ 1.21	\$ 1.18	\$ 3.69	\$ 3.51

Consolidated Balance Sheets

September 30, 2023

(In thousands)



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	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22
Assets					
Investments in real estate	\$ 31,712,731	\$ 31,178,054	\$ 30,889,395	\$ 29,945,440	\$ 28,771,745
Investments in unconsolidated real estate joint ventures	37,695	37,801	38,355	38,435	38,285
Cash and cash equivalents	532,390	924,370	1,263,452	825,193	533,824
Restricted cash	35,321	35,920	34,932	32,782	332,344
Tenant receivables	6,897	6,951	8,197	7,614	7,759
Deferred rent	1,012,666	984,366	974,865	942,646	918,995
Deferred leasing costs	512,216	520,610	527,848	516,275	506,864
Investments	1,431,766	1,495,994	1,573,018	1,615,074	1,624,921
Other assets	1,501,611	1,475,191	1,602,403	1,599,940	1,633,877
Total assets	\$ 36,783,293	\$ 36,659,257	\$ 36,912,465	\$ 35,523,399	\$ 34,368,614
Liabilities, Noncontrolling Interests, and Equity					
Secured notes payable	\$ 109,110	\$ 91,939	\$ 73,645	\$ 59,045	\$ 40,594
Unsecured senior notes payable	11,093,725	11,091,424	11,089,124	10,100,717	10,098,588
Unsecured senior line of credit and commercial paper	—	—	374,536	—	386,666
Accounts payable, accrued expenses, and other liabilities	2,653,126	2,494,087	2,479,047	2,471,259	2,393,764
Dividends payable	214,450	214,555	209,346	209,131	193,623
Total liabilities	14,070,411	13,892,005	14,225,698	12,840,152	13,113,235
Commitments and contingencies					
Redeemable noncontrolling interests	51,658	52,628	44,862	9,612	9,612
Alexandria Real Estate Equities, Inc.'s stockholders' equity:					
Common stock	1,710	1,709	1,709	1,707	1,626
Additional paid-in capital	18,651,185	18,812,318	18,902,821	18,991,492	17,639,434
Accumulated other comprehensive loss	(24,984)	(16,589)	(20,536)	(20,812)	(24,725)
Alexandria Real Estate Equities, Inc.'s stockholders' equity	18,627,911	18,797,438	18,883,994	18,972,387	17,616,335
Noncontrolling interests	4,033,313	3,917,186	3,757,911	3,701,248	3,629,432
Total equity	22,661,224	22,714,624	22,641,905	22,673,635	21,245,767
Total liabilities, noncontrolling interests, and equity	\$ 36,783,293	\$ 36,659,257	\$ 36,912,465	\$ 35,523,399	\$ 34,368,614

Funds From Operations and Funds From Operations per Share

September 30, 2023

(In thousands)



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The following table presents a reconciliation of net income 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					Nine Months Ended	
	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	9/30/23	9/30/22
Net income attributable to Alexandria's common stockholders	\$ 21,855	\$ 87,260	\$ 75,256	\$ 51,793	\$ 341,439	\$ 184,371	\$ 461,475
Depreciation and amortization of real estate assets	266,440	270,026	262,124	261,185	251,453	798,590	727,178
Noncontrolling share of depreciation and amortization from consolidated real estate JVs	(28,814)	(28,220)	(28,178)	(29,702)	(27,790)	(85,212)	(77,889)
Our share of depreciation and amortization from unconsolidated real estate JVs	910	855	859	982	795	2,624	2,684
Gain on sales of real estate	—	(214,810)	—	—	(323,699)	(214,810)	(537,918)
Impairment of real estate – rental properties	19,844 ⁽¹⁾	166,602	—	20,899	—	186,446	—
Allocation to unvested restricted stock awards	(838)	(872)	(1,359)	(953)	1,002	(3,050)	(81)
Funds from operations attributable to Alexandria's common stockholders – diluted⁽²⁾	279,397	280,841	308,702	304,204	243,200	868,959	575,449
Unrealized losses on non-real estate investments	77,202	77,897	65,855	24,117	56,515	220,954	388,076
Impairment of non-real estate investments	28,503 ⁽³⁾	22,953	—	20,512	—	51,456	—
Impairment of real estate	805	1,973	—	5,287	38,783	2,778	38,783
Loss on early extinguishment of debt	—	—	—	—	—	—	3,317
Acceleration of stock compensation expense due to executive officer resignation	1,859 ⁽⁴⁾	—	—	—	7,185	1,859	7,185
Allocation to unvested restricted stock awards	(1,330)	(1,285)	(867)	(482)	(1,033)	(3,503)	(4,743)
Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted	\$ 386,436	\$ 382,379	\$ 373,690	\$ 353,638	\$ 344,650	\$1,142,503	\$1,008,067

(1) Primarily to reduce the carrying amounts of three non-laboratory properties classified as held for sale aggregating 230,704 RSF, located in our Greater Boston and Texas markets, to their respective estimated fair values less costs to sell. These assets represent non-core properties that are not integral to our mega campus strategy.

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

(3) Primarily related to three non-real estate investments in privately held entities that do not report NAV.

(4) Refer to footnote 4 on page 4 in "Guidance" in this Earnings Press Release for additional information.

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

September 30, 2023

(In thousands, except per share amounts)



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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					Nine Months Ended	
	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	9/30/23	9/30/22
Net income per share attributable to Alexandria's common stockholders – diluted	\$ 0.13	\$ 0.51	\$ 0.44	\$ 0.31	\$ 2.11	\$ 1.08	\$ 2.88
Depreciation and amortization of real estate assets	1.40	1.42	1.38	1.41	1.39	4.19	4.06
Gain on sales of real estate	—	(1.26)	—	—	(2.00)	(1.26)	(3.35)
Impairment of real estate – rental properties	0.12	0.98	—	0.13	—	1.09	—
Allocation to unvested restricted stock awards	(0.01)	(0.01)	(0.01)	(0.01)	0.01	(0.01)	—
Funds from operations per share attributable to Alexandria's common stockholders – diluted	1.64	1.64	1.81	1.84	1.51	5.09	3.59
Unrealized losses on non-real estate investments	0.45	0.46	0.39	0.15	0.35	1.29	2.42
Impairment of non-real estate investments	0.17	0.13	—	0.12	—	0.30	—
Impairment of real estate	—	0.02	—	0.03	0.24	0.02	0.24
Loss on early extinguishment of debt	—	—	—	—	—	—	0.02
Acceleration of stock compensation expense due to executive officer resignation	0.01	—	—	—	0.04	0.01	0.04
Allocation to unvested restricted stock awards	(0.01)	(0.01)	(0.01)	—	(0.01)	(0.02)	(0.03)
Funds from operations per share attributable to Alexandria's common stockholders – diluted, as adjusted	\$ 2.26	\$ 2.24	\$ 2.19	\$ 2.14	\$ 2.13	\$ 6.69	\$ 6.28
Weighted-average shares of common stock outstanding – diluted	170,890	170,864	170,784	165,393	161,554	170,846	160,400