



# ALEXANDRIA®

## Alexandria Real Estate Equities, Inc.

### Reports:

**4Q20 Net Income per Share – Diluted of \$3.26;**

**4Q20 FFO per Share – Diluted, As Adjusted, of \$1.84; and**

**Operational Excellence and Strong, Flexible Balance Sheet With Significant Liquidity**

PASADENA, Calif. – February 1, 2021 – Alexandria Real Estate Equities, Inc. (NYSE:ARE) announced financial and operating results for the fourth quarter and year ended December 31, 2020.

### Key highlights

#### Operating results

	4Q20	4Q19	2020	2019
Total revenues:				
In millions	\$ 463.7	\$ 408.1	\$1,885.6	\$ 1,531.3
Growth	13.6 %		23.1 %	
Net income attributable to Alexandria's common stockholders – diluted				
In millions	\$ 435.9	\$ 199.6	\$ 760.8	\$ 351.0
Per share	\$ 3.26	\$ 1.74	\$ 6.01	\$ 3.12
Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted				
In millions	\$ 246.6	\$ 203.4	\$ 923.8	\$ 783.0
Per share	\$ 1.84	\$ 1.77	\$ 7.30	\$ 6.96

#### Alexandria and our tenants at the vanguard and heart of the life science ecosystem

Bringing together our unique and pioneering strategic vertical platforms of essential LabSpace® real estate, strategic venture investments, impactful thought leadership, and purposeful corporate responsibility, Alexandria is at the vanguard and heart of the vital life science ecosystem that is advancing solutions for COVID-19 and other key challenges to human health. Owing to the efforts of numerous Alexandria tenants, including Pfizer and Moderna, in developing and delivering safe and effective vaccines and therapies to people around the world, the inherent value and critical need for the life science industry has been globally recognized. The essential R&D engine of the biopharma industry continued with productivity and resilience throughout this past year. By maintaining continuous operations across our campuses and facilities, Alexandria has enabled our tenants, to continue to pursue their essential, mission-critical research, development, manufacturing, and commercialization efforts to solve the most pressing current and future healthcare challenges.

#### Strong and flexible balance sheet with significant liquidity

- Investment-grade credit ratings ranked in the top 10% among all publicly traded REITs as of December 31, 2020.
- Net debt and preferred stock to Adjusted EBITDA of 5.3x and fixed-charge coverage ratio of 4.6x represent the lowest and highest, respectively, in the past 10 years.
- \$4.1 billion of liquidity as of December 31, 2020.
- No debt maturities prior to 2024.
- 10.6 years weighted-average remaining term of debt as of December 31, 2020.

#### Continued dividend strategy to share growth in cash flows with stockholders

Common stock dividend declared for 4Q20 of \$1.09 per common share, aggregating \$4.24 per common share for the year ended December 31, 2020, up 24 cents, or 6%, over the year ended December 31, 2019. Our FFO payout ratio of 60% for the three months ended December 31, 2020, allows us to share growth in cash flows from operating activities with our stockholders while also retaining a significant portion for reinvestment.

#### A REIT industry-leading, high-quality tenant roster

- 55% of annual rental revenue from investment-grade or publicly traded large cap tenants.
- Weighted-average remaining lease term of 7.6 years.

#### Key strategic transactions that generated capital for investment into our highly leased value-creation pipeline and strategic acquisitions

During 4Q20, we completed two strategic transactions that generated capital aggregating \$874.6 million for investment into our highly leased development and redevelopment projects and strategic acquisitions:

- Sale of 70% ownership interest in our properties at 1201 and 1208 Eastlake Avenue East and 199 East Blaine Street in our Lake Union submarket for an aggregate sales price of \$314.5 million, representing a capitalization rate of 4.2% (cash basis), and setting a new record high in Seattle of \$1,399 per RSF; and
- Disposition of two tech office buildings at 510 Townsend Street and 505 Brannan Street in our SoMa submarket for an aggregate sales price of \$560.2 million, or \$1,263 per RSF, representing capitalization rates of 5.3% and 5.0% (cash basis), and a gain on sale of \$151.9 million.

#### Continued solid net operating income and internal growth

- Net operating income (cash basis) of \$1.2 billion for 4Q20 annualized, up \$146.1 million, or 14.4%, compared to 4Q19 annualized.
- 94% of our leases contain contractual annual rent escalations approximating 3%.
- Same property net operating income growth:
  - 2.7% and 5.0% (cash basis) for 4Q20 over 4Q19.
  - 2.6% and 5.1% (cash basis) for 2020 over 2019.
- Continued solid leasing activity and rental rate growth during 2020 over expiring rates on renewed and re-leased space, representing our highest annual rental rate increases during the past 10 years:

	4Q20	2020
Total leasing activity – RSF	1,369,599	4,358,846
Leasing of development and redevelopment space – RSF	488,154	1,012,364
Lease renewals and re-leasing of space:		
RSF (included in total leasing activity above)	699,916	2,556,833
Rental rate increases	29.8%	37.6%
Rental rate increases (cash basis)	10.7%	18.3%

- Guidance ranges for expected 2021 rental rate increases on lease renewals and re-leasing of space are 29.0% to 32.0%, and 16.0% to 19.0% (cash basis).

# Fourth Quarter and Year Ended December 31, 2020, Financial and Operating Results (continued)

December 31, 2020



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## High-quality revenues and cash flows, strong margins, and operational excellence

Percentage of annual rental revenue in effect from investment-grade or publicly traded large cap tenants	55%
Occupancy of operating properties in North America	94.6% <sup>(1)</sup>
Operating margin	71%
Adjusted EBITDA margin	69%

### Weighted-average remaining lease term:

All tenants	7.6 years
Top 20 tenants	11.0 years

(1) Includes 970,199 RSF, or 3.1%, of vacancy in our North America markets, representing lease-up opportunities that will contribute to growth in cash flows at recently acquired properties. Excluding these acquired vacancies, occupancy of operating properties in North America was 97.7% as of December 31, 2020. Refer to "Occupancy" of our Supplemental Information for additional details regarding vacancy from recently acquired properties.

## Sustained strength in tenant collections during the ongoing COVID-19 pandemic

- We have collected rents and tenant recoveries as follows:
  - 99.8% for April 1, 2020 through December 31, 2020; and
  - 99.2% for January 2021 as of January 29, 2021.
- As of December 31, 2020, our tenant receivables balance was \$7.3 million.

## Key items included in operating results

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

	4Q20	4Q19	4Q20	4Q19	2020	2019	2020	2019
(In millions, except per share amounts)	Amount		Per Share – Diluted		Amount		Per Share – Diluted	
Unrealized gains on non-real estate investments	\$ 233.5	\$ 148.3	\$ 1.75	\$ 1.29	\$374.0	\$161.5	\$ 2.96	\$ 1.44
Gain on sales of real estate	152.5	0.5	1.14	—	154.1	0.5	1.22	—
Impairment of real estate	(25.2)	(12.3)	(0.19)	(0.11)	(55.7)	(12.3)	(0.44)	(0.11)
Impairment of non-real estate investments	—	(10.0)	—	(0.09)	(24.5)	(17.1)	(0.19)	(0.15)
Loss on early extinguishment of debt	(7.9)	—	(0.06)	—	(60.7)	(47.6)	(0.48)	(0.42)
Loss on early termination of interest rate hedge agreements	—	—	—	—	—	(1.7)	—	(0.02)
Termination fee	—	—	—	—	86.2	—	0.68	—
Acceleration of stock compensation expense due to executive officer resignation	—	—	—	—	(4.5)	—	(0.04)	—
Preferred stock redemption charge	—	—	—	—	—	(2.6)	—	(0.02)
Total	<u>\$ 352.9</u>	<u>\$ 126.5</u>	<u>\$ 2.64</u>	<u>\$ 1.09</u>	<u>\$468.9</u>	<u>\$ 80.7</u>	<u>\$ 3.71</u>	<u>\$ 0.72</u>

## Strategic acquisitions with significant value-creation opportunities in key submarkets

- During 4Q20, we completed acquisitions of 16 properties in key submarkets aggregating 3.3 million SF, with significant value-creation opportunities including, 1.9 million RSF of future developments, 383,396 RSF of active redevelopments, and 1.0 million of operating RSF, currently 80% occupied, for an aggregate purchase price of \$580.7 million.
- In January 2021, we completed the acquisition of 401 Park Drive, 201 Brookline Avenue and one future development opportunity, as described in further detail below.

### Acquisition of 401 Park Drive and 201 Brookline Avenue

- In January 2021, we acquired 401 Park Drive, 201 Brookline Avenue, and one future development opportunity, located in the heart of our Greater Boston life science cluster market, for a purchase price of \$1.48 billion. The future collaborative life science campus, aggregating 1.8 million SF, consists of the following:
  - 401 Park Drive (operating property with future redevelopment opportunity):
    - Highly amenitized Class A office/R&D building aggregating 973,145 RSF, currently 93% occupied with a weighted-average remaining lease term of 8.8 years;
    - 50% of annual rental revenue generated from investment-grade tenants;
    - In-place rents are 38% below market; 30% of the RSF has a weighted-average remaining lease term of 3.3 years with in-place rents approximately 41% below market;
    - Initial stabilized yields of 5.7% and 4.5% (cash basis); and
    - Future opportunity to redevelop up to 221,000 RSF, or 23% of the building, to office/laboratory space.
  - 201 Brookline Avenue (active development):
    - Office/laboratory building undergoing ground-up development, aggregating 510,116 RSF, targeting initial occupancy in 2022; and
    - 17% pre-leased to high-quality tenants.
- Future development opportunity for one office/laboratory building for which we are pursuing net new entitlement rights totaling approximately 400,000 SF of office/laboratory along with retail and common spaces.

## Highly leased value-creation pipeline, including COVID-19-focused R&D spaces

- Current and pre-leased near-term projects aggregating 4.8 million RSF, including COVID-19-focused R&D spaces, are highly leased/negotiating at 78% and will generate significant revenues and cash flows.
- We commenced development and redevelopment of four projects aggregating 609,797 RSF during 4Q20 and two projects aggregating 640,116 RSF during January 2021.
- Key development and redevelopment projects placed into service in 4Q20:
  - 63,774 RSF at our redevelopment project at 9877 Waples Street in our Sorrento Mesa submarket, 100% leased to Cue Health Inc.; and
  - 96,463 RSF at our development project at the Alexandria Center® for Life Science – San Carlos in our Greater Stanford submarket, leased to ChemoCentryx, Inc.
- Annual net operating income (cash basis), including our share of unconsolidated real estate joint ventures, is expected to increase by \$28 million upon the burn-off of initial free rent on recently delivered projects.

## Fourth Quarter and Year Ended December 31, 2020, Financial and Operating Results (continued)

December 31, 2020



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### Balance sheet management

#### Key metrics as of December 31, 2020

- \$31.9 billion of total market capitalization.
- \$24.4 billion of total equity capitalization.
- \$4.1 billion of liquidity.

	4Q20		Goal
	Quarter Annualized	Trailing 12 Months	4Q21 Annualized
Net debt and preferred stock to Adjusted EBITDA	5.3x	5.5x	Less than or equal to 5.2x
Fixed-charge coverage ratio	4.6x	4.4x	Greater than or equal to 4.5x

Value-creation pipeline of new Class A development and redevelopment projects as a percentage of gross investments in real estate

	4Q20
Current and pre-leased near-term projects 78% leased/negotiating	8%
Income-producing/potential cash flows/covered land play <sup>(1)</sup>	7%
Land	3%

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

#### Key capital events

- In October 2020, we amended our unsecured senior line of credit. Key changes include the following:

	New Agreement	Change
Commitments available for borrowing	\$3.0 billion	Up \$800 million
Interest rate	LIBOR+0.825%	Added a 0% LIBOR floor
Maturity date	January 6, 2026	Extended 2 years

- In December 2020, we increased the aggregate amount we may issue under our commercial paper program from \$1.0 billion to \$1.5 billion. Borrowings under our commercial paper program are backed by our \$3.0 billion unsecured senior line of credit.
- During 4Q20, our common equity transactions included the following:
  - We issued 1.8 million shares of common stock to settle our remaining forward equity sales agreements that were outstanding at the beginning of the quarter and received net proceeds of \$267 million.
  - We issued 1.5 million shares of common stock under our ATM program at a price of \$159.09 per share (before underwriting discounts) and received net proceeds of \$235.0 million.
  - We sold 362 thousand shares under our ATM program subject to forward equity sales agreements that remain outstanding at a price of \$159.09 per share (before underwriting discounts). We expect to settle these forward equity sales agreements in 2021 and receive net proceeds of approximately \$56.3 million.
  - The remaining availability of \$547.3 million under this ATM program expired in December 2020 concurrently with the expiration of the associated shelf registration. In January 2021, we filed a new shelf registration and we expect to file a new ATM program soon in 2021.

#### Key capital events (continued)

- In December 2020, we extinguished two secured notes payable aggregating \$108.2 million, due in 2023 with a weighted-average interest rate of 3.67%, and recognized losses on early extinguishment of debt aggregating \$7.3 million. As a result of these extinguishments, we have no debt maturing until 2024.
- In January 2021, we entered into forward equity sales agreements aggregating \$1.1 billion to sell an aggregate of 6.9 million shares of our common stock (including the exercise of underwriters' option) at a public offering price of \$164.00 per share, before underwriting discounts and commissions. We expect to settle these forward equity sales agreements in March 2021.

#### Investments

- Our investments in publicly traded companies and privately held entities aggregated a carrying amount of \$1.6 billion, including an adjusted cost basis of \$835.4 million and unrealized gains of \$775.7 million, as of December 31, 2020.
- Investment income of \$255.1 million during 4Q20 included \$21.6 million in realized gains and \$233.5 million in unrealized gains.

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

##### Industry leadership

- In November 2020, Alexandria was ranked as the #1 public REIT for construction-in-progress in 2019 from *Engineering News-Record's* (ENR) Top 50 List. ENR recognizes leaders in the construction industry, and its top ranking of our construction activity highlights our commitment to creating and delivering life-changing and essential facilities to our tenant community.
- In December 2020, we achieved the following in the 2020 Global Real Estate Sustainability Benchmark ("GRESB") Real Estate Assessment: (i) #1 global ranking in the Science & Technology sector, (ii) #1 global ranking and 5 Star Rating (out of 5 stars) in our Diversified Listed Peer Group for highly sustainable development initiatives, and (iii) our third consecutive "A" disclosure score.
- In January 2021, Alexandria Venture Investments, our strategic venture capital platform, was recognized for a fourth consecutive year as the most active biopharma corporate investor by new deal volume from 2019 to 2020 by Silicon Valley Bank in its "Healthcare Investments and Exits: Annual Report 2021." Alexandria's venture activity provides us with, among other things, mission-critical data and knowledge of innovations and trends.

#### Pioneering social responsibility initiatives to continue to drive unique, disruptive, and highly impactful solutions to tackle some of society's most complex and pressing challenges

Alexandria is profoundly committed to driving forward significant collaborative and innovative solutions to address some of today's most urgent and widespread societal challenges, including the COVID-19 pandemic, the opioid epidemic, and the educational achievement gap.

## Fourth Quarter and Year Ended December 31, 2020, Financial and Operating Results (continued)

December 31, 2020



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### At the vanguard and heart of the life science ecosystem's fight against COVID-19

- As a testament to our comprehensive and industry-leading COVID-19 prevention guidelines and practices, in October 2020, we became the first-ever company to achieve a Fitwel Viral Response Certification with Distinction, the highest designation within the new Viral Response Module developed by the world's leading healthy building certification system. Additionally, in November 2020, we achieved the world's first WELL Health-Safety Rating for Laboratory Space at Alexandria LaunchLabs® – New York City. This latest evidence-based, third-party verified rating further affirms our longstanding and robust practices to help keep our tenants, employees, visitors, service providers, and key industry stakeholders healthy and safe.
- Throughout the COVID-19 pandemic, Alexandria has been a critical partner to several impactful organizations supporting communities adversely affected by the COVID-19 pandemic. In total, Alexandria has donated more than \$1 million to non-profit organizations on the front lines of combating the devastating impact of the COVID-19 pandemic, including Robin Hood, New York City's largest poverty-fighting organization. As a member of the Robin Hood Board of Directors, Joel Marcus has played a key leadership role in the distribution of over \$60 million to 575 organizations across all five New York City boroughs, providing critical emergency support for New Yorkers in need through food, housing, financial assistance, job security, and more.
- In lieu of tenant holiday gifts, in December 2020, Alexandria made donations to several regional COVID-19-related non-profit programs, including Seattle Foundation's COVID-19 Relief Fund, Robin Hood COVID-19 Relief Fund, SF New Deal COVID-19 Relief for San Francisco, Nourish Now in Maryland, and the Greg Hill Foundation's Restaurant Strong Fund in Boston.

### Pioneering a groundbreaking, data-driven, and evidence-based model to help solve the opioid epidemic

- Determined to reverse the trajectory of the U.S. opioid epidemic, which is one of the most pervasive public health challenges in our nation's history, Alexandria partnered with Verily Life Sciences to establish an innovative, non-profit healthcare ecosystem dedicated to the full and sustained recovery of people living with addiction. Together, we pioneered a fully integrated campus in Dayton, Ohio, to house an evidence-based comprehensive treatment model encompassing a full continuum of care with dedicated facilities and services for treatment, residential housing, group therapy, family reunification, workforce development programs, job placement, and community transition.
  - Over the last year, we completed construction of the OneFifteen Outpatient Clinic; the Crisis Stabilization Unit; and most recently, OneFifteen Living, the residential housing component that opened in late 2020.
- Overdose deaths continue to rise dramatically during the COVID-19 pandemic, demonstrating the tremendous need for the OneFifteen ecosystem. Since opening in the fall of 2019, OneFifteen has made a positive and comprehensive impact on the local community and the way addiction is treated, seeing approximately 2,200 patients in 2020, including over 1,150 people during the three months ended December 31, 2020. It is our hope that OneFifteen's unique approach to treatment will serve as a model of recovery for the rest of the country to replicate.

### Building educational foundations for students to pave paths for long-term success and close the achievement gap

- Alexandria is deeply committed to driving educational opportunities and providing the support and resources needed to build the foundations for underserved, low-income students to succeed and become engaged and leading members of society. Understanding that education is one of the most fundamental foundations for a safe, healthy, and good life and essential for opportunity and economic mobility, we have forged deep partnerships in our communities with highly impactful organizations that provide holistic educational resources to underserved populations.
- In December 2020, Alexandria celebrated the culmination of the Emily Krzyzewski Center's \$15 million Game Changer Campaign, in which Alexandria played a critical leadership role. The Emily K Center paves a path to success in higher education for academically focused, low-income K–12 students in Durham, North Carolina. Students receive holistic support that encompasses academic skills development, personal management and leadership training, college planning, and career exploration. Of those who complete Emily K's Scholars to College program, nearly 100% are accepted to college each year.
- The campaign funds will support ongoing programs to prepare students for life-changing college access while bolstering their achievement and developing their character and leadership; an endowment to ensure support for students in years to come; and a new 7,500 square foot facility designed for the specific needs of college-access programs to provide much needed classroom space as well as rooms for quiet study and one-on-one advising and financial aid discussions.

## Select 2020 Financial Highlights

December 31, 2020



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(1) Source: Company filings and FactSet as of December 31, 2020.

(2) Rental rate increases of 37.6% and 18.3% (cash basis) represent our highest annual increases on renewed and re-leased space in the last 10 years.

(3) Represents tenant collections from April 1, 2020 to December 31, 2020.

(4) Ranking based on 2019 construction-in-progress for publicly held REITs.

# ALEXANDRIA AND OUR INNOVATIVE TENANTS ARE AT THE VANGUARD AND HEART OF THE LIFE SCIENCE ECOSYSTEM'S FIGHT AGAINST COVID-19

"Having a safe and effective medical countermeasure to prevent COVID-19 would enable us to not only save lives but also help end the global pandemic."<sup>(1)</sup>

**Anthony Fauci, MD**  
Director, NIAID  
Chief Medical Advisor to the President

## IMPROVING TESTING QUALITY & CAPACITY



## ADVANCING NEW & REPURPOSED THERAPIES



## DEVELOPING PREVENTATIVE VACCINES



Represents an illustrative subset of approximately 100 tenants focused on COVID-19-related efforts, with some of these companies working on multiple efforts that span testing, treatment, and/or vaccine development.

(1) Source: National Institutes of Health, "NIH launches clinical trials network to test COVID-19-related vaccines and other preventive tools," July 8, 2020.

## ALEXANDRIA TENANTS PFIZER AND MODERNA RECEIVE EMERGENCY USE AUTHORIZATION FROM FDA FOR THEIR COVID-19 VACCINES

















### UNPRECEDENTED PUBLIC-PRIVATE COLLABORATION IN R&D:

The cornerstone of the U.S. government's efforts to accelerate solutions for COVID-19 is the allocation of over **\$13 billion**.

Key focus of these efforts is to **expedite development and manufacturing scale-up of a safe and effective vaccine**.

Grants were awarded to leading industry partners, many of which are Alexandria tenants.



CURRENT TRIAL STAGE	COMPANY	FEDERAL FUNDING <sup>(1)</sup>	ARE TENANT
EUA Granted		\$4.1B	
EUA Granted		\$1.95B	
Phase III		\$1.6B	
Phase III		\$1.46B	
Phase III		\$1.2B	
Phase I/II		\$2.0B	
Manufacturing Contract		\$628.0M	
Manufacturing Contract		\$265.0M	

"With the availability of two vaccines now for the prevention of COVID-19, the FDA has taken another crucial step in the fight against this global pandemic that is causing vast numbers of hospitalizations and deaths in the United States each day."<sup>(2)</sup>

Stephen M. Hahn, MD, Former FDA Commissioner

(1) As of January 29, 2021. Source: U.S. Department of Health & Human Services. Federal funding presented includes the total commitment value.

(2) Source: U.S. Food and Drug Administration, "FDA Takes Additional Action in Fight Against COVID-19 By Issuing Emergency Use Authorization for Second COVID-19 Vaccine," December 18, 2020.

## Alexandria and our innovative tenants are at the vanguard and heart of the life science ecosystem advancing solutions for COVID-19

Safe and effective vaccines and therapies, in addition to widespread testing, continue to be critically needed to combat the global COVID-19 pandemic. By maintaining essential continuous operations across our campuses, Alexandria has enabled several of our life science tenants to pursue mission-critical COVID-19-related research and development. The heroic work being done by so many of our tenants and campus community members to help test for, treat, and prevent COVID-19, as well as provide medical supplies and protective equipment to neighboring hospitals, is profound and inspiring. We are currently tracking approximately 100 tenants across our cluster markets that have contributed meaningful time and resources to advancing solutions for COVID-19.

### *Developing preventative vaccines*

A prophylactic vaccine is critically needed to resolve the global COVID-19 pandemic. As such, researchers around the world are working tirelessly to develop a safe and effective vaccine in record time. Furthermore, to help expedite the development, manufacturing, and distribution of COVID-19 vaccines, the U.S. government initiated an unprecedented public-private collaboration, allocating several billions of dollars to these efforts.

This support along with the internal vaccine development expertise and innovative technology platforms of our tenants **Pfizer Inc.** (in partnership with BioNTech) and **Moderna, Inc.** (in partnership with the National Institutes of Health), culminated in the FDA providing Emergency Use Authorization (“EUA”) in December 2020 for their respective mRNA based COVID-19 vaccines. The U.S. has begun a large-scale COVID-19 vaccination campaign and will continue to roll out vaccines across the nation, prioritizing frontline and essential workers, the elderly, and individuals considered high-risk.

Additional tenants, including **AstraZeneca plc**, **Emergent BioSolutions Inc.**, **FUJIFILM Diosynth Biotechnologies**, **GlaxoSmithKline**, **Johnson & Johnson**, **Novavax, Inc.**, and **Sanofi**, have similarly received strong government support for their efforts in the development, manufacturing, and/or distribution of COVID-19 vaccines. Many of these companies will report critical trial data over the coming months, which, if positive, could help bolster the widespread delivery of a safe and effective COVID-19 vaccine around the world.

### *Advancing new and repurposed therapies*

Safe and effective therapies are important for mitigating the impact of COVID-19, decreasing hospitalizations, and improving patient outcomes overall. On October 22, 2020, the FDA approved Veklury® (remdesivir), developed by our tenant **Gilead Sciences, Inc.**, as the first antiviral treatment approved for COVID-19 patients requiring hospitalization. Subsequently, in November 2020, the FDA granted EUAs to tenant **Eli Lilly and Company**’s bamlanivimab for the treatment of newly infected high-risk patients with mild or moderate disease, as well as to Regeneron Pharmaceutical’s antibody cocktail for a similar indication.

In addition, over 300 experimental therapies to treat COVID-19 are being studied in over 900 clinical trials around the world, as well as over more than 150 therapeutic candidates in preclinical development. A substantial number of these programs are sponsored by our tenants, including the following:

- **Vir Biotechnology, Inc.** and **GlaxoSmithKline** announced on October 6, 2020, that their most advanced antibody therapy for the early treatment of patients with COVID-19 has entered Phase III and that they expect complete results in the first quarter of 2021.
- **AbbVie Inc.**, **Amgen**, **AstraZeneca plc**, **Atreca Inc.**, **Enanta Pharmaceuticals, Inc.**, **Novartis AG**, and **Pfizer Inc.** are similarly endeavoring to develop novel therapies and repurpose existing and investigational drugs to provide near-term treatments for moderate and severe COVID-19 patients and those at highest risk.

### *Improving testing quality and capacity*

**Abbott Laboratories**, **Adaptive Biotechnologies Corporation**, **Color**, **Cue Health Inc.**, **Laboratory Corporation of America Holdings**, **Quest Diagnostics**, **Quidel Corporation**, **Roche**, **Thermo Fisher Scientific Inc.**, **Verily Life Sciences**, and others are working to improve testing quality, capacity, and turnaround time to more effectively determine who has an active COVID-19 infection, who has been exposed to the virus, and who has developed immunity against it. The increased availability of widespread COVID-19 testing is critical for curtailing the pandemic and facilitating a safer reopening of workplaces, communities, and society overall.

## Acquisitions

December 31, 2020

(Dollars in thousands)



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Property	Submarket/Market	Date of Purchase	Number of Properties	Operating Occupancy	Square Footage			Operating	Purchase Price
					Future Development	Active Redevelopment	Operating With Future Development/ Redevelopment		
Completed in YTD 3Q20			39	86%	3,197,313	716,155	1,236,177	3,325,313	\$ 1,982,749 <sup>(1)</sup>
Completed in 4Q20:									
6420 and 6450 Sequence Drive	Sorrento Mesa/San Diego	11/13/20	2	89 <sup>(2)</sup>	709,000	—	202,915	115,285	169,698 <sup>(2)</sup>
380 and 420 E Street	Seaport Innovation District/ Greater Boston	10/29/20	2	100	1,000,000 <sup>(3)</sup>	—	195,506	—	168,500 <sup>(4)</sup>
3450 and 3460 Hillview Avenue	Greater Stanford/San Francisco	10/6/20	2	100	—	—	76,951	—	65,748 <sup>(4)</sup>
700 Quince Orchard Road	Gaithersburg/Maryland	10/23/20	1	N/A	—	169,420 <sup>(5)</sup>	—	—	43,000
Other			9	62	175,400	213,976	51,255	389,992	133,707 <sup>(4)</sup>
			16	80	1,884,400	383,396	526,627	505,277	580,653
2020 acquisitions			55	85%	5,081,713	1,099,551	1,762,804	3,830,590	\$ 2,563,402

(1) Refer to our quarterly report on Form 10-Q for the period ended September 30, 2020, filed on October 26, 2020, for transactions and related yield information.

(2) The two operating properties are currently 89% occupied, and upon completion of renovations, a lease for 60,432 RSF will commence in 2H21, which will increase occupancy to 100%. We expect to achieve unlevered initial stabilized yields of 7.2% and 6.2% (cash basis) for these operating properties.

(3) Represents total square footage upon completion of development of a new Class A property. Square footage presented includes 195,506 RSF of buildings currently in operation at properties with inherent future development opportunities. We intend to demolish the existing property upon expiration of the existing in-place leases and commencement of future construction. Refer to "Definitions and reconciliations" of this Supplemental Information for additional details on value-creation square feet currently included in rental properties.

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

(5) Refer to "New Class A development and redevelopment properties: current projects" of our Supplemental Information for additional details.

## Acquisitions (continued)

December 31, 2020

(Dollars in thousands)



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Property	Submarket/Market	Date of Purchase	Number of Properties	Operating Occupancy	Square Footage			Operating	Purchase Price
					Future Development	Active Development/ Redevelopment	Operating With Future Development/ Redevelopment		
2021 acquisitions									
Completed:									
Alexandria Center® for Life Science – Fenway	Fenway/Greater Boston	1/29/21	2	93% <sup>(1)</sup>	305,000	510,116	—	973,145	\$ 1,483,200 <sup>(1)</sup>
840 Winter Street	Route 128/Greater Boston	1/20/21	1	100	—	130,000	30,009	—	58,126 <sup>(2)</sup>
Other	Various	Various	2	N/A	—	185,669	—	—	60,750 <sup>(2)</sup>
			<u>5</u>	<u>93%</u>	<u>305,000</u>	<u>825,785</u>	<u>30,009</u>	<u>973,145</u>	<u>1,602,076</u>
Pending:									
Mercer Mega Block	Lake Union/Seattle	TBD <sup>(3)</sup>	—	N/A	800,000	—	—	—	143,500
TBD									954,424
2021 acquisitions									<u>\$ 2,700,000</u>
2021 guidance range								\$2,450,000 – \$2,950,000	

(1) Refer to page 2 in our Earnings Press Release for additional information.

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

(3) We continue to diligently work through various long-lead-time due diligence items, with certain deadlines extending into 2021. We are working toward completion of all due diligence items as soon as possible.

## Dispositions

December 31, 2020

(Dollars in thousands)



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Property	Submarket/Market	Date of Sale	Interest Sold	RSF	Sales Price	Sales Price per RSF	Gain
Completed in YTD 3Q20				536,152	\$ 252,454		\$ 1,603
Completed in 4Q20:							
510 Townsend Street and 505 Brannan Street	SoMa/San Francisco	11/20/20	100%	443,479	560,162 <sup>(1)</sup>	\$ 1,263	151,871
1201 and 1208 Eastlake Avenue East and 199 East Blaine Street	Lake Union/Seattle	11/24/20	70%	321,218	314,466 <sup>(2)</sup>	\$ 1,399	<sup>(3)</sup>
Other	Various	Various	100%	44,855	10,250	N/A	615
				809,552	884,878		152,486
2020 dispositions				1,345,704	\$ 1,137,332		\$ 154,089

(1) We completed the dispositions of these two tech office properties at capitalization rates of 5.3% and 5.0% (cash basis) based on annualized net operating income and net operating income (cash basis), respectively, for the three months ended September 30, 2020.

(2) This transaction represents capitalization rate of 4.2%, based on annualized net operating income and net operating income (cash basis) for the three months ended December 31, 2020.

(3) This sale of a partial interest represents consideration in excess of book value aggregating \$211.3 million. We retained control over this real estate joint venture, and therefore, we continue to consolidate these properties. For consolidated joint ventures, we account for the consideration in excess of net book value of the interest sold as an equity transaction, with no gain or loss recognized in earnings.

## Guidance

December 31, 2020

(Dollars in millions, except per share amounts)



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On January 5, 2021, we issued a current report on Form 8-K providing updates to key 2021 guidance items in connection with our forward equity offering. The following updated guidance is based on our current view of existing market conditions and assumptions for the year ending December 31, 2021. 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 12 of this Earnings Press Release for additional details.

### Projected 2021 Earnings per Share and Funds From Operations per Share Attributable to Alexandria's Common Stockholders – Diluted

Earnings per share <sup>(1)</sup>	\$2.14 to \$2.34
Depreciation and amortization of real estate assets	5.50
Allocation to unvested restricted stock awards	(0.04)
Funds from operations per share <sup>(2)</sup>	<u>\$7.60 to \$7.80</u>
Midpoint	<u>\$7.70</u>

### Key Assumptions

	Low	High
Occupancy percentage in North America as of December 31, 2021	95.6%	96.2%
Lease renewals and re-leasing of space:		
Rental rate increases	29.0%	32.0%
Rental rate increases (cash basis)	16.0%	19.0%
Same property performance:		
Net operating income increase	1.0%	3.0%
Net operating income increase (cash basis)	4.0%	6.0%
Straight-line rent revenue	\$ 114	\$ 124
General and administrative expenses	\$ 146	\$ 151
Capitalization of interest	\$ 167	\$ 177
Interest expense	\$ 133	\$ 143

### Key Credit Metrics

	2021 Guidance
Net debt and preferred stock to Adjusted EBITDA – 4Q21 annualized	Less than or equal to 5.2x
Fixed-charge coverage ratio – 4Q21 annualized	Greater than or equal to 4.5x

### Key Sources and Uses of Capital

<i>Sources of capital:</i>				
Net cash provided by operating activities after dividends	\$ 210	\$ 250	\$ 230	
Incremental debt	730	740	735	
2020 debt capital proceeds held in cash	150	250	200	
Real estate dispositions and partial interest sales <sup>(3)</sup>	1,250	1,500	1,375	
Common equity	1,700	2,100	1,900	\$ 1,141 <sup>(4)</sup>
Total sources of capital	<u>\$ 4,040</u>	<u>\$ 4,840</u>	<u>\$ 4,440</u>	
<i>Uses of capital:</i>				
Construction	\$ 1,590	\$ 1,890	\$ 1,740	
Acquisitions	2,450	2,950	2,700	\$ 1,602
Total uses of capital	<u>\$ 4,040</u>	<u>\$ 4,840</u>	<u>\$ 4,440</u>	
<i>Incremental debt (included above):</i>				
Issuance of unsecured senior notes payable <sup>(5)</sup>	\$ 700	\$ 1,100	\$ 900	
Unsecured senior line of credit, commercial paper program, and other	30	(360)	(165)	
Incremental debt	<u>\$ 730</u>	<u>\$ 740</u>	<u>\$ 735</u>	

(1) Excludes unrealized gains or losses after December 31, 2020, that are required to be recognized in earnings and are excluded from funds from operations per share, as adjusted.

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

(3) In December 2020, three office buildings aggregating 146,842 RSF met the criteria to be classified as held for sale. We expect to complete the sale of these properties in 2021 for a total estimated sales price of \$78.1 million, including the buyer's assumption of a \$28.2 million secured note payable related to one of the buildings. Upon the buildings being classified as held for sale, we recognized impairment charges aggregating \$25.2 million.

(4) Refer to "Key capital events" on page 3 of this Earnings Press Release for additional information on our January 2021 forward equity offering and our remaining outstanding forward equity contracts issued under our ATM program.

(5) In addition to our guidance range, we may seek opportunities to refinance our \$650 million unsecured senior notes payable green bond due in 2024 prior to its maturity, subject to market conditions.

# Earnings Call Information and About the Company

December 31, 2020



We will host a conference call on Tuesday, February 2, 2021, 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, 2020. 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, February 2, 2021. The replay number is (877) 344-7529 or (412) 317-0088, and the access code is 10149959.

Additionally, a copy of this Earnings Press Release and Supplemental Information for the fourth quarter and year ended December 31, 2020, is available in the "For Investors" section of our website at [www.are.com](http://www.are.com) or by following this link: <http://www.are.com/fs/2020q4.pdf>.

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

## About the Company

Alexandria Real Estate Equities, Inc. (NYSE:ARE), an S&P 500® urban office real estate investment trust ("REIT"), is the first, longest-tenured, and pioneering owner, operator, and developer uniquely focused on collaborative life science, technology, and agtech campuses in AAA innovation cluster locations, with a total market capitalization of \$31.9 billion as of December 31, 2020, and an asset base in North America of 49.7 million square feet ("SF"). The asset base in North America includes 31.9 million RSF of operating properties and 3.3 million RSF of Class A properties undergoing construction, 7.1 million RSF of near-term and intermediate-term development and redevelopment projects, and 7.4 million SF of future development projects. Founded in 1994, Alexandria pioneered this niche and has since established a significant market presence in key locations, including Greater Boston, San Francisco, New York City, San Diego, Seattle, Maryland, and Research Triangle. Alexandria has a longstanding and proven track record of developing Class A properties clustered in urban life science, technology, and agtech 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, technology, and agtech 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).

\*\*\*\*\*

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 2021 earnings per share attributable to Alexandria's common stockholders – diluted, 2021 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," 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, increased interest rates and operating costs, adverse economic or real estate developments in our markets (including the impact of the ongoing COVID-19 pandemic), 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, 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.

***For additional discussion of the risks and other potential impacts posed by the outbreak of the COVID-19 pandemic and uncertainties we, our tenants, and the global and national economies face as a result, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our annual report on Form 10-K filed with the SEC on February 1, 2021.***

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# Consolidated Statements of Operations

December 31, 2020

(Dollars in thousands, except per share amounts)



ALEXANDRIA  
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	Three Months Ended					Year Ended	
	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	12/31/20	12/31/19
Revenues:							
Income from rentals	\$ 461,335	\$ 543,412 <sup>(1)</sup>	\$ 435,856	\$ 437,605	\$ 404,721	\$ 1,878,208	\$ 1,516,864
Other income	2,385	1,630	1,100	2,314	3,393	7,429	14,432
Total revenues	463,720	545,042	436,956	439,919	408,114	1,885,637	1,531,296
Expenses:							
Rental operations	136,767	140,443	123,911	129,103	121,852	530,224	445,492
General and administrative	32,690	36,913	31,775	31,963	29,782	133,341	108,823
Interest	37,538	43,318	45,014	45,739	45,493	171,609	173,675
Depreciation and amortization	177,750	176,831	168,027	175,496	140,518	698,104	544,612
Impairment of real estate	25,177	7,680	13,218	2,003	12,334	48,078	12,334
Loss on early extinguishment of debt	7,898 <sup>(2)</sup>	52,770	—	—	—	60,668	47,570
Total expenses	417,820	457,955	381,945	384,304	349,979	1,642,024	1,332,506
Equity in earnings (losses) of unconsolidated real estate joint ventures	3,593	3,778	3,893	(3,116)	4,777	8,148	10,136
Investment income (loss)	255,137	3,348	184,657	(21,821)	152,667	421,321	194,647
Gain on sales of real estate	152,503	1,586	—	—	474	154,089	474
Net income	457,133	95,799	243,561	30,678	216,053	827,171	404,047
Net income attributable to noncontrolling interests	(15,649)	(14,743)	(13,907)	(11,913)	(13,612)	(56,212)	(40,882)
Net income attributable to Alexandria Real Estate Equities, Inc.'s stockholders	441,484	81,056	229,654	18,765	202,441	770,959	363,165
Dividends on preferred stock	—	—	—	—	—	—	(3,204)
Preferred stock redemption charge	—	—	—	—	—	—	(2,580)
Net income attributable to unvested restricted stock awards	(5,561)	(1,730)	(3,054)	(1,925)	(2,823)	(10,168)	(6,386)
Net income attributable to Alexandria Real Estate Equities, Inc.'s common stockholders	<u>\$ 435,923</u>	<u>\$ 79,326</u>	<u>\$ 226,600</u>	<u>\$ 16,840</u>	<u>\$ 199,618</u>	<u>\$ 760,791</u>	<u>\$ 350,995</u>
Net income per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders:							
Basic	\$ 3.26	\$ 0.64	\$ 1.82	\$ 0.14	\$ 1.75	\$ 6.03	\$ 3.13
Diluted	\$ 3.26	\$ 0.63	\$ 1.82	\$ 0.14	\$ 1.74	\$ 6.01	\$ 3.12
Weighted-average shares of common stock outstanding:							
Basic	133,688	124,901	124,333	121,433	114,175	126,106	112,204
Diluted	133,827	125,828	124,448	121,785	114,974	126,490	112,524
Dividends declared per share of common stock	\$ 1.09	\$ 1.06	\$ 1.06	\$ 1.03	\$ 1.03	\$ 4.24	\$ 4.00

(1) Includes a termination fee aggregating \$89.5 million related to the termination of a future lease at our 88 Bluxome Street development project.

(2) Includes \$7.3 million related to the extinguishment of two secured notes payable aggregating \$108.2 million, due in 2023 with a weighted-average interest rate of 3.67%, and \$651 thousand related to the amendment of our unsecured senior line of credit.

## Consolidated Balance Sheets

December 31, 2020

(In thousands)



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	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19
<b>Assets</b>					
Investments in real estate	\$ 18,092,372	\$ 17,600,648	\$ 16,281,125	\$ 15,832,182	\$ 14,844,038
Investments in unconsolidated real estate joint ventures	332,349	330,792	326,858	325,665	346,890
Cash and cash equivalents	568,532	446,255	206,860	445,255	189,681
Restricted cash	29,173	38,788	34,680	43,116	53,008
Tenant receivables	7,333	7,641	7,208	14,976	10,691
Deferred rent	722,751	719,552	688,749	663,926	641,844
Deferred leasing costs	272,673	266,440	274,483	269,458	270,043
Investments	1,611,114	1,330,945	1,318,465	1,123,482	1,140,594
Other assets	1,191,581	1,169,610	930,680	983,875	893,714
Total assets	<u>\$ 22,827,878</u>	<u>\$ 21,910,671</u>	<u>\$ 20,069,108</u>	<u>\$ 19,701,935</u>	<u>\$ 18,390,503</u>
<b>Liabilities, Noncontrolling Interests, and Equity</b>					
Secured notes payable	\$ 230,925	\$ 342,363	\$ 344,784	\$ 347,136	\$ 349,352
Unsecured senior notes payable	7,232,370	7,230,819	6,738,486	6,736,999	6,044,127
Unsecured senior line of credit and commercial paper	99,991	249,989	440,000	221,000	384,000
Accounts payable, accrued expenses, and other liabilities	1,669,832	1,609,340	1,343,181	1,352,554	1,320,268
Dividends payable	150,982	143,040	133,681	129,981	126,278
Total liabilities	<u>9,384,100</u>	<u>9,575,551</u>	<u>9,000,132</u>	<u>8,787,670</u>	<u>8,224,025</u>
<b>Commitments and contingencies</b>					
Redeemable noncontrolling interests	11,342	11,232	12,122	12,013	12,300
<b>Alexandria Real Estate Equities, Inc.'s stockholders' equity:</b>					
Common stock	1,367	1,333	1,246	1,243	1,208
Additional paid-in capital	11,730,970	10,711,119	9,443,274	9,336,949	8,874,367
Accumulated other comprehensive loss	(6,625)	(10,638)	(13,080)	(15,606)	(9,749)
Alexandria Real Estate Equities, Inc.'s stockholders' equity	<u>11,725,712</u>	<u>10,701,814</u>	<u>9,431,440</u>	<u>9,322,586</u>	<u>8,865,826</u>
Noncontrolling interests	1,706,724	1,622,074	1,625,414	1,579,666	1,288,352
Total equity	<u>13,432,436</u>	<u>12,323,888</u>	<u>11,056,854</u>	<u>10,902,252</u>	<u>10,154,178</u>
Total liabilities, noncontrolling interests, and equity	<u>\$ 22,827,878</u>	<u>\$ 21,910,671</u>	<u>\$ 20,069,108</u>	<u>\$ 19,701,935</u>	<u>\$ 18,390,503</u>

## Funds From Operations and Funds From Operations per Share

December 31, 2020

(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 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	
	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	12/31/19
<b>Net income attributable to Alexandria's common stockholders</b>	<b>\$ 435,923</b>	<b>\$ 79,326</b>	<b>\$ 226,600</b>	<b>\$ 16,840</b>	<b>\$ 199,618</b>	<b>\$ 350,995</b>
Depreciation and amortization of real estate assets	173,392	173,622	165,040	172,628	137,761	684,682
Noncontrolling share of depreciation and amortization from consolidated real estate JVs	(15,032)	(15,256)	(15,775)	(15,870)	(10,176)	(61,933)
Our share of depreciation and amortization from unconsolidated real estate JVs	2,976	2,936	2,858	2,643	2,702	11,413
Gain on sales of real estate	(152,503) <sup>(1)</sup>	(1,586)	—	—	(474)	(154,089)
Impairment of real estate – rental properties	25,177 <sup>(1)</sup>	7,680	—	7,644	12,334	40,501 <sup>(2)</sup>
Assumed conversion of 7.00% Series D cumulative convertible preferred stock	—	—	—	—	—	—
Allocation to unvested restricted stock awards	(420)	(1,261)	(2,228)	(847)	(1,809)	(7,018)
<b>Funds from operations attributable to Alexandria's common stockholders – diluted<sup>(3)</sup></b>	<b>469,513</b>	<b>245,461</b>	<b>376,495</b>	<b>183,038</b>	<b>339,956</b>	<b>1,274,347</b>
Unrealized (gains) losses on non-real estate investments	(233,538)	14,013	(171,652)	17,144	(148,268)	(374,033)
Impairment of non-real estate investments	—	—	4,702	19,780	9,991	24,482
Impairment of real estate	—	—	13,218	2,003	—	15,221
Loss on early extinguishment of debt	7,898	52,770	—	—	—	60,668
Loss on early termination of interest rate hedge agreements	—	—	—	—	—	—
Termination fee	—	(86,179)	—	—	—	(86,179)
Acceleration of stock compensation expense due to executive officer resignation	—	4,499	—	—	—	4,499
Preferred stock redemption charge	—	—	—	—	—	—
Removal of assumed conversion of 7.00% Series D cumulative convertible preferred stock	—	—	—	—	—	—
Allocation to unvested restricted stock awards	2,774	179	2,251	(591)	1,760	4,790
<b>Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted</b>	<b>\$ 246,647</b>	<b>\$ 230,743</b>	<b>\$ 225,014</b>	<b>\$ 221,374</b>	<b>\$ 203,439</b>	<b>\$ 923,795</b>
	<b>\$ 783,006</b>					

(1) Refer to "Dispositions" in our Earnings Press Release for additional details.

(2) Includes a \$7.6 million impairment of our investment in a recently developed retail property held by our unconsolidated real estate joint venture recognized in 1Q20. This impairment is classified in equity in earnings of unconsolidated real estate joint ventures within our consolidated statements of operations.

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

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

December 31, 2020

(In thousands, except per share amounts)



ALEXANDRIA®  
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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	
	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	12/31/20	12/31/19
<b>Net income per share attributable to Alexandria's common stockholders – diluted</b>	<b>\$ 3.26</b>	<b>\$ 0.63</b>	<b>\$ 1.82</b>	<b>\$ 0.14</b>	<b>\$ 1.74</b>	<b>\$ 6.01</b>	<b>\$ 3.12</b>
Depreciation and amortization of real estate assets	1.21	1.28	1.22	1.31	1.13	5.01	4.60
Gain on sales of real estate	(1.14)	(0.01)	—	—	—	(1.22)	—
Impairment of real estate – rental properties	0.19	0.06	—	0.06	0.11	0.32	0.11
Allocation to unvested restricted stock awards	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.05)	(0.06)
<b>Funds from operations per share attributable to Alexandria's common stockholders – diluted</b>	<b>3.51</b>	<b>1.95</b>	<b>3.03</b>	<b>1.50</b>	<b>2.96</b>	<b>10.07</b>	<b>7.77</b>
Unrealized (gains) losses on non-real estate investments	(1.75)	0.11	(1.38)	0.14	(1.29)	(2.96)	(1.44)
Impairment of non-real estate investments	—	—	0.04	0.16	0.09	0.19	0.15
Impairment of real estate	—	—	0.11	0.02	—	0.12	—
Loss on early extinguishment of debt	0.06	0.42	—	—	—	0.48	0.42
Loss on early termination of interest rate hedge agreements	—	—	—	—	—	—	0.02
Termination fee	—	(0.69)	—	—	—	(0.68)	—
Acceleration of stock compensation expense due to executive officer resignation	—	0.04	—	—	—	0.04	—
Preferred stock redemption charge	—	—	—	—	—	—	0.02
Allocation to unvested restricted stock awards	0.02	—	0.01	—	0.01	0.04	0.02
<b>Funds from operations per share attributable to Alexandria's common stockholders – diluted, as adjusted</b>	<b>\$ 1.84</b>	<b>\$ 1.83</b>	<b>\$ 1.81</b>	<b>\$ 1.82</b>	<b>\$ 1.77</b>	<b>\$ 7.30</b>	<b>\$ 6.96</b>
Weighted-average shares of common stock outstanding <sup>(1)</sup> for calculations of:							
Earnings per share – diluted	133,827	125,828	124,448	121,785	114,974	126,490	112,524
Funds from operations – diluted, per share	133,827	125,828	124,448	121,785	114,974	126,490	112,966
Funds from operations – diluted, as adjusted, per share	133,827	125,828	124,448	121,785	114,974	126,490	112,524

(1) Refer to "Weighted-average shares of common stock outstanding – diluted" in the "Definitions and reconciliations" of our Supplemental Information for additional details.