



# ALEXANDRIA

AT THE VANGUARD AND HEART OF THE LIFE SCIENCE ECOSYSTEM™

## Alexandria Real Estate Equities, Inc. Reports:

**4Q23 Net Loss per Share – Diluted of \$0.54;**

**2023 Net Income per Share – Diluted of \$0.54; and**

**4Q23 and 2023 FFO per Share – Diluted, As Adjusted, of \$2.28 and \$8.97, respectively**

PASADENA, Calif. – January 29, 2024 – Alexandria Real Estate Equities, Inc. (NYSE: ARE) announced financial and operating results for the fourth quarter and year ended December 31, 2023.

### Key highlights

#### Operating results

	4Q23	4Q22	2023	2022
Total revenues:				
In millions	\$ 757.2	\$ 670.3	\$ 2,885.7	\$ 2,589.0
Growth	13.0%		11.5%	
Net (loss) income attributable to Alexandria's common stockholders – diluted				
In millions	\$ (91.9)	\$ 51.8	\$ 92.4	\$ 513.3
Per share	\$ (0.54)	\$ 0.31	\$ 0.54	\$ 3.18
Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted				
In millions	\$ 389.8	\$ 353.6	\$ 1,532.3	\$ 1,361.7
Per share	\$ 2.28	\$ 2.14	\$ 8.97	\$ 8.42

### Celebrating 30 years at the vanguard and heart of the \$5 trillion secularly growing life science industry

We celebrated the 30th anniversary of our one-of-a-kind, once-in-a-generation company on January 5, 2024. Alexandria pioneered the novel Labspace® niche and created the first-ever REIT uniquely focused on the critically important life science industry with our founding on January 5, 1994. Over the past three decades, we have transformed life science real estate from a specialty niche into a compelling mainstream asset class. From our IPO on May 27, 1997 through December 31, 2023, we generated an outstanding total shareholder return ("TSR") of 1,512%, significantly outperforming major indices over the same period, including the FTSE Nareit Equity Health Care Index's TSR of 980% and the MSCI US REIT Index's TSR of 792% (assuming reinvestment of dividends).

### An operationally excellent, industry-leading REIT with a high-quality, diverse client base to support growing revenues, stable cash flows, and strong margins

Percentage of total annual rental revenue in effect from mega campuses as of December 31, 2023	75%
Percentage of total annual rental revenue in effect from investment-grade or publicly traded large cap tenants as of December 31, 2023	52%
Sustained strength in tenant collections:	
Low tenant receivables as of December 31, 2023	\$ 8.2 million
January 2024 tenant rents and receivables collected as of January 29, 2024	99.4%
4Q23 tenant rents and receivables collected as of January 29, 2024	99.9%
Occupancy of operating properties in North America as of December 31, 2023	94.6%
Operating margin	71%
Adjusted EBITDA margin	69%
Weighted-average remaining lease term as of December 31, 2023:	
Top 20 tenants	9.6 years
All tenants	7.4 years

### Solid annual leasing volume and rental rate increases with continued long lease terms

- Solid leasing volume aggregating 889,737 RSF during 4Q23 and 4.3 million RSF for 2023.
- Weighted-average lease term of 11.3 years for 2023, above our historically long weighted-average lease term of 8.8 years over the last 10 years.
- 76% of our leasing activity during the last twelve months was generated from our existing tenant base.

	4Q23	2023
Total leasing activity – RSF	889,737	4,306,072
Leasing of development and redevelopment space – RSF	233,516	596,533
Lease renewals and re-leasing of space:		
RSF (included in total leasing activity above)	477,142	3,046,386
Rental rate increase	9.2% <sup>(1)</sup>	29.4% <sup>(1)</sup>
Rental rate increase (cash basis)	5.5% <sup>(1)</sup>	15.8% <sup>(1)</sup>

- (1) Includes the re-lease of 99,557 RSF to Cargo Therapeutics at 835 Industrial at a 4.1% decline in the cash rental rate compared with the rate from the former tenant that was less than three years into a 10-year lease. Excluding this lease, the rental rate increase on renewals and re-leasing of space was 21.4% and 9.7% (cash basis) for 4Q23 and 32.4% and 17.0% (cash basis) for 2023.

### Strong and flexible balance sheet with significant liquidity, top 10% credit rating ranking among all publicly traded U.S. REITs

- Net debt and preferred stock to Adjusted EBITDA of 5.1x, equaling the lowest leverage levels in Company history, and fixed-charge coverage ratio of 4.5x for 4Q23 annualized.
- Significant liquidity of \$5.8 billion.
- No debt maturities prior to 2025.
- Only 20% of our total debt matures in the next five years.
- 12.8 years weighted-average remaining term of debt.
- 98.1% of our debt has a fixed rate.
- Total debt and preferred stock to gross assets of 27%.
- \$1.2 billion of expected capital contribution commitments from existing consolidated real estate joint venture partners to fund construction from 1Q24 through 2027.
- During 4Q23, we settled our outstanding forward equity sales agreements by issuing 699 thousand shares of common stock, for which we received net proceeds of \$104.3 million.

### Alexandria's highly leased value-creation pipeline delivered the highest incremental annual net operating income in Company history of \$145 million and \$265 million, commencing during 4Q23 and 2023, respectively, and drives future incremental annual net operating income aggregating \$495 million

- During 4Q23, we placed into service development and redevelopment projects aggregating 1.2 million RSF that are 99% leased across multiple submarkets and delivered incremental annual net operating income of \$145 million. 4Q23 deliveries include:
  - Accelerated delivery of 462,100 RSF at 325 Binney Street in our Cambridge submarket, which is 100% leased to Moderna, Inc.;
  - 345,996 RSF at 15 Necco Street in our Seaport Innovation District submarket, which is 97% leased to Eli Lilly and Company;
  - 278,282 RSF at 1150 Eastlake Avenue East, a multi-tenant building, in our Lake Union submarket, which is 100% leased; and
  - 88,038 RSF at 6040 George Watts Hill Drive in our Research Triangle submarket, which is 100% leased to FUJIFILM Diosynth Biotechnologies.

## Fourth Quarter and Year Ended December 31, 2023 Financial and Operating Results (continued)

December 31, 2023



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Alexandria's highly leased value-creation pipeline delivered the highest incremental annual net operating income in Company history of \$145 million and \$265 million, commencing during 4Q23 and 2023, respectively, and drives future incremental annual net operating income aggregating \$495 million (continued)

- Annual net operating income (cash basis) is expected to increase by \$114 million upon the burn-off of initial free rent from recently delivered projects. Initial free rent has a weighted-average burn-off period of 10 months.
- 66% of RSF in our value-creation pipeline is within our mega campuses.

(dollars in millions)	Incremental Annual Net Operating Income	RSF	Leased/ Negotiating Percentage
Placed into service:			
YTD 3Q23	\$ 120	1,290,721	100%
4Q23	145	1,228,604	99
Placed into service in 2023	<u>\$ 265</u>	<u>2,519,325</u>	<u>100%</u>
Expected to be placed into service <sup>(1)</sup> :			
2024	\$ 149 <sup>(2)</sup>	5,697,062	60% <sup>(3)</sup>
2025	146		
1Q26 through 4Q27	200		
	<u>\$ 495</u>		

- (1) Represents expected incremental annual net operating income to be placed into service, including partial deliveries for projects that stabilize in future years.
- (2) Includes 1.4 million RSF expected to be stabilized in 2024 and is 93% leased. Refer to the initial and stabilized occupancy years in the "New Class A/A+ development and redevelopment properties: current projects" of our Supplemental Information for additional information.
- (3) 70% of the leased RSF of our value-creation projects was generated from our existing tenant base.

### Continued solid net operating income and internal growth

- Net operating income (cash basis) of \$1.9 billion for 4Q23 annualized, up \$190.4 million, or 11.3%, compared to 4Q22 annualized.
- Same property net operating income growth:
  - 3.4% and 4.6% (cash basis) for 2023 over 2022, in line with our previously provided 2023 guidance.
  - 0.7% and 0.8% (cash basis) for 4Q23 over 4Q22, including four properties in our Greater Boston, San Francisco Bay Area, and San Diego markets, with temporary vacancy aggregating 331,454 RSF. This RSF is currently 64% leased/negotiating, with leases expected to commence primarily during 2H24.
- 96% of our leases contain contractual annual rent escalations approximating 3%.

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

- Common stock dividend declared for 4Q23 of \$1.27 per common share, aggregating \$4.96 per common share for the year ended December 31, 2023, up 24 cents, or 5%, over the year ended December 31, 2022.
- Dividend yield of 4.0% as of December 31, 2023.
- Dividend payout ratio of 56% for the three months ended December 31, 2023.
- Average annual dividend per-share growth of 6% from 2019 to 2023.
- Significant net cash flows from operating activities after dividends retained for reinvestment aggregating \$1.9 million for the years ended December 31, 2019 through 2023.

### Execution of our value harvesting and asset recycling 2023 self-funding strategy

Our 2023 capital plan included \$1.4 billion in funding primarily from dispositions and partial interest sales, of which \$439.0 million was completed during 4Q23, and focused on the enhancement of our asset base through the following:

(in millions)	Completed in 2023
Value harvesting dispositions of 100% interest in properties not integral to our mega campus strategy	\$ 1,042
Strategic dispositions and partial interest sales	273
Proceeds of forward equity sales agreements entered into during 2022 and settled in 4Q23	104
Total	<u>\$ 1,419</u>

In January 2024, our existing ATM program became inactive upon expiration of the associated shelf registration. We expect to file a new shelf registration and ATM program in the near future.

### Strong balance sheet management

#### Key metrics as of or for December 31, 2023

- \$33.1 billion in total market capitalization.
- \$21.8 billion in total equity capitalization, which ranks in the top 10% among all publicly traded U.S. REITs.

	4Q23		Target
	Quarter Annualized	Trailing 12 Months	4Q24 Annualized
Net debt and preferred stock to Adjusted EBITDA	5.1x	5.4x	Less than or equal to 5.1x
Fixed-charge coverage ratio	4.5x	4.7x	Greater than or equal to 4.5x

### Investments

- As of December 31, 2023:
  - Our non-real estate investments aggregated \$1.4 billion.
  - Unrealized gains presented in our consolidated balance sheet were \$196.9 million, comprising gross unrealized gains and losses aggregating \$320.4 million and \$123.5 million, respectively.
- Investment income of \$8.7 million for 4Q23 presented in our consolidated statement of operations consisted of \$19.5 million of unrealized gains and \$10.8 million of realized losses. Realized losses include \$12.3 million of realized gains, offset by impairment charges of \$23.1 million.

## Fourth Quarter and Year Ended December 31, 2023 Financial and Operating Results (continued)

December 31, 2023



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### Other key highlights

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

(in millions, except per share amounts)	4Q23		4Q22		YTD			
					2023		2022	
	Amount		Per Share – Diluted		Amount		Per Share – Diluted	
Unrealized gains (losses) on non-real estate investments	\$ 19.5	\$ (24.1)	\$ 0.11	\$ (0.15)	\$(201.5)	\$(412.2)	\$(1.18)	\$(2.55)
Gain on sales of real estate	62.2	—	0.36	—	277.0	537.9	1.62	3.33
Impairment of non-real estate investments	(23.1)	(20.5)	(0.13)	(0.12)	(74.6)	(20.5)	(0.44)	(0.13)
Impairment of real estate	(271.9) <sup>(1)</sup>	(26.2)	(1.59)	(0.16)	(461.1)	(65.0)	(2.70)	(0.40)
Loss on early extinguishment of debt	—	—	—	—	—	(3.3)	—	(0.02)
Acceleration of stock compensation expense due to executive officer resignations	(18.4)	—	(0.11)	—	(20.3)	(7.2)	(0.12)	(0.04)
Total	<u>\$(231.7)</u>	<u>\$ (70.8)</u>	<u>\$(1.36)</u>	<u>\$(0.43)</u>	<u>\$(480.5)</u>	<u>\$ 29.7</u>	<u>\$(2.82)</u>	<u>\$ 0.19</u>

(1) Represents impairment charges to reduce our investments in real estate assets to their respective estimated fair values less costs to sell upon their classification as held for sale, primarily consisting of non-laboratory assets that are not integral to our mega campus strategy, including (i) \$94.8 million for two non-laboratory properties in our Seaport Innovation District submarket, (ii) \$93.5 million for an office property in our New York City submarket, (iii) \$36.1 million for a development land parcel in our Seaport Innovation District submarket, and (iv) \$29.7 million for an office property in our Bothell submarket. We initially acquired these real estate assets with the intention to entitle or reposition each site as part of a life science campus, including the demolition of properties as necessary, upon expiration of the existing in-place leases, and ultimately develop or redevelop life science properties. Since acquiring these assets, the macroeconomic environment has changed and we decided not to proceed with them.

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

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

- In November 2023, Alexandria earned several 2023 TOBY (The Outstanding Building of the Year) Awards from BOMA (Building Owners and Managers Association) in Boston, San Diego, and Seattle King County:
- In our Greater Boston market, 60 Binney Street on our Alexandria Center® at Kendall Square mega campus won in the Laboratory Building category, and Buildings 200 and 1400 on our Alexandria Center® at One Kendall Square mega campus won in the Historical Building and Renovated Building categories, respectively.
- In our San Diego market, 9880 Campus Point Drive on our Campus Point by Alexandria mega campus, which is home to Alexandria GradLabs®, won a TOBY in the region's first-ever Life Science category.
- In our Seattle market, 1165 Eastlake Avenue East on The Eastlake Life Science Campus by Alexandria mega campus won a TOBY in the region's first-ever Life Science category.
- Alexandria continues to address some of today's most pressing societal challenges through our impactful social responsibility pillars, with a prioritized focus on mental health and addiction. OneFifteen, a data-driven comprehensive care model for treating people living with addiction, which we pioneered in partnership with Verily, celebrated the fourth anniversary of its campus in Dayton, Ohio in October 2023. Since it opened its doors in 2019, OneFifteen has treated over 7,500 patients at this patient-centered holistic learning health system.

### 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. Alexandria has a total market capitalization of \$33.1 billion and an asset base in North America of 73.5 million SF as of December 31, 2023, which includes 42.0 million RSF of operating properties, 5.5 million RSF of Class A/A+ properties undergoing construction and one near-term project expected to commence construction in the next two years, 2.1 million RSF of priority anticipated development and redevelopment projects, and 23.9 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](http://www.are.com).

## Guidance

December 31, 2023

(Dollars in millions, except per share amounts)



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The following guidance for 2024 has been updated to reflect our current view of existing market conditions and assumptions for the year ending December 31, 2024. There can be no assurance that actual results 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. Key updates to our 2024 guidance from November 29, 2023 are summarized below which includes a \$125 million reduction in excess 2023 bond capital held as cash at December 31, 2023 and a corresponding increase in incremental debt.

Summary of Change in Key Credit Metric Targets	As of 1/29/24	As of 11/29/23	Summary of Key Changes in Sources and Uses of Capital	2024 Guidance Midpoint	
				As of 1/29/24	As of 11/29/23
Fixed-charge coverage ratio – 4Q24 annualized	Greater than or equal to 4.5x	4.5x to 5.0x	Incremental debt	\$900	\$775
			Excess 2023 bond capital held as cash at December 31, 2023	\$—	\$125

### Projected 2024 Earnings per Share and Funds From Operations per Share Attributable to Alexandria's Common Stockholders – Diluted

Earnings per share <sup>(2)</sup>	\$3.49 to \$3.69
Depreciation and amortization of real estate assets	5.95
Allocation to unvested restricted stock awards	(0.07)
Funds from operations per share <sup>(3)</sup>	<u>\$9.37 to \$9.57</u>
Midpoint	<u>\$9.47</u>

### Key Assumptions

	Low	High
Occupancy percentage in North America as of December 31, 2024	94.6%	95.6%
Lease renewals and re-leasing of space:		
Rental rate increases	11.0%	19.0%
Rental rate increases (cash basis)	5.0%	13.0%
Same property performance:		
Net operating income increases	0.5%	2.5%
Net operating income increases (cash basis)	3.0%	5.0%
Straight-line rent revenue	\$ 169	\$ 184
General and administrative expenses	\$ 181	\$ 191
Capitalization of interest	\$ 325	\$ 355
Interest expense	\$ 154	\$ 184
Realized gains on non-real estate investments <sup>(8)</sup>	\$ 95	\$ 125

### Key Credit Metric Targets<sup>(1)</sup>

Net debt and preferred stock to Adjusted EBITDA – 4Q24 annualized	Less than or equal to 5.1x
Fixed-charge coverage ratio – 4Q24 annualized	Greater than or equal to 4.5x

### Key Sources and Uses of Capital

	Range		Midpoint
<i>Sources of capital:</i>			
Incremental debt	\$ 900	\$ 900	\$ 900
Net cash provided by operating activities after dividends	400	500	450
Dispositions and sales of partial interests <sup>(4)(5)</sup>	900	1,900	1,400
Total sources of capital	<u>\$ 2,200</u>	<u>\$ 3,300</u>	<u>\$ 2,750</u>
<i>Uses of capital:</i>			
Construction	\$ 1,950	\$ 2,550	\$ 2,250
Acquisitions <sup>(6)</sup>	250	750	500
Total uses of capital	<u>\$ 2,200</u>	<u>\$ 3,300</u>	<u>\$ 2,750</u>
<i>Incremental debt (included above):</i>			
Issuance of unsecured senior notes payable <sup>(7)</sup>	\$ 600	\$ 1,400	\$ 1,000
Unsecured senior line of credit, commercial paper, and other	300	(500)	(100)
Net incremental debt	<u>\$ 900</u>	<u>\$ 900</u>	<u>\$ 900</u>

(1) Refer to each metric's corresponding definition within the “Definitions and reconciliations” of our Supplemental Information.

(2) Excludes unrealized gains or losses on non-real estate investments after December 31, 2023 that are required to be recognized in earnings and are excluded from funds from operations per share, as adjusted.

(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 information.

(4) As of January 29, 2024, we have pending real estate dispositions subject to signed letters of intent or purchase and sale agreements aggregating \$142.4 million.

(5) In January 2024, our existing ATM program became inactive upon expiration of the associated shelf registration. We expect to file a new shelf registration and ATM program in the near future.

(6) Primarily represents strategic acquisitions that expand existing mega campuses or are associated with a new mega campus. We have completed acquisitions aggregating \$103.3 million as of January 29, 2024.

(7) Our guidance assumes we issue new unsecured senior notes payable in 2025 to fund the repayment of our \$600 million unsecured senior notes payable due on April 30, 2025. Subject to market conditions, we may seek opportunities in 2024 to fund the repayment of our 2025 debt maturity through the issuance of additional unsecured senior notes payable.

(8) Represents realized gains and losses included in funds from operations per share – diluted, as adjusted, and excludes significant impairments realized on non-real estate investments, if any. Refer to “Investments” of our Supplemental Information for additional details.

## Acquisitions

December 31, 2023

(Dollars in thousands)



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					Square Footage				
					Acquisitions With Development/Redevelopment Opportunities <sup>(1)</sup>				
Property	Submarket/Market	Date of Purchase	Number of Properties	Operating Occupancy	Future Development	Active Development/ Redevelopment	Operating With Future Development/ Redevelopment	Total <sup>(2)</sup>	Purchase Price
2023 Acquisitions									
Canada	Canada	1/30/23	1	100%	—	—	247,743	247,743	\$ 100,837
Other	Various	Various	4	100	1,089,349	110,717	185,676	1,385,742	158,139
Total 2023 acquisitions			5	100%	1,089,349	110,717	433,419	1,633,485	\$ 258,976
2024 Acquisitions									
Completed through January 29, 2024	Various	Various	—	N/A	300,000	—	—	300,000	\$ 103,250
Pending acquisitions subject to signed letters of intent or purchase and sale agreements									358,746
									\$ 461,996
2024 guidance range								\$250,000 – \$750,000	

(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

December 31, 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 dispositions of 100% interest in properties not integral to our mega campus strategy</i>								
Completed in YTD 3Q23:								
11119 North Torrey Pines Road	Torrey Pines/San Diego	5/4/23	100%	72,506	4.4%	4.6%	\$ 86,000	\$ 1,186
225, 266, and 275 Second Avenue and 780 and 790 Memorial Drive <sup>(1)</sup>	Route 128 and Cambridge/Inner Suburbs/Greater Boston	6/13/23	100%	428,663	N/A	N/A	365,226	\$ 852
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	
Completed in 4Q23:								
640 Memorial Drive, 100 Beaver Street, and 11025 and 11035 Roselle Street <sup>(2)</sup>	Cambridge and Inner Suburbs and Route 128/Greater Boston and Sorrento Valley/San Diego	12/20/23	100%	361,102	N/A	N/A	312,244	\$ 865
380 and 420 E Street <sup>(3)</sup>	Seaport Innovation District/Greater Boston	12/20/23	100%	195,506	N/A	N/A	86,969	\$ 445
Other							39,753	
							438,966 <sup>(4)</sup>	
							1,041,633	
<i>Strategic dispositions and partial interest sales</i>								
15 Necco Street	Seaport Innovation District/Greater Boston	4/11/23	18%	345,996	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
421 Park Drive <sup>(5)</sup>	Fenway/Greater Boston	9/19/23	<sup>(5)</sup>	<sup>(5)</sup>	N/A	N/A	174,412	N/A
							272,781	
Total 2023 dispositions and sales of partial interests							\$ 1,314,414	

- (1) Represents five laboratory properties at 225, 266, and 275 Second Avenue aggregating 329,005 RSF and 780 and 790 Memorial Drive aggregating 99,658 RSF. We calculated capitalization rates of 5.0% and 5.2% (cash basis) based upon net operating income and net operating income (cash basis), respectively, for 2Q23 annualized that includes vacancy available for redevelopment. Upon completion of the sale, we recognized a gain on sales of real estate aggregating \$187.2 million.
- (2) Represents four operating properties that were 46% occupied as of 3Q23 consisting of two laboratory properties at 640 Memorial Drive aggregating 242,477 RSF in Cambridgeport, MA and 100 Beaver Street aggregating 82,330 RSF in Waltham, MA, and two non-laboratory properties at 11025 and 11035 Roselle Street aggregating 36,295 RSF in our Sorrento Valley submarket. These non-core assets were not integral to our mega campus strategy and would have required significant capital to stabilize. Upon completion of the sale, we recognized a gain on sales of real estate aggregating \$59.7 million.
- (3) Represents two non-laboratory properties initially acquired as industrial and self-storage space with the intention to demolish the properties upon expiration of the existing in-place leases to entitle and develop a life science campus. During 4Q23, we decided to not proceed with this project due to the change in macroeconomic environment and a lack of transit options near the properties and recognized an impairment charge of \$94.8 million to reduce our investment to its current fair value less costs to sell.
- (4) Dispositions completed during the three months ended December 31, 2023 had annual net operating income of \$22.7 million with a weighted-average disposition date of December 19, 2023 (weighted by net operating income for 4Q23 annualized).
- (5) Represents the disposition of 268,023 RSF in a 660,034 RSF active development project at 421 Park Drive in our Fenway submarket. The proceeds from this transaction will help fund the construction of our remaining 392,011 RSF. The project commenced vertical construction in 4Q23 and is expected to be substantially completed in 2026. The buyer will fund the remaining costs to construct its 268,023 RSF, and as such, 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

December 31, 2023



We will host a conference call on Tuesday, January 30, 2024, 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 fourth quarter and year ended December 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.are.com](http://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, January 30, 2024. The replay number is (877) 344-7529 or (412) 317-0088, and the access code is 3134066.

Additionally, a copy of this Earnings Press Release and Supplemental Information for the fourth quarter and year ended December 31, 2023 is available in the “For Investors” section of our website at [www.are.com](http://www.are.com) or by following this link: <https://www.are.com/fs/2023q4.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. Alexandria has a total market capitalization of \$33.1 billion and an asset base in North America of 73.5 million SF as of December 31, 2023, which includes 42.0 million RSF of operating properties, 5.5 million RSF of Class A/A+ properties undergoing construction and one near-term project expected to commence construction in the next two years, 2.1 million RSF of priority anticipated development and redevelopment projects, and 23.9 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](http://www.are.com).

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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 2024 earnings per share attributable to Alexandria’s common stockholders – diluted, 2024 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

December 31, 2023

(Dollars in thousands, except per share amounts)



ALEXANDRIA  
Building the Future of Life-Changing Innovation®

	Three Months Ended					Year Ended	
	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	12/31/23	12/31/22
Revenues:							
Income from rentals	\$ 742,637	\$ 707,531	\$ 704,339	\$ 687,949	\$ 665,674	\$ 2,842,456	\$ 2,576,040
Other income	14,579	6,257	9,561	12,846	4,607	43,243	12,922
Total revenues	757,216	713,788	713,900	700,795	670,281	2,885,699	2,588,962
Expenses:							
Rental operations	222,726	217,687	211,834	206,933	204,352	859,180	783,153
General and administrative	59,289 <sup>(1)</sup>	45,987	45,882	48,196	42,992	199,354	177,278
Interest	31,967	11,411	17,072	13,754	17,522	74,204	94,203
Depreciation and amortization	285,246	269,370	273,555	265,302	264,480	1,093,473	1,002,146
Impairment of real estate	271,890 <sup>(2)</sup>	20,649	168,575	—	26,186	461,114	64,969
Loss on early extinguishment of debt	—	—	—	—	—	—	3,317
Total expenses	871,118	565,104	716,918	534,185	555,532	2,687,325	2,125,066
Equity in earnings of unconsolidated real estate joint ventures	363	242	181	194	172	980	645
Investment income (loss)	8,654	(80,672)	(78,268)	(45,111)	(19,653)	(195,397)	(331,758)
Gain on sales of real estate	62,227	—	214,810	—	—	277,037	537,918
Net (loss) income	(42,658)	68,254	133,705	121,693	95,268	280,994	670,701
Net income attributable to noncontrolling interests	(45,771)	(43,985)	(43,768)	(43,831)	(40,949)	(177,355)	(149,041)
Net (loss) income attributable to Alexandria Real Estate Equities, Inc.'s stockholders	(88,429)	24,269	89,937	77,862	54,319	103,639	521,660
Net income attributable to unvested restricted stock awards	(3,498)	(2,414)	(2,677)	(2,606)	(2,526)	(11,195)	(8,392)
Net (loss) income attributable to Alexandria Real Estate Equities, Inc.'s common stockholders	\$ (91,927)	\$ 21,855	\$ 87,260	\$ 75,256	\$ 51,793	\$ 92,444	\$ 513,268
Net (loss) income per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders:							
Basic	\$ (0.54)	\$ 0.13	\$ 0.51	\$ 0.44	\$ 0.31	\$ 0.54	\$ 3.18
Diluted	\$ (0.54)	\$ 0.13	\$ 0.51	\$ 0.44	\$ 0.31	\$ 0.54	\$ 3.18
Weighted-average shares of common stock outstanding:							
Basic	171,096	170,890	170,864	170,784	165,393	170,909	161,659
Diluted	171,096	170,890	170,864	170,784	165,393	170,909	161,659
Dividends declared per share of common stock	\$ 1.27	\$ 1.24	\$ 1.24	\$ 1.21	\$ 1.21	\$ 4.96	\$ 4.72

(1) Includes \$18.4 million of accelerated stock compensation expense primarily related to the resignations of two executive officers, Dean A. Shigenaga from his position as President and Chief Financial Officer and John H. Cunningham from his position as Executive Vice President – Regional Market Director – New York City. Excluding this accelerated stock compensation expense, general and administrative expenses would have been \$40.9 million.

(2) Refer to “Funds from operations and funds from operations per share” of this Earnings Press Release for additional details.



## Consolidated Balance Sheets

December 31, 2023

(In thousands)



ALEXANDRIA®  
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	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22
<b>Assets</b>					
Investments in real estate	\$ 31,633,511	\$ 31,712,731	\$ 31,178,054	\$ 30,889,395	\$ 29,945,440
Investments in unconsolidated real estate joint ventures	37,780	37,695	37,801	38,355	38,435
Cash and cash equivalents	618,190	532,390	924,370	1,263,452	825,193
Restricted cash	42,581	35,321	35,920	34,932	32,782
Tenant receivables	8,211	6,897	6,951	8,197	7,614
Deferred rent	1,050,319	1,012,666	984,366	974,865	942,646
Deferred leasing costs	509,398	512,216	520,610	527,848	516,275
Investments	1,449,518	1,431,766	1,495,994	1,573,018	1,615,074
Other assets	1,421,894	1,501,611	1,475,191	1,602,403	1,599,940
<b>Total assets</b>	<b>\$ 36,771,402</b>	<b>\$ 36,783,293</b>	<b>\$ 36,659,257</b>	<b>\$ 36,912,465</b>	<b>\$ 35,523,399</b>
<b>Liabilities, Noncontrolling Interests, and Equity</b>					
Secured notes payable	\$ 119,662	\$ 109,110	\$ 91,939	\$ 73,645	\$ 59,045
Unsecured senior notes payable	11,096,028	11,093,725	11,091,424	11,089,124	10,100,717
Unsecured senior line of credit and commercial paper	99,952	—	—	374,536	—
Accounts payable, accrued expenses, and other liabilities	2,610,943	2,653,126	2,494,087	2,479,047	2,471,259
Dividends payable	221,824	214,450	214,555	209,346	209,131
<b>Total liabilities</b>	<b>14,148,409</b>	<b>14,070,411</b>	<b>13,892,005</b>	<b>14,225,698</b>	<b>12,840,152</b>
<b>Commitments and contingencies</b>					
Redeemable noncontrolling interests	16,480	51,658	52,628	44,862	9,612
<b>Alexandria Real Estate Equities, Inc.'s stockholders' equity:</b>					
Common stock	1,719	1,710	1,709	1,709	1,707
Additional paid-in capital	18,485,352	18,651,185	18,812,318	18,902,821	18,991,492
Accumulated other comprehensive loss	(15,896)	(24,984)	(16,589)	(20,536)	(20,812)
<b>Alexandria Real Estate Equities, Inc.'s stockholders' equity</b>	<b>18,471,175</b>	<b>18,627,911</b>	<b>18,797,438</b>	<b>18,883,994</b>	<b>18,972,387</b>
<b>Noncontrolling interests</b>	<b>4,135,338</b>	<b>4,033,313</b>	<b>3,917,186</b>	<b>3,757,911</b>	<b>3,701,248</b>
<b>Total equity</b>	<b>22,606,513</b>	<b>22,661,224</b>	<b>22,714,624</b>	<b>22,641,905</b>	<b>22,673,635</b>
<b>Total liabilities, noncontrolling interests, and equity</b>	<b>\$ 36,771,402</b>	<b>\$ 36,783,293</b>	<b>\$ 36,659,257</b>	<b>\$ 36,912,465</b>	<b>\$ 35,523,399</b>

(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					Year Ended	
	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	12/31/23	12/31/22
<b>Net (loss) income attributable to Alexandria's common stockholders</b>	<b>\$ (91,927)</b>	<b>\$ 21,855</b>	<b>\$ 87,260</b>	<b>\$ 75,256</b>	<b>\$ 51,793</b>	<b>\$ 92,444</b>	<b>\$ 513,268</b>
Depreciation and amortization of real estate assets	281,939	266,440	270,026	262,124	261,185	1,080,529	988,363
Noncontrolling share of depreciation and amortization from consolidated real estate JVs	(30,137)	(28,814)	(28,220)	(28,178)	(29,702)	(115,349)	(107,591)
Our share of depreciation and amortization from unconsolidated real estate JVs	965	910	855	859	982	3,589	3,666
Gain on sales of real estate	(62,227)	—	(214,810)	—	—	(277,037)	(537,918)
Impairment of real estate – rental properties	263,982 <sup>(1)</sup>	19,844	166,602	—	20,899	450,428	20,899
Allocation to unvested restricted stock awards	(2,268)	(838)	(872)	(1,359)	(953)	(5,175)	(1,118)
<b>Funds from operations attributable to Alexandria's common stockholders – diluted<sup>(2)</sup></b>	<b>360,327</b>	<b>279,397</b>	<b>280,841</b>	<b>308,702</b>	<b>304,204</b>	<b>1,229,429</b>	<b>879,569</b>
Unrealized (gains) losses on non-real estate investments	(19,479)	77,202	77,897	65,855	24,117	201,475	412,193
Impairment of non-real estate investments	23,094 <sup>(3)</sup>	28,503	22,953	—	20,512	74,550	20,512
Impairment of real estate	7,908	805	1,973	—	5,287	10,686	44,070
Loss on early extinguishment of debt	—	—	—	—	—	—	3,317
Acceleration of stock compensation expense due to executive officer resignations	18,436 <sup>(4)</sup>	1,859	—	—	—	20,295 <sup>(4)</sup>	7,185
Allocation to unvested restricted stock awards	(472)	(1,330)	(1,285)	(867)	(482)	(4,121)	(5,137)
<b>Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted</b>	<b>\$ 389,814</b>	<b>\$ 386,436</b>	<b>\$ 382,379</b>	<b>\$ 373,690</b>	<b>\$ 353,638</b>	<b>\$1,532,314</b>	<b>\$1,361,709</b>

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 information.

- (1) Represents impairment charges to reduce our investments in real estate assets to their respective estimated fair values less costs to sell upon their classification as held for sale, primarily consisting of non-laboratory assets that are not integral to our mega campus strategy, including (i) \$94.8 million for two non-laboratory properties in our Seaport Innovation District submarket, (ii) \$93.5 million for an office property in our New York City submarket, (iii) \$36.1 million for a development land parcel in our Seaport Innovation District submarket, and (iv) \$29.7 million for an office property in our Bothell submarket. We initially acquired these real estate assets with the intention to entitle or reposition each site as part of a life science campus, including the demolition of properties as necessary, upon expiration of the existing in-place leases, and ultimately develop or redevelop life science properties. Since acquiring these assets, the macroeconomic environment has changed and we decided not to proceed with them.
- (2) Calculated in accordance with standards established by the Nareit Board of Governors.
- (3) Primarily related to four non-real estate investments in privately held entities that do not report NAV.
- (4) Related to the resignations of two executive officers, Dean A. Shigenaga from his position as President and Chief Financial Officer and John H. Cunningham from his position as Executive Vice President – Regional Market Director – New York City.

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

December 31, 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					Year Ended	
	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	12/31/23	12/31/22
<b>Net (loss) income per share attributable to Alexandria's common stockholders – diluted</b>	<b>\$ (0.54)</b>	<b>\$ 0.13</b>	<b>\$ 0.51</b>	<b>\$ 0.44</b>	<b>\$ 0.31</b>	<b>\$ 0.54</b>	<b>\$ 3.18</b>
Depreciation and amortization of real estate assets	1.48	1.40	1.42	1.38	1.41	5.67	5.47
Gain on sales of real estate	(0.36)	—	(1.26)	—	—	(1.62)	(3.33)
Impairment of real estate – rental properties	1.54	0.12	0.98	—	0.13	2.64	0.13
Allocation to unvested restricted stock awards	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.04)	(0.01)
<b>Funds from operations per share attributable to Alexandria's common stockholders – diluted</b>	<b>2.11</b>	<b>1.64</b>	<b>1.64</b>	<b>1.81</b>	<b>1.84</b>	<b>7.19</b>	<b>5.44</b>
Unrealized (gains) losses on non-real estate investments	(0.11)	0.45	0.46	0.39	0.15	1.18	2.55
Impairment of non-real estate investments	0.13	0.17	0.13	—	0.12	0.44	0.13
Impairment of real estate	0.05	—	0.02	—	0.03	0.06	0.27
Loss on early extinguishment of debt	—	—	—	—	—	—	0.02
Acceleration of stock compensation expense due to executive officer resignations	0.11	0.01	—	—	—	0.12	0.04
Allocation to unvested restricted stock awards	(0.01)	(0.01)	(0.01)	(0.01)	—	(0.02)	(0.03)
<b>Funds from operations per share attributable to Alexandria's common stockholders – diluted, as adjusted</b>	<b>\$ 2.28</b>	<b>\$ 2.26</b>	<b>\$ 2.24</b>	<b>\$ 2.19</b>	<b>\$ 2.14</b>	<b>\$ 8.97</b>	<b>\$ 8.42</b>
Weighted-average shares of common stock outstanding – diluted	171,096	170,890	170,864	170,784	165,393	170,909	161,659

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 information.