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Prologis Expands China Development Venture to US\$3.5 Billion and Announces the Formation of a US\$1.7 Billion China Open End Fund

SAN FRANCISCO, Dec. 4, 2019 /PRNewswire/ -- Prologis, Inc. (NYSE: PLD), the global leader in logistics real estate, today announced the expansion of its development venture in China and increased its development capacity to more than US\$3.5 billion. Prologis also announced the formation of its new US\$1.7 billion open-ended Prologis China Core Logistics Fund, LP ("PCCLF" or the "Fund").

As part of the expansion of Prologis China Logistics Venture 3, HIP China Logistics Investments Limited ("HIP") and Prologis have committed an additional US\$882 million of equity which, with leverage, will allow the venture to develop approximately US\$3.5 billion of logistics properties in China. Prologis and HIP will retain their respective ownership percentages in Prologis China Logistics Venture 3.

The company also announced the formation of PCCLF, a perpetual life fund which will invest in operating logistics properties in Prologis' target markets in China. The Fund has raised RMB 3.1 billion (approx. US\$445 million) and will acquire the existing portfolio of assets from Prologis China Logistics Venture 1 of approximately 2.0 million square meters (approx. 22.0 million square feet) with a fair value of approximately RMB 12.3 billion (approx. US\$1.7 billion). Prologis will maintain its ownership percentage and HIP will continue to be a major investor in PCCLF.

"China represents the largest consumption opportunity in the world, with a sophisticated and rapidly-growing e-commerce market," said Prologis chief investment officer Eugene F. Reilly. "Our strategy in China is to invest in the highest-quality logistics assets located in the most important consumption markets in the country."

"Investor demand for China logistics is exceptionally strong and we are delighted to be able to offer our institutional investor partners access to this important market opportunity through our new perpetual life fund, PCCLF," said Prologis managing director, global head of capital raising Martina Malone.

As of September 30, 2019, Prologis had US\$111 billion of assets under management, including US\$58 billion in its nine co-investment ventures globally.

ABOUT PROLOGIS

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of September 30, 2019, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects

expected to total approximately 797 million square feet (74 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,100 customers principally across two major categories: business-to-business and retail/online fulfillment.

FORWARD-LOOKING STATEMENTS

The statements in this document that are not historical facts are 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. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which we operate as well as management's beliefs and assumptions. Such statements involve uncertainties that could significantly impact our financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," and "estimates," including variations of such words and similar expressions, are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, development activity, contribution and disposition activity, general conditions in the geographic areas where we operate, our debt, capital structure and financial position, our ability to form new co-investment ventures and the availability of capital in existing or new co-investment ventures — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and, therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic and political climates; (ii) changes in global financial markets, interest rates and foreign currency exchange rates; (iii) increased or unanticipated competition for our properties; (iv) risks associated with acquisitions, dispositions and development of properties; (v) maintenance of real estate investment trust status, tax structuring and changes in income tax laws and rates; (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings; (vii) risks related to our investments in our co-investment ventures, including our ability to establish new co-investment ventures; (viii) risks of doing business internationally, including currency risks; (ix) environmental uncertainties, including risks of natural disasters; and (x) those additional factors discussed in reports filed with the Securities and Exchange Commission by us under the heading "Risk Factors." We undertake no duty to update any forward-looking statements appearing in this document except as may be required by law.



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