

ANATOMY OF A LIFE SCIENCES REAL ESTATE PLATFORM

A Look at BioMed Realty
in the **Greater Boston Area**

In recent years, platforms have become an increasingly popular business strategy for biotechnology companies. Platforms such as CRISPR-based drug discovery engines go beyond any single asset; they are instead a set of foundational technologies that produce numerous drug candidates, allow expansion into new disease areas, and lead to new spinoff companies. A platform's ultimate value is far greater than the sum of its parts.

BioMed Realty embraces a similar platform strategy — our value stems not from our individual assets, but from our portfolio and the underlying capabilities we bring to our tenants. We partner with life sciences companies to meet their physical space needs so they can focus on their core mission - bringing novel and life-changing treatments to patients. BioMed's differentiated platform is defined by our 250 in-house specialists who provide resources that go beyond our physical buildings. Our staff of full-service professionals in leasing, development, operations, legal, risk management and facilities functions enable our tenants to make the most of our vast and growing portfolio of buildings. BioMed's vertical integration gives tenants peace of mind, not piecemeal services.

The genome revolution has transformed the life sciences industry and placed new urgency on the speed of R&D. BioMed's distinguishing trait as a single-point provider with a fully integrated real estate platform allows us to meet this requirement and provide the infrastructure necessary to facilitate innovation. Tenants can move quickly into new lab spaces when they receive additional funding, enter clinical trials, or receive FDA approval. Life sciences

We invest in real estate so our tenants can invest in innovations

BIOMED'S FULL-SERVICE OPERATING PLATFORM



DEVELOPMENT



INVESTMENTS



LEASING



PROPERTY
MANAGEMENT



FACILITIES



ACCOUNTING
& FINANCE



MARKETING



LEGAL



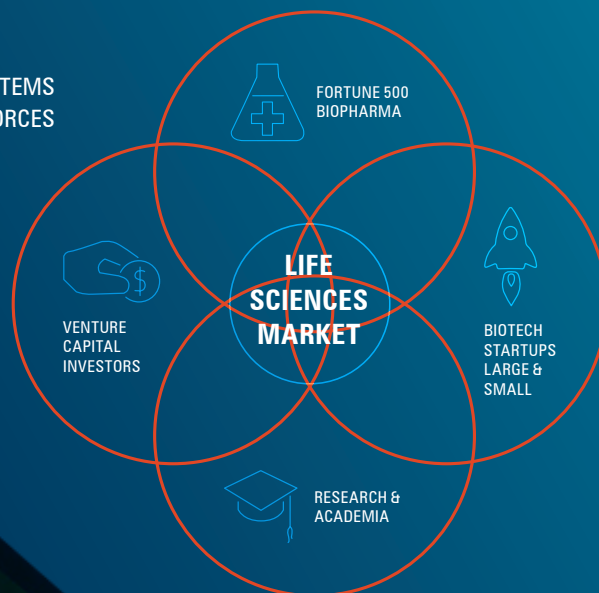
INFORMATION
TECHNOLOGY



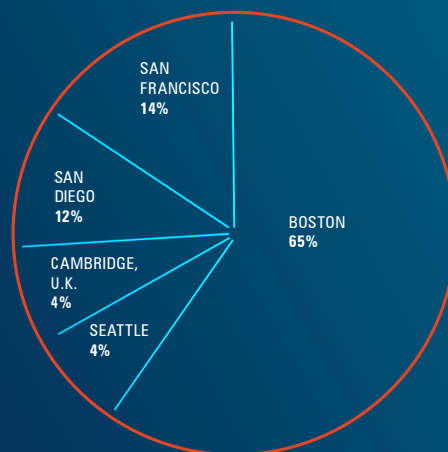
RISK
MANAGEMENT

Two-thirds of our current 13.7 million square foot portfolio is in the Greater Boston Area

DIVERSE ECOSYSTEMS OF FORCES



BIOMED PORTFOLIO



companies are now “working with a short fuse, fast money and innovative technologies” — to quote BioMed East Coast and U.K. President Bill Kane — and need to scale in months, not years. BioMed Realty partners with its tenants to execute with the speed and urgency the industry demands.

The following analysis of the Boston market illustrates how our platform supports our tenants, resulting in a true partnership unmatched within the life sciences industry.

BIOMED’S PORTFOLIO ENABLES LONG-TERM PARTNERSHIP

Cities that become industry-leading life sciences innovation hubs are comprised of a diverse ecosystem. World-renowned research universities, startups large and small, venture capital investors, and well-established life science firms combine to form vital elements of every thriving innovation hub. The Boston area benefits from the presence of industry organizations like

MassEcon, MassBio and the Massachusetts Life Sciences Center working in tandem to support, strengthen and grow its world-class ecosystem. While the Greater Boston life sciences industry is most often associated with the longstanding dominance of Kendall Square, new clusters have emerged throughout the market. Boston, Somerville, Seaport, and Watertown have all become key life science districts as the industry has come to demand more space than legacy locations could offer. BioMed believes that having a presence in each of the city's life science districts – both emerging and established – is essential to serving the growing needs of our clients.

CAMBRIDGE

BioMed has long had a substantial presence in Kendall Square – most notably with its long-term ownership of 500 Kendall Street, currently occupied by Takeda Pharmaceuticals. This anchor tenant looked to BioMed to meet additional expansion needs, and also occupies an additional 206,000 square feet at our 650 East Kendall Street property.

In March, we completed the acquisition of University Park, a 1.7 million square foot portfolio of lab/office buildings directly adjacent to the MIT campus. These properties are leased to a number of blue-chip tenants under long-term leases, led by a combined 880,000 square feet leased to Takeda Pharmaceuticals.

BioMed's upcoming development at 585 Kendall Street will build on our Cambridge offerings to include a 16-story, 587,000 square foot project that will also include 15,000 feet of ground floor, all-season flexible space and a 300-seat theater on the lower floors.

SEAPORT DISTRICT

Anchoring BioMed's growing presence in Boston's Seaport District is 601 Congress Street, an acquisition announced in January 2021 and rebranded as Seaport Science Center. This 492,000 square foot building is pursuing LEED Gold certification for the core and shell as part of the ongoing conversion of the entire facility to support life science tenancy. The converted lab space will ultimately accommodate 1,900 life science employees and create over 500 new jobs during the construction phase.

The maturing Seaport area also brings new opportunities in nearby neighborhoods. In April 2021, BioMed acquired an existing office building at 1000 Washington Street and the adjacent building currently under development at 321 Harrison Avenue, where we will invest over \$100 million to convert these properties into market-leading life science facilities.

BioMed's portfolio-based approach to our client relationships enables seamless expansion for our tenants as their growth and development shifts their space requirements. We don't simply look at a client's near-term space needs – we view every lease as an opportunity to grow with our tenants and

provide them with best-in-class physical infrastructure to support every phase of their growth. Our tenants benefit from immediate access to BioMed's portfolio upon completion of major milestones such as capital raises, entry into new clinical trial phases, or execution of strategic partnerships. We stand ready to support our tenants at every stage of their life cycle.

SOMERVILLE

Somerville's Assembly Innovation Park presents a unique opportunity for our tenants. Its close proximity to Kendall Square and downtown Boston offers easy access to premiere academic and research institutions, a deep talent pool of the industry's finest professionals, capital providers, and thriving commercial life sciences and technology businesses. The site is a short walk to the MBTA Orange Line and offers unmatched corporate visibility from I-93. The 1.5 million square foot campus will comprise high-quality, LEED Gold, Class-A lab buildings with a world-class urban greenspace inclusive of a public park at the center, and is adjacent to Assembly Row — a bustling mixed-use campus with a wide selection of retail, dining and entertainment experiences.

POWERFUL TAILWINDS IN THE LIFE SCIENCES INDUSTRY

Capital flows into the life sciences sector have remained strong throughout 2021, despite the challenges presented to the global economy by the COVID-19 pandemic. A total of \$16.3 billion raised across 98 IPOs year-to-date demonstrates continued resiliency in the capital markets and investor interest in life science firms.

Somerville by the numbers

18K

SOMERVILLE RESIDENTS WORK IN SCIENTIFIC, TECHNOLOGY OR HEALTH-CARE INDUSTRIES, UP 30% FROM 2015

63.6%

SOMERVILLE RESIDENTS HAVE ATTAINED A BACHELOR DEGREE OR HIGHER VS. 49% FOR THE BOSTON-CAMBRIDGE-NEWTON METROPOLITAN AREA

32%

OF SOMERVILLE RESIDENTS HAVE A POSTGRADUATE DEGREE

21.3%

OF RESIDENTS THAT HAVE MOVED TO SOMERVILLE IN 2019. SOMERVILLE IS MIMICKING THE MIGRATION PATTERNS OF CAMBRIDGE AS IT ATTRACTS YOUNGER RESIDENTS AND COLLEGE STUDENTS

185

PATENT APPLICATIONS IN THE LAST FIVE YEARS

740

PHASE 2 OR PHASE 3 CLINICAL TRIALS WITHIN A 10-MILE RADIUS

Demand for life sciences space in the Boston market remains at or near all-time highs as 88 tenants are currently seeking 4.4 million square feet of lab space. Extraordinary capital availability to life sciences companies has shortened the timeline in which biotech startups progress from preclinical research to clinical-stage operations, and routinely leads to firms advancing multiple clinical programs in parallel. This has transformed the speed at which companies hire personnel and occupy lab space, and often leads to expansion timeframes being measured in months, not years. By scaling up space utilizing existing landlord and real estate relationships, companies are able to move easily and quickly with minimal disruption to their lab operations. This also allows clients to think across neighborhoods, as the boundaries of innovation districts blur and demand continues to rise.

Flexibility is a key component to being a good real estate partner. This had traditionally been a challenge due to tenants’ specific equipment and infrastructure needs in life sciences spaces. Historically, fixed lab benches made it difficult and costly to install new equipment as permits were required for new construction. BioMed solves this issue through the use of movable lab benching that can be quickly reoriented, providing exceptional flexibility to our tenants. We believe demand for flexible workspaces will

In the Boston market alone, 88 tenants are currently looking for a total of 4.4 million square feet

DEMOGRAPHICS WITHIN A 15-MINUTE DRIVE OF BOSTON

47% BACHELOR’S DEGREE OR HIGHER IN AREA vs. 32% BACHELOR’S DEGREE OR HIGHER IN U.S.

1.01% PROJECTED ANNUAL POPULATION GROWTH FROM THE AREA (2020–2025)

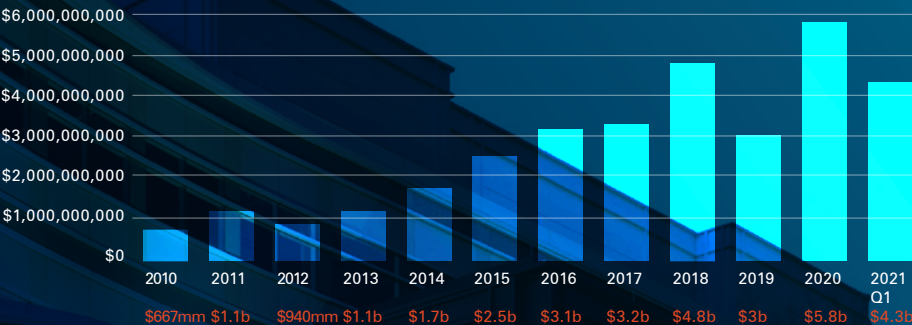
vs.

0.83% PROJECTED ANNUAL POPULATION GROWTH IN U.S. (2020–2025)

\$83,851 MEDIAN HOUSEHOLD INCOME

738,987 PROJECTED POPULATION BY 2025

BIOPHARMA VENTURE CAPITAL INVESTMENT



continue to surge; these spaces will need to accommodate both dry and wet laboratories with characteristics that can serve both startups and spinouts from more mature corporate clients.

DEEP EXPERIENCE WITH THE INTRICACIES OF LAB SPACE

Acquiring and building lab space requires specialty knowledge, but ongoing servicing is an altogether higher level of responsibility. To understand the day-to-day needs of lab tenants, take the impact of a potential power outage. For a tech company, this likely means interrupted internet access and inconvenience, but ultimately this work can be transitioned to the home office. In a world where most companies' IT infrastructures are in the cloud versus physical, on-premises servers, the disruption is thankfully minimal. But a prolonged power outage in a mission critical location is an entirely different scenario. Companies often design their research to run on precise timelines, and an interruption such as an extended power outage can derail months of work. Similarly, disruptions in manufacturing facilities have far-reaching consequences for drug and medical device supplies, which may ultimately impact patients' ability to receive treatment.



"I've been a property manager for 30-plus years in all kinds of environments — trading floors, data centers and Fortune 100 corporate headquarters. By far, bioscience is a more intense environment. The only place more challenging might be a nuclear facility."

BIOMED'S MATTHEW ALIX, REGIONAL
DIRECTOR FOR PROPERTY MANAGEMENT



"The 585 Kendall Street project will include a 30,000-square-foot indoor and outdoor public space. My role is to use our assets as a catalyst for partnerships with the community. I look for ways to engage our neighbors and bring people together with our buildings as the cornerstone."


BIOMED'S ANDREA WINDHAUSEN,
COMMUNITY MANAGER

In addition, shifting employees to a work-from-home model during the COVID-19 pandemic was never an option for life sciences companies. We partnered with our tenants to quickly install new safety protocols, ensuring continued operations at 100% of BioMed's buildings enabling researchers to conduct their essential work. They were bolstered with important new procedures around safety, such as robust contact tracing and deep cleaning in response to any confirmed positive cases, all with a focus on keeping teams safe and with minimal disruption. The life sciences sector demonstrated its resiliency during the pandemic — and the capital markets responded accordingly with an infusion of capital supporting continued growth in this vital industry.

THE DIFFERENCE BIOMED PROFESSIONALS MAKE FOR OUR TENANTS

The experience necessary to maintain BioMed's role as the market-leading real estate partner to the life sciences industry requires that we keep our building operations experience in-house. They are part of our unique, fully-integrated platform of more than 250 professionals across the country - 50 of which are in the Boston area.

Each property management team maintains their facilities to the highest standards. Their experience in handling day-to-day operational



BioMed partnered with Gloucester Biotech Academy to invest in local jobs creation by training high school graduates for entry-level positions as lab techs

and maintenance requirements, energy management, along with their technical expertise establishes them as the most knowledgeable building operations team in the industry.

These teams are the go-to experts for mechanical, electrical and plumbing systems, and tenants directly benefit from the 24-hour availability of their expertise as and when it is required. Our tenants are confident that their critical experiments won't be disrupted and development timelines won't be unnecessarily delayed due to facility malfunctions.

FROM BUILD-OUT TO EVERY DAY

BioMed's expertise comes into play long before a client has moved into their lab space. Our design and development team works with our tenants to build their space to suit their exact specifications. Collectively, the BioMed team has hundreds of years of experience and has an unsurpassed understanding of the industry's needs. Our capabilities in delivering purpose-built lab and technology spaces allow us to closely guide clients through this process, whether it's new lab construction or a conversion to lab from an alternative product type.

BioMed has grown its platform and responded to the industry's demand for space by completing a number of office-to-lab conversions in recent years. In-depth expertise and long-term familiarity with the demands of lab space is essential to successfully convert office space to lab — all lab buildings can function as office, but not all office spaces can function as labs. Labs require substantial floor-to-ceiling height, redundant power, specialized HVAC equipment for air quality, and greater floor loading capacity. It is vital to have an acute understanding of occupier requirements when creating and managing these specialized and mission-critical assets.

AN ORIENTATION TOWARD THE COMMUNITY

We know what happens outside the walls of our properties matters to our tenants. We want our tenants to be excited to come to an inspirational workplace, and we make sure the presence of a BioMed building is a net positive for the neighborhood by prioritizing community outreach and nonprofit engagement. We recently launched 585 Arts to support and expand cultural programming for 585 Kendall Street and Canal District Kendall. The organization will independently oversee the programming, presentation, and promotion of a diverse array of performers and artists throughout the Canal District. It will manage a 30,000 square foot indoor and outdoor public space at 585 Kendall Street, including a 300-seat theater featuring state-of-the-art audio and visual systems, a rehearsal studio, flexible multipurpose rooms for workshops and meetings, an indoor garden, and outdoor performance spaces. 585 Arts will also activate additional indoor and outdoor public spaces throughout the 10-acre Canal District and is committed to diverse and inclusive programming.

To underscore our commitment to community, we retain a community manager to support this initiative. She is specifically focused on placemaking and engaging the community to ensure our buildings, and especially our tenants, thrive within their neighborhoods.

Even prior to the launch of 585 Arts, the BioMed team partnered with the surrounding community through organizations such as CASPAR, United Way, CitySprouts, East End House and Art in Giving.

While the important work of the life sciences industry typically means new jobs for highly skilled workers, BioMed seeks to identify opportunities to mentor young life science talent and foster their careers within the industry.

Forty thousand additional life sciences jobs will be required to sustain the current growth trajectory of the life science industry in Massachusetts, according to a recent report by MassBio. BioMed has partnered with the Gloucester Marine Genomics Institute to recognize and address the need for workforce development within the life sciences industry and the surrounding communities. GMGI's nonprofit training entity, Gloucester Biotech Academy, is helping people develop the skills required to grow their careers in the state's biotech industry.

CONCLUSION: TAKING A HUMAN APPROACH TO LIFE SCIENCES REALTY

BioMed's tenants are in pursuit of one mission: improving human health. We take our role in the advancement of that mission seriously, and our best-in-class professionals deliver positive impact through our world-class real estate solutions, and unrivaled experience. Our platform spurs growth, sparks innovation, and advances the development of life-saving treatments for our tenants.