

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 21, 2020



Prologis, Inc.  
Prologis, L.P.

(Exact name of registrant as specified in charter)

Maryland (Prologis, Inc.)  
Delaware (Prologis, L.P.)  
(State or other jurisdiction  
of Incorporation)

001-13545 (Prologis, Inc.)  
001-14245 (Prologis, L.P.)  
(Commission File Number)

94-3281941 (Prologis, Inc.)  
94-3285362 (Prologis, L.P.)  
(I.R.S. Employer Identification  
No.)

Pier 1, Bay 1, San Francisco, California

94111

(Address of Principal Executive Offices)

(Zip Code)

Registrants' Telephone Number, including Area Code: (415) 394-9000

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

	Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Prologis, Inc.	Common Stock, \$0.01 par value	PLD	New York Stock Exchange
Prologis, L.P.	3.000% Notes due 2022	PLD/22	New York Stock Exchange
Prologis, L.P.	3.375% Notes due 2024	PLD/24	New York Stock Exchange
Prologis, L.P.	3.000% Notes due 2026	PLD/26	New York Stock Exchange
Prologis, L.P.	2.250% Notes due 2029	PLD/29	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition (Prologis, Inc.) and**

**Item 7.01. Regulation FD Disclosure (Prologis, Inc. and Prologis, L.P.).**

On July 21, 2020, Prologis, Inc., the general partner of Prologis, L.P., issued a press release announcing second quarter 2020 financial results. A copy of the supplemental information as well as the press release is furnished with this report as Exhibit 99.1 and Exhibit 99.2, respectively, and incorporated herein by reference.

The information in this report and the exhibits attached hereto is being furnished, not filed, for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and pursuant to Items 2.02 and 7.01 of Form 8-K will not be incorporated by reference into any filing under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.            Description

99.1                    [Supplemental information, dated July 21, 2020.](#)

99.2                    [Press release, dated July 21, 2020.](#)

104                    Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

PROLOGIS, INC.

July 21, 2020

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer

PROLOGIS, L.P.,

July 21, 2020

By: Prologis, Inc., its general partner

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer



SECOND QUARTER 2020

# Prologis Supplemental Information

Unaudited



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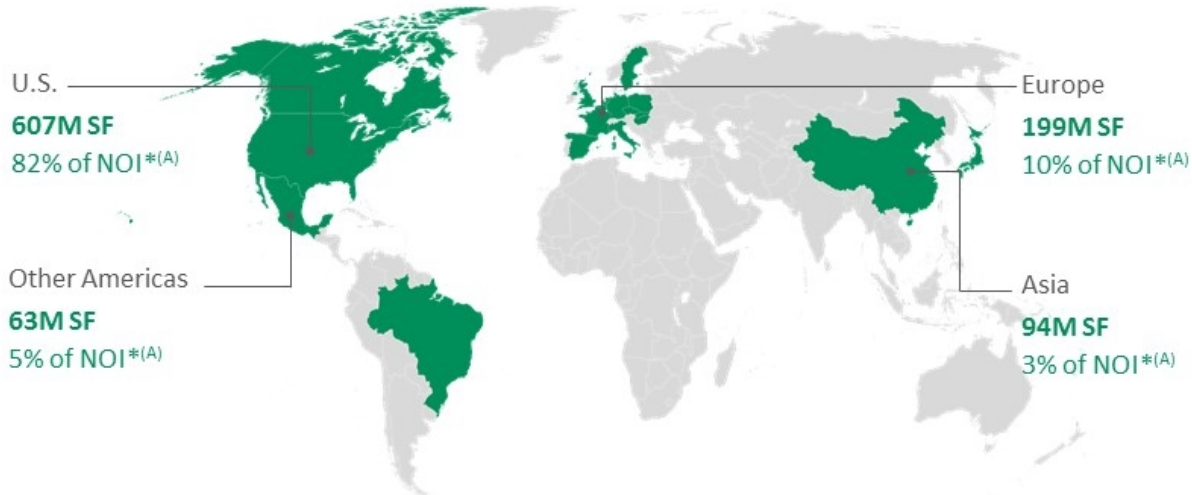
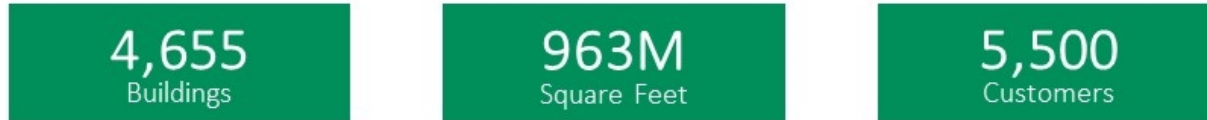
A. Terms used throughout document are defined in the Notes and Definitions.

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Company Profile

Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of June 30, 2020, 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 963 million square feet (89 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,500 customers principally across two major categories: business-to-business and retail/online fulfillment.

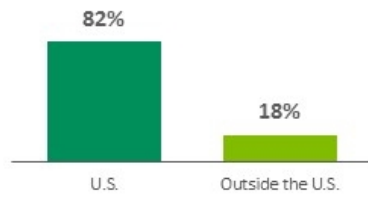
On January 8, 2020, Prologis U.S. Logistics Venture (consolidated co-investment venture) and Prologis Targeted U.S. Logistics Fund (unconsolidated co-investment venture) completed the acquisition of Industrial Property Trust (IPT) for \$2.0 billion each. On February 4, 2020, Prologis completed the acquisition of Liberty Property Trust (LPT) for approximately \$13.0 billion, through the issuance of equity and the assumption of debt. Therefore, these results include the operations of both acquisitions from these dates forward.



<sup>\*</sup> This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.  
<sup>A.</sup> NOI calculation based on Prologis share of the Operating Portfolio.

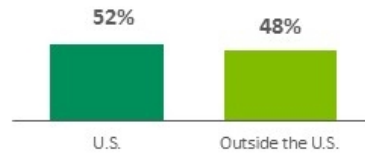
OPERATIONS

\$2.9B in annual NOI<sup>(A)</sup>



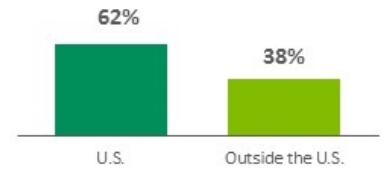
STRATEGIC CAPITAL

\$571M of fees and promotes<sup>(B)</sup>



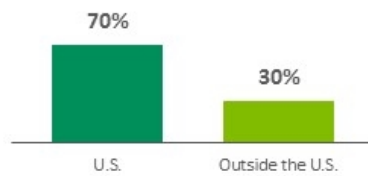
DEVELOPMENT

\$860M in value creation from stabilizations<sup>(C)</sup>



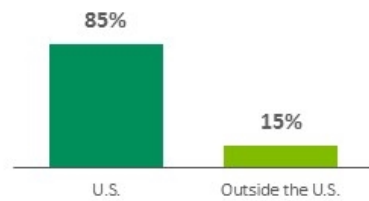
GROSS AUM

\$136B<sup>(D)</sup>



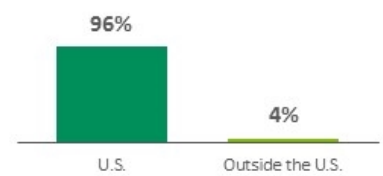
PROLOGIS SHARE AUM

\$89B<sup>(D)</sup>



MARKET EQUITY

\$71B<sup>(D)</sup>



\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

A. 2Q 2020 Prologis Share of NOI of the Operating Portfolio annualized.

B. 2Q 2020 third-party share of asset management fees annualized plus trailing twelve month third-party share of transaction fees and net promotes.

C. Prologis Share of trailing twelve month Estimated Value Creation from development stabilizations.

D. Mexico is included in the U.S. as it is U.S. dollar functional.



# Highlights

2Q 2020 Supplemental

## Company Performance

dollars in millions, except per share/unit data

	Three Months ended June 30,		Six Months ended June 30,	
	2020	2019	2020	2019
Rental and other revenues	\$ 945	\$ 701	\$ 1,827	\$ 1,399
Strategic capital revenues	321	89	417	163
Total revenues	1,266	790	2,244	1,562
Net earnings attributable to common stockholders	405	384	894	731
Core FFO attributable to common stockholders/unitholders*	853	506	1,453	980
AFFO attributable to common stockholders/unitholders*	822	620	1,555	1,087
Adjusted EBITDA attributable to common stockholders/unitholders*	1,111	823	2,123	1,478
Estimated value creation from development stabilizations - Prologis Share	111	223	381	432
Common stock dividends and common limited partnership unit distributions	444	347	888	695
<b>Per common share - diluted:</b>				
Net earnings attributable to common stockholders	\$ 0.54	\$ 0.60	\$ 1.23	\$ 1.15
Core FFO attributable to common stockholders/unitholders*	1.11	0.77	1.95	1.50
<b>Business line reporting:</b>				
Real estate operations*	0.82	0.70	1.58	1.38
Strategic capital*	0.29	0.07	0.37	0.12
Core FFO attributable to common stockholders/unitholders*	1.11	0.77	1.95	1.50
Realized development gains, net of taxes*	0.08	0.29	0.30	0.35
Dividends and distributions per common share/unit	0.58	0.53	1.16	1.06

### CORE FFO\*



### AFFO\*



### ESTIMATED VALUE CREATION - STABILIZATIONS



\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.



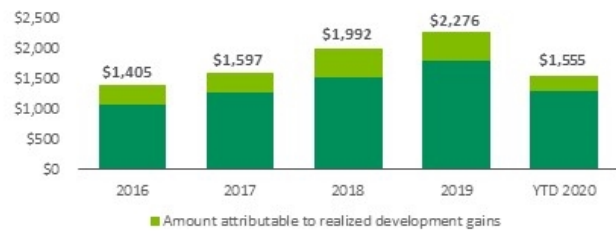
**CORE FFO\***

in millions



**AFFO\***

in millions



**ESTIMATED VALUE CREATION**

in millions



**ASSET MANAGEMENT FEES AND NET PROMOTES**

in millions



\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

# Highlights

2Q 2020 Supplemental

## Guidance <sup>(A)</sup>

dollars in millions, except per share

2020 Guidance	Low		High					
Net earnings <sup>(B)</sup>	\$	2.06	\$	2.18				
Core FFO* <sup>(B)</sup>	\$	3.70	\$	3.75				
<b>Operations</b>								
Year-end occupancy		95.0%		96.0%				
Same store NOI - cash - Prologis share*		2.50%		3.50%				
Same store NOI - net effective - Prologis share*		1.75%		2.75%				
<b>Other Assumptions</b>								
Strategic capital revenue, excluding promote revenue	\$	360	\$	370				
Net promote income <sup>(C)</sup>	\$	150	\$	150				
General & administrative expenses	\$	265	\$	275				
Realized development gains	\$	300	\$	400				
<b>Capital Deployment</b>								
	PROLOGIS SHARE			OWNED AND MANAGED				
	Low	High						
Development stabilizations	\$	1,900	\$	2,200	\$	2,300	\$	2,600
Development starts	\$	800	\$	1,200	\$	1,000	\$	1,400
Building acquisitions	\$	500	\$	600	\$	900	\$	1,100
Building and land dispositions	\$	500	\$	800	\$	650	\$	950
Building contributions	\$	700	\$	900	\$	1,100	\$	1,300

## Exchange Rates

We have hedged the rates for the majority of our estimated 2020 Euro, Sterling and Yen Core FFO, effectively insulating 2020 results from FX movements in these currencies. For purposes of capital deployment and other metrics, we assumed effective rates for EUR, GBP and JPY of 1.12 (\$/€), 1.23 (\$/£) and 107.75 (¥/\$), respectively.

\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

- Our guidance for 2020 is based on management's current beliefs and assumptions about our business, the industry and the markets in which we operate. COVID-19 has disrupted financial markets and global, national and local economies. Given the dynamic nature of the pandemic, it is difficult to predict the impact on our future results. Please refer to "Forward-Looking Statements" and "Risk Factors" referred to in our reports filed with the Securities and Exchange Commission for more information.
- The difference between Core FFO and Net Earnings predominately relates to real estate depreciation and gains or losses on real estate transactions. See the Notes and Definitions for more information.
- Net promote guidance is \$0.20 per share.



## Consolidated Balance Sheets

in thousands	June 30, 2020		March 31, 2020		December 31, 2019	
<b>Assets:</b>						
Investments in real estate properties:						
Operating properties	\$	42,184,980	\$	42,429,391	\$	31,287,833
Development portfolio		2,060,821		1,836,794		1,869,267
Land		1,692,512		1,463,982		1,101,646
Other real estate investments		2,640,499		2,382,132		965,668
		48,578,812		48,112,299		35,224,414
Less accumulated depreciation		5,931,378		5,662,351		5,437,662
Net investments in real estate properties		42,647,434		42,449,948		29,786,752
Investments in and advances to unconsolidated entities		7,201,006		6,834,758		6,237,371
Assets held for sale or contribution		1,948,508		1,975,524		720,685
Net investments in real estate		51,796,948		51,260,230		36,744,808
Cash and cash equivalents		549,129		807,871		1,088,855
Other assets		2,875,780		2,939,146		2,198,187
<b>Total assets</b>	<b>\$</b>	<b>55,221,857</b>	<b>\$</b>	<b>55,007,247</b>	<b>\$</b>	<b>40,031,850</b>
<b>Liabilities and Equity:</b>						
<b>Liabilities:</b>						
Debt	\$	15,666,872	\$	15,676,592	\$	11,905,877
Accounts payable, accrued expenses and other liabilities		2,808,776		2,554,785		2,054,189
<b>Total liabilities</b>		<b>18,475,648</b>		<b>18,231,377</b>		<b>13,960,066</b>
<b>Equity:</b>						
Stockholders' equity		32,242,928		32,259,442		22,653,127
Noncontrolling interests		3,589,800		3,591,986		2,775,394
Noncontrolling interests - limited partnership unitholders		913,481		924,442		643,263
<b>Total equity</b>		<b>36,746,209</b>		<b>36,775,870</b>		<b>26,071,784</b>
<b>Total liabilities and equity</b>	<b>\$</b>	<b>55,221,857</b>	<b>\$</b>	<b>55,007,247</b>	<b>\$</b>	<b>40,031,850</b>

# Financial Information

## Consolidated Statements of Income

2Q 2020 Supplemental

In thousands, except per share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
<b>Revenues:</b>				
Rental	\$ 944,366	\$ 700,689	\$ 1,823,173	\$ 1,397,496
Strategic capital	320,658	89,144	417,249	162,949
Development management and other	1,100	539	3,943	1,979
Total revenues	1,266,124	790,372	2,244,365	1,562,424
<b>Expenses:</b>				
Rental	232,109	181,138	459,727	369,206
Strategic capital	81,545	37,206	128,119	75,264
General and administrative	64,664	66,276	134,353	135,977
Depreciation and amortization	398,195	284,376	744,165	568,385
Other	7,979	3,515	22,553	7,349
Total expenses	784,492	572,511	1,488,917	1,156,181
<b>Operating Income before gains on real estate transactions, net</b>	<b>481,632</b>	<b>217,861</b>	<b>755,448</b>	<b>406,243</b>
Gains on dispositions of development properties and land, net	86,416	196,941	249,166	239,382
Gains on other dispositions of investments in real estate, net (excluding development properties and land)	43,939	27,254	75,430	173,021
<b>Operating Income</b>	<b>611,987</b>	<b>442,056</b>	<b>1,080,044</b>	<b>818,646</b>
<b>Other Income (expense):</b>				
Earnings from unconsolidated co-investment ventures, net	47,443	45,876	94,558	98,963
Earnings from other unconsolidated ventures, net	6,699	2,680	48,314	6,259
Interest expense	(81,298)	(59,122)	(156,940)	(119,629)
Foreign currency and derivative gains (losses) and interest and other income, net	(59,809)	6,353	53,890	22,997
Losses on early extinguishment of debt, net	(23,573)	(385)	(66,340)	(2,501)
Total other income (expense)	(110,538)	(4,598)	(26,518)	6,089
<b>Earnings before income taxes</b>	<b>501,449</b>	<b>437,458</b>	<b>1,053,526</b>	<b>824,735</b>
Current income tax expense	(48,673)	(18,190)	(76,593)	(30,909)
Deferred income tax benefit (expense)	2,162	(8,442)	(831)	(9,235)
<b>Consolidated net earnings</b>	<b>454,938</b>	<b>410,826</b>	<b>976,102</b>	<b>784,591</b>
Net earnings attributable to noncontrolling interests	(37,115)	(13,864)	(53,256)	(28,509)
Net earnings attributable to noncontrolling interests - limited partnership units	(11,650)	(11,686)	(25,620)	(22,260)
<b>Net earnings attributable to controlling interests</b>	<b>406,173</b>	<b>385,276</b>	<b>897,226</b>	<b>733,822</b>
Preferred stock dividends	(1,634)	(1,492)	(3,269)	(2,991)
<b>Net earnings attributable to common stockholders</b>	<b>\$ 404,539</b>	<b>\$ 383,784</b>	<b>\$ 893,957</b>	<b>\$ 730,831</b>
Weighted average common shares outstanding - Diluted	765,830	655,447	746,027	654,766
<b>Net earnings per share attributable to common stockholders - Diluted</b>	<b>\$ 0.54</b>	<b>\$ 0.60</b>	<b>\$ 1.23</b>	<b>\$ 1.15</b>

## Reconciliations of Net Earnings to FFO\*

in thousands	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net earnings attributable to common stockholders	\$ 404,539	\$ 383,784	893,957	730,831
Add (deduct) NAREIT defined adjustments:				
Real estate related depreciation and amortization	389,072	275,743	725,004	550,630
Gains on other dispositions of investments in real estate, net (excluding development properties and land)	(43,939)	(27,254)	(75,430)	(173,021)
Reconciling items related to noncontrolling interests	602	(11,920)	(14,791)	(25,390)
Our share of reconciling items related to unconsolidated co-investment ventures	65,613	58,354	130,977	112,054
Our share of reconciling items related to other unconsolidated ventures	8,061	2,581	10,846	5,593
<b>NAREIT defined FFO attributable to common stockholders/unit holders*</b>	<b>\$ 823,948</b>	<b>\$ 681,288</b>	<b>\$ 1,670,563</b>	<b>\$ 1,200,697</b>
Add (deduct) our defined adjustments:				
Unrealized foreign currency and derivative losses (gains), net	66,791	3,451	(42,756)	(4,037)
Deferred income tax expense (benefit)	(2,162)	8,442	831	9,235
Reconciling items related to noncontrolling interests	(234)	15	(419)	35
Our share of reconciling items related to unconsolidated co-investment ventures	2,037	(1,745)	3,315	(2,889)
<b>FFO, as modified by Prologis attributable to common stockholders/unit holders*</b>	<b>\$ 890,380</b>	<b>\$ 691,451</b>	<b>\$ 1,631,534</b>	<b>\$ 1,203,041</b>
Adjustments to arrive at Core FFO attributable to common stockholders/unit holders*:				
Gains on dispositions of development properties and land, net	(86,416)	(196,941)	(249,166)	(239,382)
Current income tax expense on dispositions	22,993	7,645	29,718	10,044
Losses on early extinguishment of debt and other, net	26,573	385	74,340	2,501
Reconciling items related to noncontrolling interests	(52)	(2)	(2,597)	(2)
Our share of reconciling items related to unconsolidated co-investment ventures	(30)	3,654	2,671	4,238
Our share of reconciling items related to other unconsolidated ventures	3	4	(33,830)	7
<b>Core FFO attributable to common stockholders/unit holders*</b>	<b>\$ 853,451</b>	<b>\$ 506,196</b>	<b>\$ 1,452,670</b>	<b>\$ 980,447</b>
Adjustments to arrive at Adjusted FFO ("AFFO") attributable to common stockholders/unit holders*, including our share of unconsolidated ventures less noncontrolling interest:				
Gains on dispositions of development properties and land, net	86,416	196,941	249,166	239,382
Current income tax expense on dispositions	(22,993)	(7,645)	(29,718)	(10,044)
Straight-lined rents and amortization of lease intangibles	(31,229)	(25,402)	(56,732)	(54,951)
Property improvements	(37,817)	(25,634)	(51,456)	(34,332)
Turnover costs	(45,488)	(40,631)	(84,884)	(80,969)
Amortization of debt premium, financing costs and management contracts, net	2,701	4,575	4,194	9,055
Stock compensation expense	27,998	20,186	59,806	51,944
Reconciling items related to noncontrolling interests	9,302	5,604	14,349	10,968
Our share of reconciling items related to unconsolidated ventures	(20,216)	(14,032)	(2,134)	(24,508)
<b>AFFO attributable to common stockholders/unit holders*</b>	<b>\$ 822,125</b>	<b>\$ 620,158</b>	<b>\$ 1,555,261</b>	<b>\$ 1,086,992</b>



\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

## Reconciliations of Net Earnings to Adjusted EBITDA\*

in thousands	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net earnings attributable to common stockholders	\$ 404,539	\$ 383,784	\$ 893,957	\$ 730,831
Gains on other dispositions of investments in real estate, net (excluding development properties and land)	(43,939)	(27,254)	(75,430)	(173,021)
Depreciation and amortization expenses	398,195	284,376	744,165	568,385
Interest expense	81,298	59,122	156,940	119,629
Current and deferred income tax expense, net	46,511	26,632	77,424	40,144
Net earnings attributable to noncontrolling interests - limited partnership unit holders	11,650	11,686	25,620	22,260
Pro forma adjustments	2,394	(240)	53,602	2,307
Preferred stock dividends	1,634	1,492	3,269	2,991
Unrealized foreign currency and derivative losses (gains), net	66,791	3,451	(42,756)	(4,037)
Stock compensation expense	27,998	20,186	59,806	51,944
Losses on early extinguishment of debt and other, net	26,573	385	74,340	2,501
<b>Adjusted EBITDA, consolidated*</b>	<b>\$ 1,023,644</b>	<b>\$ 763,620</b>	<b>\$ 1,970,937</b>	<b>\$ 1,363,934</b>
Reconciling items related to noncontrolling interests	(11,635)	(24,005)	(44,003)	(48,176)
Our share of reconciling items related to unconsolidated ventures	98,657	83,814	196,475	162,081
<b>Adjusted EBITDA attributable to common stockholders/unit holders*</b>	<b>\$ 1,110,666</b>	<b>\$ 823,429</b>	<b>\$ 2,123,409</b>	<b>\$ 1,477,839</b>



\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

Co-Investment Ventures	Region	Type	Established	Accounting Method	Ownership	Structure	Next Promote Opportunity
Prologis U.S. Logistics Venture	U.S.	Core	2014	Consolidated	55.0%	Open end	Q4 2020
Prologis Targeted U.S. Logistics Fund	U.S.	Core	2004	Unconsolidated	24.9%	Open end	Q2 2023
FIBRA Prologis	Mexico	Core	2014	Unconsolidated	46.8%	Public, Mexican Exchange	Q2 2021
Prologis Brazil Logistics Venture	Brazil	Core/Development	2019	Unconsolidated	20.0%	Closed end	Q4 2020
Prologis European Logistics Fund	Europe	Core	2007	Unconsolidated	24.0%	Open end	Q3 2022
Prologis European Logistics Partners	Europe	Core	2013	Unconsolidated	50.0%	Open end	Q4 2020
Prologis UK Logistics Venture	Europe	Core/Development	2017	Unconsolidated	15.0%	Closed end	Q4 2020
Nippon Prologis REIT	Japan	Core	2013	Unconsolidated	15.1%	Public, Tokyo Exchange	n/a
Prologis China Core Logistics Fund	China	Core	2019	Unconsolidated	15.9%	Open end	Q3 2022
Prologis China Logistics Venture	China	Development	2011	Unconsolidated	15.0%	Closed end	Q4 2020

in thousands	Venture (at 100%) <sup>(A)</sup>			
	Square Feet	GBV of Operating Bldgs	GBV of Real Estate	Debt
<b>Unconsolidated Co-Investment Ventures</b>				
Prologis Targeted U.S. Logistics Fund	112,484	\$ 10,376,222	\$ 10,818,869	\$ 2,923,545
FIBRA Prologis <sup>(B)</sup>	39,010	2,458,515	2,469,125	840,667
Prologis Brazil Logistics Venture and other joint ventures	9,749	461,866	588,852	-
Prologis European Logistics Fund	121,826	10,924,535	10,949,452	2,947,542
Prologis European Logistics Partners	52,287	3,914,754	3,938,002	-
Prologis UK Logistics Venture	4,022	627,548	842,163	495,772
Nippon Prologis REIT <sup>(B)</sup>	34,725	6,529,275	6,529,275	2,428,107
Prologis China Core Logistics Fund	21,983	1,720,081	1,720,081	587,042
Prologis China Logistics Venture	8,420	390,897	1,048,243	601,770
<b>Unconsolidated Co-Investment Ventures Total</b>	<b>404,506</b>	<b>37,403,693</b>	<b>38,904,062</b>	<b>10,824,445</b>
<b>Consolidated Co-Investment Ventures</b>				
Prologis U.S. Logistics Venture	78,100	7,719,615	8,194,373	-
<b>Consolidated Co-Investment Ventures Total</b>	<b>78,100</b>	<b>7,719,615</b>	<b>8,194,373</b>	<b>-</b>
<b>Total</b>	<b>482,606</b>	<b>\$ 45,123,308</b>	<b>\$ 47,098,435</b>	<b>\$ 10,824,445</b>



- A. Values represent the entire venture at 100%, not Prologis' proportionate share. Values are presented at Prologis' adjusted basis derived from the ventures' U.S. GAAP information and may not be comparable to values reflected in the ventures' stand alone financial statements calculated on a different basis.
- B. Throughout this document we use the most recent public information for these co-investment ventures.

Operating and Balance Sheet Information of the Unconsolidated Co-Investment Ventures (at 100%) <sup>(A)</sup>

dollars in thousands	U.S.		Other Americas		Europe		Asia		Total	
<b>Operating Information</b>										
	<b>For the Three Months Ended June 30, 2020</b>									
Rental revenues	\$	232,281	\$	66,033	\$	280,292	\$	142,908	\$	721,514
Rental expenses		(61,098)		(10,569)		(50,668)		(32,354)		(154,689)
General and administrative expenses		(12,868)		(6,785)		(14,369)		(16,554)		(50,576)
Depreciation and amortization expenses		(90,894)		(20,641)		(104,382)		(47,260)		(263,177)
Other operating revenues (expenses)		(148)		122		(410)		(58)		(492)
<b>Operating Income before gains</b>		<b>67,273</b>		<b>28,160</b>		<b>110,463</b>		<b>46,684</b>		<b>252,580</b>
Gains (losses) on dispositions of investments in real estate, net		20		-		4,524		(101)		4,443
<b>Operating Income</b>		<b>67,293</b>		<b>28,160</b>		<b>114,987</b>		<b>46,583</b>		<b>257,023</b>
Interest expense		(26,310)		(8,433)		(19,215)		(15,985)		(69,943)
Gains on early extinguishment of debt, net		-		-		64		-		64
Current and deferred income tax expense		(1,196)		(14)		(23,286)		(2,459)		(26,955)
Other income (expense)		273		2,951		(207)		3,861		6,878
<b>Net earnings</b>		<b>40,060</b>		<b>22,664</b>		<b>72,343</b>		<b>32,000</b>		<b>167,067</b>
Real estate related depreciation and amortization expenses		89,830		20,120		101,825		45,634		257,409
Losses (gains) on other dispositions of investments in real estate, net (excluding development properties and land)		(20)		-		(4,524)		101		(4,443)
Unrealized foreign currency and derivative gains, net		-		(1,224)		(79)		(2,135)		(3,438)
Deferred income tax expense (benefit)		1,135		-		7,937		(842)		8,230
<b>FFO, as modified by Prologis*</b>		<b>131,005</b>		<b>41,560</b>		<b>177,502</b>		<b>74,758</b>		<b>424,825</b>
Reconciling items to Core FFO		-		-		(64)		(100)		(164)
<b>Core FFO*</b>		<b>\$ 131,005</b>		<b>\$ 41,560</b>		<b>\$ 177,438</b>		<b>\$ 74,658</b>		<b>\$ 424,661</b>
<b>Balance Sheet Information</b>										
	<b>As of June 30, 2020</b>									
Operating properties, before depreciation	\$	10,376,222	\$	2,920,381	\$	15,466,837	\$	8,640,253	\$	37,403,693
Accumulated depreciation		(1,396,995)		(324,534)		(2,161,446)		(569,036)		(4,452,011)
Properties under development and land		29,441		137,596		262,780		657,346		1,087,163
Net assets held for sale		413,206		-		-		-		413,206
Other assets		853,725		205,003		1,303,804		691,048		3,053,580
<b>Total assets</b>		<b>\$ 10,275,599</b>		<b>\$ 2,938,446</b>		<b>\$ 14,871,975</b>		<b>\$ 9,419,611</b>		<b>\$ 37,505,631</b>
Third party debt	\$	2,923,545	\$	840,667	\$	3,443,314	\$	3,616,919	\$	10,824,445
Other liabilities		932,905		36,710		1,343,727		462,913		2,776,255
<b>Total liabilities</b>		<b>\$ 3,856,450</b>		<b>\$ 877,377</b>		<b>\$ 4,787,041</b>		<b>\$ 4,079,832</b>		<b>\$ 13,600,700</b>
Weighted average ownership		24.9%		41.2%		29.9%		15.2%		25.9%

\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

A. Values represent the entire venture at 100% not Prologis proportionate share. Values are presented at Prologis' adjusted basis derived from the ventures' U.S. GAAP information and may not be comparable to values reflected in the ventures' stand alone financial statements calculated on a different basis.





Non-GAAP Pro-Rata Financial Information <sup>(A)</sup>

dollars in thousands	Non Controlling Interests Included In Consolidated Amounts*		Prologis Share of Unconsolidated Co-Investment Ventures*	
<b>Operating Information for the Three Months Ended June 30, 2020</b>				
Rental revenues	\$	78,530	\$	193,259
Rental expenses		(19,350)		(40,270)
General and administrative expenses		(8,785)		(14,479)
Depreciation and amortization expenses		(29,979)		(68,241)
Other operating income (expense)		250		(92)
<b>Operating income before gains</b>		<b>20,666</b>		<b>70,177</b>
Gains on dispositions of investments in real estate, net		18,649		1,140
<b>Operating Income</b>		<b>39,315</b>		<b>71,317</b>
Interest expense		(154)		(17,204)
Gains on early extinguishment of debt, net		-		15
Current and deferred income tax expense		(330)		(8,746)
Other income (expense)		(1,753)		2,061
Earnings from unconsolidated co-investment ventures, net		37		-
<b>Net earnings</b>		<b>37,115</b>		<b>47,443</b>
Real estate related depreciation and amortization expenses		29,749		66,753
Gains on other dispositions of investments in real estate, net (excluding development properties and land)		(18,701)		(1,140)
Unrealized foreign currency and derivative gains, net		-		(982)
Deferred income tax expense		234		3,019
<b>FFO, as modified by Prologis*</b>		<b>48,397</b>		<b>115,093</b>
Gains on dispositions of development properties and land, net		52		-
Current income tax benefit on dispositions		-		(15)
Gains on early extinguishment of debt, net		-		(15)
<b>Core FFO*</b>	\$	<b>48,449</b>	\$	<b>115,063</b>
<b>Balance Sheet Information as of June 30, 2020</b>				
Operating properties, before depreciation	\$	3,557,697	\$	9,796,622
Accumulated depreciation		(379,941)		(1,288,254)
Properties under development, land and other real estate		74,382		184,433
Net assets held for sale		159,520		102,764
Other assets		262,016		1,036,833
<b>Total assets</b>	\$	<b>3,673,674</b>	\$	<b>9,832,398</b>
Third party debt	\$	6,372	\$	2,450,720
Other liabilities		77,502		662,265
<b>Total liabilities</b>	\$	<b>83,874</b>	\$	<b>3,112,985</b>
<b>Weighted average ownership</b>		<b>41.1%</b>		<b>25.9%</b>
Noncontrolling interests investment		3,589,800		
Investment in and advances to unconsolidated co-investment ventures <sup>(B)</sup>			\$	6,211,203
Investment in and advances to other unconsolidated ventures				989,803
Investment in and advances to unconsolidated entities			\$	7,201,006

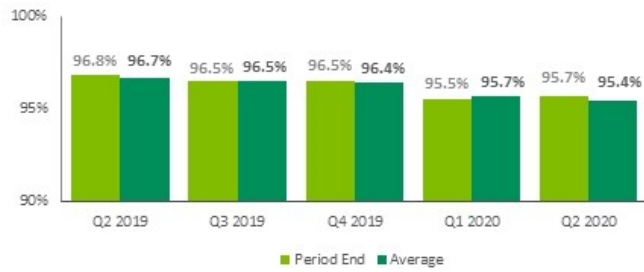
\* This is a non-GAAP financial measure, please see our Notes and Definitions for further explanation.

A. See our Notes and Definitions for further explanation of how these amounts are calculated.

B. This balance includes the deferred portion of gains on the contribution of our properties to the ventures prior to 2018, net of any additional costs, included in our investment in the venture.



OCCUPANCY



CUSTOMER RETENTION



SAME STORE CHANGE OVER PRIOR YEAR – PROLOGIS SHARE\*



RENT CHANGE – PROLOGIS SHARE



\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

Operating Metrics – Owned and Managed

PERIOD ENDING OCCUPANCY



square feet in thousands

Leasing Activity <sup>(A)</sup>

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Square feet of leases commenced:					
Operating portfolio:					
Renewals	21,669	21,866	21,456	22,121	28,326
New leases	10,617	10,313	9,068	10,149	10,821
Total Operating Portfolio	32,286	32,179	30,524	32,270	39,147
Properties under development	4,892	5,574	7,224	2,805	2,879
<b>Total Square Feet of Leases Commenced</b>	<b>37,178</b>	<b>37,753</b>	<b>37,748</b>	<b>35,075</b>	<b>42,026</b>
Total square feet of Operating Portfolio leases commenced, including leases less than one year	35,621	35,028	35,214	35,764	45,210
Weighted average term of leases started (in months)	65	64	73	58	64
Operating Portfolio:					
Trailing four quarters - square feet of leases commenced	129,658	130,175	131,234	127,259	134,120
Trailing four quarters - average % of portfolio	19.0%	18.6%	18.5%	17.2%	17.3%
Rent change (net effective)	20.0%	29.8%	25.6%	20.4%	18.1%
Rent change (net effective) - Prologis share	25.6%	37.0%	29.5%	25.1%	22.0%
Rent change (cash)	8.2%	16.1%	10.6%	9.7%	7.4%
Rent change (cash) - Prologis share	12.3%	21.4%	15.0%	13.4%	9.6%



A. Amounts exclusive of leases of less than one year, unless otherwise noted.

Operating Metrics – Owned and Managed

**CAPITAL EXPENDITURES**

Thousands, except for percentages

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Property improvements	\$ 48,128	\$ 76,063	\$ 89,307	\$ 26,774	\$ 62,865
Tenant improvements	31,561	42,644	37,024	38,477	45,585
Leasing commissions	33,653	33,338	45,321	26,506	37,683
Total turnover costs	65,214	75,982	82,345	64,983	83,268
<b>Total Capital Expenditures</b>	<b>\$113,342</b>	<b>\$152,045</b>	<b>\$171,652</b>	<b>\$ 91,757</b>	<b>\$146,133</b>
Trailing four quarters - % of NOI *	11.5%	12.1%	12.7%	12.6%	12.7%
Weighted average ownership percent	66.0%	67.4%	67.1%	66.2%	65.1%
Prologis share	\$ 74,831	\$102,537	\$115,126	\$ 60,734	\$ 95,121

**SAME STORE INFORMATION**

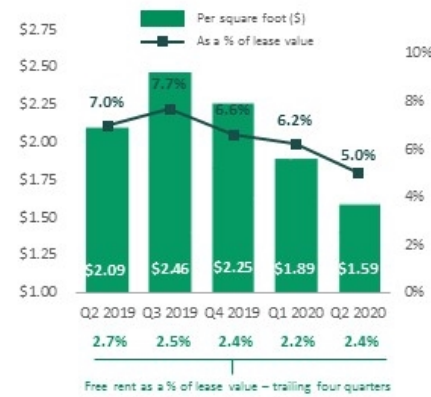
Thousands, except for percentages

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Square feet	591,212	588,914	583,218	674,266	672,609
Average occupancy	96.8%	96.9%	96.8%	96.1%	95.8%
Average occupancy - percentage change	(0.1%)	(0.3%)	(0.5%)	(0.8%)	(1.0%)
Period end occupancy	96.9%	96.9%	97.0%	95.9%	95.9%
Percentage change - Prologis share*:					
NOI - cash	4.6%	4.3%	4.6%	4.6%	2.9%
NOI - net effective	4.2%	4.0%	4.0%	2.8%	2.6%

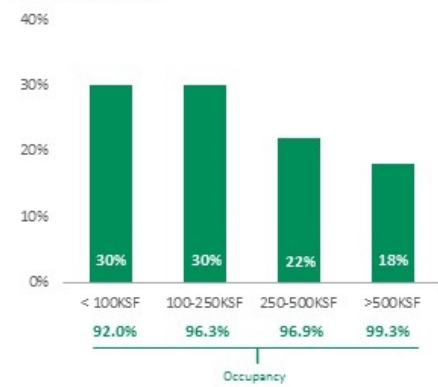
**PROPERTY IMPROVEMENTS PER SQUARE FOOT**



**TURNOVER COSTS ON LEASES COMMENCED**



**COMPOSITION OF PORTFOLIO (by Unit Size) as of June 30, 2020**



\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

Operating Portfolio<sup>(A)</sup> – Square Feet, Occupied and Leased

square feet in thousands and ordered by Prologis share of NOI (%)	# of Buildings	Square Feet			Occupied %		Leased %	
		Owned and Managed	Prologis Share <sup>(A)</sup>	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Southern California	453	95,687	74,356	14.5	98.1	98.4	98.6	98.6
New Jersey/New York City	162	40,685	30,149	5.9	97.8	98.6	97.8	98.6
San Francisco Bay Area	262	25,165	20,294	4.0	94.8	95.2	95.8	95.8
Chicago	269	51,861	38,097	7.4	92.7	93.5	92.9	93.7
Lehigh Valley	64	26,858	23,866	4.6	99.4	99.3	99.4	99.3
Dallas/Ft. Worth	214	37,700	29,810	5.8	96.2	96.9	96.2	96.9
Houston	214	30,097	23,811	4.6	92.9	93.4	93.1	93.7
Seattle	145	21,344	14,851	2.9	90.3	91.0	96.2	96.4
Atlanta	168	30,088	24,455	4.8	96.9	96.9	97.1	97.1
South Florida	143	17,513	12,493	2.4	94.3	93.8	94.6	94.2
Baltimore/Washington	104	14,199	10,758	2.1	92.8	95.0	95.6	96.2
Central Valley	34	16,516	15,254	3.0	96.4	96.1	97.6	97.5
Central PA	36	16,838	12,394	2.4	95.9	94.9	95.9	94.9
Orlando	84	9,299	7,962	1.6	96.0	96.2	96.0	96.2
Las Vegas	65	10,151	6,553	1.3	98.1	98.5	98.2	98.7
Denver	46	8,061	6,884	1.3	92.5	91.6	93.0	92.2
Phoenix	61	9,658	7,798	1.5	89.7	89.1	89.7	89.1
Cincinnati	44	10,957	8,456	1.6	93.7	94.9	95.6	97.4
Nashville	34	9,608	6,782	1.3	100.0	100.0	100.0	100.0
Remaining U.S. markets (10 markets)	250	45,175	34,004	6.6	96.5	96.3	97.4	97.3
<b>Total U.S.</b>	<b>2,852</b>	<b>528,460</b>	<b>409,027</b>	<b>79.6</b>	<b>95.8</b>	<b>96.1</b>	<b>96.5</b>	<b>96.7</b>
Mexico	204	39,832	19,102	3.7	95.4	95.4	96.1	96.1
Canada	32	10,014	10,014	2.0	97.3	97.3	97.3	97.3
Brazil	23	9,749	1,669	0.3	99.2	99.5	99.2	99.5
<b>Total Other Americas</b>	<b>259</b>	<b>59,595</b>	<b>30,785</b>	<b>6.0</b>	<b>96.4</b>	<b>96.2</b>	<b>96.8</b>	<b>96.6</b>
United Kingdom	121	25,521	8,478	1.6	96.3	94.9	96.8	95.3
France	115	30,747	10,714	2.1	96.8	97.8	96.8	97.8
Netherlands	78	23,074	7,664	1.5	97.8	97.3	97.8	97.3
Germany	95	24,405	7,303	1.4	99.3	98.3	99.3	98.3
Remaining European countries (8 countries)	353	79,831	27,670	5.4	95.5	94.0	96.1	94.6
<b>Total Europe</b>	<b>762</b>	<b>183,578</b>	<b>61,829</b>	<b>12.0</b>	<b>96.6</b>	<b>95.7</b>	<b>97.0</b>	<b>96.0</b>
Japan	49	35,876	6,384	1.3	99.1	99.2	99.6	99.7
China	110	30,403	4,758	0.9	83.8	84.1	84.5	84.7
Singapore	5	951	951	0.2	97.4	97.4	97.4	97.4
<b>Total Asia</b>	<b>164</b>	<b>67,230</b>	<b>12,093</b>	<b>2.4</b>	<b>92.2</b>	<b>93.1</b>	<b>92.7</b>	<b>93.6</b>
<b>Total Outside the U.S.</b>	<b>1,185</b>	<b>310,403</b>	<b>104,707</b>	<b>20.4</b>	<b>95.6</b>	<b>95.6</b>	<b>96.0</b>	<b>95.9</b>
<b>Total Operating Portfolio</b>	<b>4,037</b>	<b>838,863</b>	<b>513,734</b>	<b>100.0</b>	<b>95.7</b>	<b>96.0</b>	<b>96.3</b>	<b>96.5</b>



- A. Data in the Operating Portfolio excludes non-strategic industrial properties acquired from IPT and LPT due to our intent not to hold long-term. These properties are classified as Assets Held for Sale and Other Real Estate Investments.
- B. This data excludes 37 million square feet related to non-strategic industrial properties.

## Operating Portfolio – NOI\* and Gross Book Value

dollars in thousands and ordered by Prologis share of NOI (%)	Second Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share <sup>(A)</sup>	% of Total	Owned and Managed	Prologis Share	% of Total
Southern California	\$ 161,643	\$ 125,071	17.1	\$ 10,927,005	\$ 8,481,546	17.6
New Jersey/New York City	81,084	60,446	8.3	4,961,416	3,528,887	7.3
San Francisco Bay Area	67,633	53,878	7.4	3,460,498	2,776,073	5.8
Chicago	58,517	41,195	5.6	4,300,344	3,162,973	6.6
Lehigh Valley	38,695	34,519	4.7	3,197,522	2,951,884	6.1
Dallas/Ft. Worth	43,243	33,943	4.6	2,697,646	2,086,293	4.3
Houston	37,609	30,468	4.2	2,909,368	2,381,169	4.9
Seattle	37,194	26,674	3.6	2,729,789	2,016,968	4.2
Atlanta	31,276	24,601	3.4	1,981,354	1,583,965	3.3
South Florida	30,912	22,190	3.0	2,117,139	1,595,936	3.3
Baltimore/Washington	24,038	18,846	2.6	1,588,828	1,235,934	2.6
Central Valley	19,302	17,885	2.4	1,172,527	1,087,202	2.2
Central PA	21,112	16,033	2.2	1,393,703	1,087,508	2.3
Orlando	12,747	10,928	1.5	843,425	737,606	1.5
Las Vegas	15,985	10,447	1.4	808,147	497,421	1.0
Denver	10,508	8,811	1.2	660,625	558,542	1.2
Phoenix	10,767	8,419	1.2	879,681	695,654	1.4
Cincinnati	10,484	8,119	1.1	597,074	463,840	1.0
Nashville	10,697	7,562	1.0	530,931	375,491	0.8
Remaining U.S. markets (10 markets)	50,369	37,328	5.1	2,923,075	2,090,022	4.3
<b>Total U.S.</b>	<b>773,815</b>	<b>597,363</b>	<b>81.6</b>	<b>50,680,097</b>	<b>39,394,914</b>	<b>81.7</b>
Mexico	46,189	22,079	3.0	2,499,384	1,193,914	2.5
Canada	12,680	12,680	1.8	822,565	822,565	1.7
Brazil	9,694	1,672	0.2	461,866	80,108	0.1
<b>Total Other Americas</b>	<b>68,563</b>	<b>36,431</b>	<b>5.0</b>	<b>3,783,815</b>	<b>2,096,587</b>	<b>4.3</b>
United Kingdom	51,666	16,422	2.2	3,533,018	1,152,996	2.4
France	35,794	12,228	1.7	2,504,402	812,144	1.7
Netherlands	30,851	9,934	1.4	2,049,531	653,769	1.4
Germany	33,712	9,929	1.3	2,046,617	578,622	1.2
Remaining European countries (8 countries)	84,448	28,360	3.9	5,721,468	1,902,952	3.9
<b>Total Europe</b>	<b>236,471</b>	<b>76,873</b>	<b>10.5</b>	<b>15,855,036</b>	<b>5,100,483</b>	<b>10.6</b>
Japan	89,000	15,756	2.1	6,705,438	1,160,125	2.4
China	23,714	3,732	0.5	2,110,979	332,128	0.7
Singapore	1,998	1,998	0.3	135,855	135,855	0.3
<b>Total Asia</b>	<b>114,712</b>	<b>21,486</b>	<b>2.9</b>	<b>8,952,272</b>	<b>1,628,108</b>	<b>3.4</b>
<b>Total Outside the U.S.</b>	<b>419,746</b>	<b>134,790</b>	<b>18.4</b>	<b>28,591,123</b>	<b>8,825,178</b>	<b>18.3</b>
<b>Total Operating Portfolio</b>	<b>\$ 1,193,561</b>	<b>\$ 732,153</b>	<b>100.0</b>	<b>\$ 79,271,220</b>	<b>\$ 48,220,092</b>	<b>100.0</b>



\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.  
A. This data excludes \$46 million of NOI related to non-strategic industrial properties.

Operating Portfolio – Summary by Division

square feet and dollars in thousands	# of Buildings Owned and Managed	Square Feet			Occupied %		Leased %	
		Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
<b>Consolidated</b>								
Total U.S.	2,173	417,123	381,338	74.2	96.3	96.3	96.8	96.8
Total Outside the U.S.	67	19,039	19,039	3.7	94.8	94.8	94.8	94.8
<b>Total Operating Portfolio - Consolidated</b>	<b>2,240</b>	<b>436,162</b>	<b>400,377</b>	<b>77.9</b>	<b>96.3</b>	<b>96.2</b>	<b>96.7</b>	<b>96.7</b>
<b>Unconsolidated</b>								
Total U.S.	679	111,337	27,689	5.4	93.6	93.6	95.0	95.0
Total Outside the U.S.	1,118	291,364	85,668	16.7	95.7	95.7	96.1	96.2
<b>Total Operating Portfolio - Unconsolidated</b>	<b>1,797</b>	<b>402,701</b>	<b>113,357</b>	<b>22.1</b>	<b>95.1</b>	<b>95.2</b>	<b>95.8</b>	<b>95.9</b>
<b>Total</b>								
Total U.S.	2,852	528,460	409,027	79.6	95.8	96.1	96.5	96.7
Total Outside the U.S.	1,185	310,403	104,707	20.4	95.6	95.6	96.0	95.9
<b>Total Operating Portfolio</b>	<b>4,037</b>	<b>838,863</b>	<b>513,734</b>	<b>100.0</b>	<b>95.7</b>	<b>96.0</b>	<b>96.3</b>	<b>96.5</b>
Value added properties - consolidated	25	4,044	4,044		37.4	37.4	42.2	42.2
Value added properties - unconsolidated	20	1,805	475		73.7	69.0	79.2	79.1
<b>Total Operating Properties</b>	<b>4,082</b>	<b>844,712</b>	<b>518,253</b>		<b>95.4</b>	<b>95.5</b>	<b>96.0</b>	<b>96.1</b>

	Second Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
<b>Consolidated</b>						
Total U.S.	\$ 612,608	\$ 557,270	76.1	\$ 40,394,610	\$ 36,836,914	76.4
Total Outside the U.S.	23,923	23,924	3.3	1,627,503	1,627,502	3.3
<b>Total Operating Portfolio - Consolidated</b>	<b>\$ 636,531</b>	<b>\$ 581,194</b>	<b>79.4</b>	<b>\$ 42,022,113</b>	<b>\$ 38,464,416</b>	<b>79.7</b>
<b>Unconsolidated</b>						
Total U.S.	\$ 161,207	\$ 40,093	5.5	\$ 10,285,487	\$ 2,558,000	5.3
Total Outside the U.S.	395,823	110,866	15.1	26,963,620	7,197,676	15.0
<b>Total Operating Portfolio - Unconsolidated</b>	<b>\$ 557,030</b>	<b>\$ 150,959</b>	<b>20.6</b>	<b>\$ 37,249,107</b>	<b>\$ 9,755,676</b>	<b>20.3</b>
Value added properties - consolidated	\$ (313)	\$ (313)		\$ 484,127	\$ 484,127	
Value added properties - unconsolidated	\$ 1,224	\$ 295		\$ 154,586	\$ 40,946	



\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

Customer Information

Top Customers - Owned and Managed  
square feet in thousands

	% of Net Effective	
	Rent	Total Square Feet
1 Amazon	3.6	25,706
2 DHL	1.4	11,291
3 Geodis	1.3	13,628
4 FedEx	1.3	7,004
5 XPO Logistics	1.2	10,367
6 Home Depot	1.1	9,576
7 UPS	1.0	7,159
8 DSV Panalpina A/S	0.9	8,405
9 Kuehne + Nagel	0.8	7,029
10 CEVA Logistics	0.6	5,984
<b>Top 10 Customers</b>	<b>13.2</b>	<b>106,149</b>
11 ZOZO, Inc.	0.6	2,979
12 Wal-Mart	0.6	5,479
13 U.S. Government	0.6	2,197
14 Hitachi	0.6	3,480
15 J Sainsburys	0.5	3,427
16 Cainiao (Alibaba)	0.5	5,396
17 BMW	0.5	4,406
18 DB Schenker	0.5	4,613
19 Ingram Micro	0.4	4,035
20 Sumitomo Corporation	0.4	2,986
21 PepsiCo	0.4	3,055
22 Ryder System	0.4	2,935
23 Panasonic	0.4	2,001
24 Performance Team	0.3	3,085
25 Staples	0.3	3,498
<b>Top 25 Customers</b>	<b>20.2</b>	<b>159,721</b>

Lease Expirations - Operating Portfolio - Owned and Managed  
square feet and dollars in thousands

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2020 <sup>(A)</sup>	51,533	278,220	5.8	5.40
2021	126,415	692,547	14.4	5.48
2022	134,465	764,574	15.9	5.69
2023	112,187	652,091	13.5	5.81
2024	92,849	584,418	12.1	6.29
Thereafter	285,426	1,843,474	38.3	6.46
	<b>802,875</b>	<b>4,815,324</b>	<b>100.0</b>	<b>6.00</b>
Weighted average term of leases remaining (based on net effective rent)				4.28 years

Lease Expirations - Operating Portfolio - Prologis Share  
square feet and dollars in thousands

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2020 <sup>(A)</sup>	29,637	166,648	5.7	5.62
2021	77,411	419,565	14.2	5.42
2022	79,161	442,661	15.0	5.59
2023	69,883	406,343	13.8	5.81
2024	60,022	375,631	12.7	6.26
Thereafter	177,052	1,137,556	38.6	6.42
	<b>493,166</b>	<b>2,948,404</b>	<b>100.0</b>	<b>5.98</b>
Weighted average term of leases remaining (based on net effective rent)				4.29 years



A. We have signed leases, that were due to expire, totaling 29 million square feet in our owned and managed portfolio (3.2% of total net effective rent) and 16 million square feet on a Prologis share basis (2.7% of total net effective rent). These are excluded from 2020 expirations and are reflected at their respective expiration year.



# Capital Deployment

## Overview – Prologis Share

2Q 2020 Supplemental

■ U.S. ■ Outside the U.S.

### DEVELOPMENT STARTS (TEI)

in millions



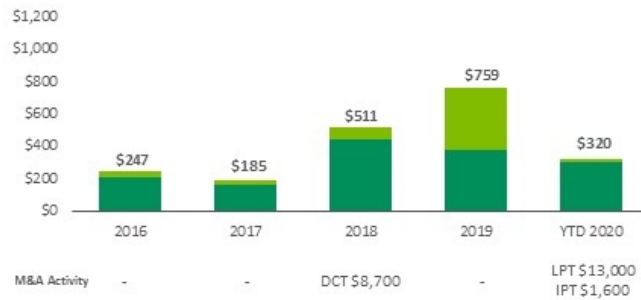
### DEVELOPMENT STABILIZATIONS (TEI)

dollars in millions



### BUILDING ACQUISITIONS

in millions



### LAND PORTFOLIO

in millions



A. The estimated build out includes the land portfolio and the other land that we could develop through options, ground leases, unconsolidated joint ventures and other contractual arrangements.

# Capital Deployment

## Development Stabilizations

2Q 2020 Supplemental

square feet and dollars in thousands	Q2 2020			FY 2020		
	T E I			T E I		
	Square Feet	Owned and Managed	Prologis Share	Square Feet	Owned and Managed	Prologis Share
Central	157	\$ 11,022	\$ 11,022	711	\$ 48,314	\$ 48,314
East	-	-	-	1,151	118,092	118,092
West	1,102	149,446	123,377	2,487	342,175	316,106
<b>Total U.S.</b>	<b>1,259</b>	<b>160,468</b>	<b>134,399</b>	<b>4,349</b>	<b>508,581</b>	<b>482,512</b>
Canada	-	-	-	-	-	-
Mexico	495	35,938	35,938	495	35,938	35,938
Brazil	-	-	-	-	-	-
<b>Total Other Americas</b>	<b>495</b>	<b>35,938</b>	<b>35,938</b>	<b>495</b>	<b>35,938</b>	<b>35,938</b>
Northern Europe	481	41,377	41,377	1,085	96,053	96,053
Southern Europe	-	-	-	210	12,819	12,819
Central Europe	1,290	76,380	66,837	2,264	130,972	116,300
United Kingdom	263	38,419	38,419	263	38,419	38,419
<b>Total Europe</b>	<b>2,034</b>	<b>156,176</b>	<b>146,633</b>	<b>3,822</b>	<b>278,263</b>	<b>263,591</b>
Japan	-	-	-	1,350	212,959	212,959
China	2,207	108,804	16,385	3,293	167,665	25,214
<b>Total Asia</b>	<b>2,207</b>	<b>108,804</b>	<b>16,385</b>	<b>4,643</b>	<b>380,624</b>	<b>238,173</b>
<b>Total Outside the U.S.</b>	<b>4,736</b>	<b>300,918</b>	<b>198,956</b>	<b>8,960</b>	<b>694,825</b>	<b>537,702</b>
<b>Total Development Stabilizations</b>	<b>5,995</b>	<b>\$ 461,386</b>	<b>\$ 333,355</b>	<b>13,309</b>	<b>\$ 1,203,406</b>	<b>\$ 1,020,214</b>
Percent build to suit			46.0%			31.3%
Estimated weighted average stabilized yield			6.7%			6.4%
Annualized estimated NOI			\$ 22,169			\$ 65,450
Estimated weighted average stabilized cap rate			4.9%			4.6%
Estimated weighted average margin			33.2%			37.4%
Estimated value creation			\$ 110,829			\$ 381,437

# Capital Deployment

## Development Starts

2Q 2020 Supplemental

square feet and dollars in thousands	Q2 2020				FY 2020			
	Square Feet	Leased % at Start	T E I		Square Feet	Leased % at Start	T E I	
			Owned and Managed	Prologis Share			Owned and Managed	Prologis Share
Central	-	-	\$ -	\$ -	-	-	\$ -	\$ -
East <sup>(A)</sup>	-	-	39,486	39,486	-	-	39,486	39,486
West <sup>(A)</sup>	-	-	26,742	26,742	-	-	26,742	26,742
<b>Total U.S.</b>	-	-	<b>66,228</b>	<b>66,228</b>	-	-	<b>66,228</b>	<b>66,228</b>
Canada	-	-	-	-	-	-	-	-
Mexico	-	-	-	-	-	-	-	-
Brazil	-	-	-	-	-	-	-	-
<b>Total Other Americas</b>	-	-	-	-	-	-	-	-
Northern Europe	-	-	-	-	290	37.2	28,949	21,354
Southern Europe	-	-	-	-	66	100.0	5,642	5,642
Central Europe	-	-	-	-	790	100.0	43,941	43,941
United Kingdom	-	-	-	-	-	-	-	-
<b>Total Europe</b>	-	-	-	-	<b>1,146</b>	<b>84.1</b>	<b>78,532</b>	<b>70,937</b>
Japan	-	-	-	-	1,420	86.4	230,362	230,362
China	-	-	-	-	-	-	-	-
<b>Total Asia</b>	-	-	-	-	<b>1,420</b>	<b>86.4</b>	<b>230,362</b>	<b>230,362</b>
<b>Total Outside the U.S.</b>	-	-	-	-	<b>2,566</b>	<b>85.4</b>	<b>308,894</b>	<b>301,299</b>
<b>Total Development Starts</b>	-	-	<b>\$ 66,228</b>	<b>\$ 66,228</b>	<b>2,566</b>	<b>85.4</b>	<b>\$ 375,122</b>	<b>\$ 367,527</b>
Percent build to suit				100.0%				32.2%
Estimated weighted average stabilized yield				6.9%				5.9%
Annualized estimated NOI			\$	4,588			\$	21,640
Estimated weighted average stabilized cap rate				4.6%				4.6%
Estimated weighted average margin				48.0%				26.0%
Estimated value creation			\$	31,757			\$	95,683

A. Amount includes development starts on yards and parking lots that will be included in *Other Real Estate Investments* upon completion, therefore, the total lease percentage and square footage are not disclosed.



Capital Deployment  
Development Portfolio

2Q 2020 Supplemental

square feet and dollars in thousands	Under Development												Total Development Portfolio			
	Pre-Stabilized Developments				2020 Expected Completion				2021 and Thereafter Expected Completion				Owned and Managed			
	T E I				T E I				T E I				Leased		Prologis Share	
	Sq Ft	Leased %	Owned and Managed	Prologis Share	Sq Ft	Owned and Managed	Prologis Share	Sq Ft	Owned and Managed	Prologis Share	Sq Ft	%	TEI	%	TEI	
Central	961	31.7	\$ 77,651	\$ 77,651	1,541	\$ 105,163	\$ 105,163	-	\$ -	\$ -	2,502	28.2	\$ 182,814	28.2	\$ 182,814	
East	701	92.6	79,805	79,805	2,351	258,560	258,560	169	15,440	15,440	3,221	81.2	353,805	81.2	353,805	
West	3,408	62.4	329,376	329,376	2,889	413,892	385,693	-	-	-	6,297	63.7	743,268	64.9	715,069	
<b>Total U.S.</b>	<b>5,070</b>	<b>60.8</b>	<b>486,832</b>	<b>486,832</b>	<b>6,781</b>	<b>777,615</b>	<b>749,416</b>	<b>169</b>	<b>15,440</b>	<b>15,440</b>	<b>12,020</b>	<b>61.0</b>	<b>1,279,887</b>	<b>61.6</b>	<b>1,251,688</b>	
Canada	-	-	-	-	451	46,112	46,112	-	-	-	451	100.0	46,112	100.0	46,112	
Mexico	342	70.9	19,862	16,699	609	40,530	33,790	-	-	-	951	89.5	60,392	94.2	50,489	
Brazil	538	100.0	22,580	4,516	323	12,443	2,489	317	13,891	2,778	1,178	63.6	48,914	63.6	9,783	
<b>Total Other Americas</b>	<b>880</b>	<b>88.7</b>	<b>42,442</b>	<b>21,215</b>	<b>1,383</b>	<b>99,085</b>	<b>82,391</b>	<b>317</b>	<b>13,891</b>	<b>2,778</b>	<b>2,580</b>	<b>79.5</b>	<b>155,418</b>	<b>91.1</b>	<b>106,384</b>	
Northern Europe	530	48.2	55,217	55,217	1,167	112,179	104,411	182	19,373	19,373	1,879	19.3	186,769	15.6	179,001	
Southern Europe	884	71.6	84,898	84,898	1,465	115,408	115,408	-	-	-	2,349	62.8	200,306	62.8	200,306	
Central Europe	767	70.6	43,197	43,197	320	23,666	18,731	790	44,912	44,912	1,877	76.0	111,775	75.0	106,840	
United Kingdom	535	0.0	58,695	8,804	693	74,209	52,511	1,426	256,564	230,628	2,654	71.8	389,468	84.2	291,943	
<b>Total Europe</b>	<b>2,716</b>	<b>52.6</b>	<b>242,007</b>	<b>192,116</b>	<b>3,645</b>	<b>325,462</b>	<b>291,061</b>	<b>2,398</b>	<b>320,849</b>	<b>294,913</b>	<b>8,759</b>	<b>59.0</b>	<b>888,318</b>	<b>59.8</b>	<b>778,090</b>	
Japan	-	-	-	-	1,713	289,246	289,246	4,217	731,631	731,631	5,930	82.7	1,020,877	82.7	1,020,877	
China	3,392	41.0	172,658	25,899	6,259	322,886	48,433	9,306	538,022	80,703	18,957	7.3	1,033,566	7.3	155,035	
<b>Total Asia</b>	<b>3,392</b>	<b>41.0</b>	<b>172,658</b>	<b>25,899</b>	<b>7,972</b>	<b>612,132</b>	<b>337,679</b>	<b>13,523</b>	<b>1,269,653</b>	<b>812,334</b>	<b>24,887</b>	<b>25.3</b>	<b>2,054,443</b>	<b>58.3</b>	<b>1,175,912</b>	
<b>Total Outside the U.S.</b>	<b>6,988</b>	<b>51.5</b>	<b>457,107</b>	<b>239,230</b>	<b>13,000</b>	<b>1,036,679</b>	<b>711,131</b>	<b>16,238</b>	<b>1,604,393</b>	<b>1,110,025</b>	<b>36,226</b>	<b>37.3</b>	<b>3,098,179</b>	<b>61.7</b>	<b>2,060,386</b>	
<b>Total Active Development Portfolio</b>	<b>12,058</b>	<b>55.4</b>	<b>\$ 943,939</b>	<b>\$ 726,062</b>	<b>19,781</b>	<b>\$ 1,814,294</b>	<b>\$ 1,460,547</b>	<b>16,407</b>	<b>\$ 1,619,833</b>	<b>\$ 1,125,465</b>	<b>48,246</b>	<b>43.2</b>	<b>\$ 4,378,066</b>	<b>61.6</b>	<b>\$ 3,312,074</b>	
Cost to complete			\$ 103,463	\$ 92,843		\$ 427,397	\$ 337,831		\$ 1,013,382	\$ 754,655			\$ 1,544,242		\$ 1,185,329	
Percent build to suit				9.7%			51.2%			26.1%					30.4%	
Estimated weighted average stabilized				6.1%			6.0%			5.9%					5.8%	
															Annualized estimated NOI	
															\$193,688	
															Estimated weighted average stabilized cap rate	
															4.7%	
															Estimated weighted average margin	
															24.7%	
															Estimated value creation	
															\$816,714	
Total Active Development Portfolio	12,058	55.4	\$ 943,939	\$ 726,062	19,781	\$ 1,814,294	\$ 1,460,547	16,407	\$ 1,619,833	\$ 1,125,465	48,246	43.2	\$ 4,378,066	61.6	\$ 3,312,074	
Suspended Development Portfolio					734	78,082	70,574	3,687	311,864	281,906	4,421	0.0	389,946	0.0	352,480	
<b>Total Development Portfolio</b>	<b>12,058</b>	<b>55.4</b>	<b>\$ 943,939</b>	<b>\$ 726,062</b>	<b>20,515</b>	<b>\$ 1,892,376</b>	<b>\$ 1,531,121</b>	<b>20,094</b>	<b>\$ 1,931,697</b>	<b>\$ 1,407,371</b>	<b>52,667</b>	<b>39.6</b>	<b>\$ 4,768,012</b>	<b>54.3</b>	<b>\$ 3,664,554</b>	



# Capital Deployment

2Q 2020 Supplemental

## Third Party Acquisitions

square feet and dollars in thousands	Q2 2020				YTD 2020			
	Square Feet		Acquisition Price		Square Feet		Acquisition Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Prologis Wholly Owned	-	-	\$ -	\$ -	1,207	1,207	\$ 272,112	\$ 272,112
Prologis U.S. Logistics Venture	20	11	5,718	3,147	20	11	5,718	3,147
Prologis Targeted U.S. Logistics Fund	199	49	4,552	1,132	361	89	88,215	21,873
<b>Total U.S.</b>	<b>219</b>	<b>60</b>	<b>10,270</b>	<b>4,279</b>	<b>1,588</b>	<b>1,307</b>	<b>366,045</b>	<b>297,132</b>
FIBRA - Prologis	123	57	7,149	3,345	123	57	7,149	3,345
Prologis European Logistics Fund	-	-	-	-	496	119	80,059	19,223
<b>Total Outside the U.S.</b>	<b>123</b>	<b>57</b>	<b>7,149</b>	<b>3,345</b>	<b>619</b>	<b>176</b>	<b>87,208</b>	<b>22,568</b>
<b>Total Third Party Building Acquisitions</b>	<b>342</b>	<b>117</b>	<b>\$ 17,419</b>	<b>\$ 7,624</b>	<b>2,207</b>	<b>1,483</b>	<b>\$ 453,253</b>	<b>\$ 319,700</b>
Weighted average stabilized cap rate				7.6%				4.3%
Land acquisitions			173,906	147,366			258,606	232,024
Acquisitions of other investments in real estate			92,752	23,473			179,588	110,309
<b>Grand Total Third Party Acquisitions</b>			<b>\$ 284,077</b>	<b>\$ 178,463</b>			<b>\$ 891,447</b>	<b>\$ 662,033</b>

# Capital Deployment

2Q 2020 Supplemental

## Dispositions and Contributions

square feet and dollars in thousands	Q2 2020				FY 2020			
	Square Feet		Sales Price		Square Feet		Sales Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
<b>Third-Party Building Dispositions</b>								
Prologis Wholly Owned	240	240	19,561	19,561	2,222	2,222	169,265	169,265
Prologis U.S. Logistics Venture	1,532	843	176,000	96,870	1,532	843	176,000	96,870
Prologis Targeted U.S. Logistics Fund	-	-	-	-	1,038	257	51,685	12,813
<b>Total U.S.</b>	<b>1,772</b>	<b>1,083</b>	<b>\$ 195,561</b>	<b>\$ 116,431</b>	<b>4,792</b>	<b>3,322</b>	<b>\$ 396,950</b>	<b>\$ 278,948</b>
<b>Total Other Americas</b>								
Prologis Wholly Owned	-	-	-	-	883	883	56,142	56,142
Prologis European Logistics Fund	143	34	14,014	3,358	143	34	14,014	3,358
<b>Total Europe</b>	<b>143</b>	<b>34</b>	<b>14,014</b>	<b>3,358</b>	<b>1,026</b>	<b>917</b>	<b>70,156</b>	<b>59,500</b>
Prologis Wholly Owned	-	-	-	-	200	200	6,090	6,090
<b>Total Asia</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>200</b>	<b>6,090</b>	<b>6,090</b>
<b>Total Outside the U.S.</b>	<b>143</b>	<b>34</b>	<b>14,014</b>	<b>3,358</b>	<b>1,226</b>	<b>1,117</b>	<b>76,246</b>	<b>65,590</b>
<b>Total Third Party Building Dispositions</b>	<b>1,915</b>	<b>1,117</b>	<b>\$ 209,575</b>	<b>\$ 119,789</b>	<b>6,018</b>	<b>4,439</b>	<b>\$ 473,196</b>	<b>\$ 344,538</b>
<b>Building Contributions to Co-Investment Ventures</b>								
<b>Total U.S.</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>
FIBRA Prologis	3,990	3,990	345,600	183,825	3,990	3,990	345,600	183,825
<b>Total Other Americas</b>	<b>3,990</b>	<b>3,990</b>	<b>345,600</b>	<b>183,825</b>	<b>3,990</b>	<b>3,990</b>	<b>345,600</b>	<b>183,825</b>
Prologis European Logistics Fund	-	-	-	-	1,658	1,658	156,936	119,255
<b>Total Europe</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,658</b>	<b>1,658</b>	<b>156,936</b>	<b>119,255</b>
Nippon Prologis REIT	-	-	-	-	2,055	2,055	405,592	344,470
<b>Total Asia</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,055</b>	<b>2,055</b>	<b>405,592</b>	<b>344,470</b>
<b>Total Outside the U.S.</b>	<b>3,990</b>	<b>3,990</b>	<b>345,600</b>	<b>183,825</b>	<b>7,703</b>	<b>7,703</b>	<b>908,128</b>	<b>647,550</b>
<b>Total Building Contributions to Co-Investment Ventures</b>	<b>3,990</b>	<b>3,990</b>	<b>345,600</b>	<b>183,825</b>	<b>7,703</b>	<b>7,703</b>	<b>908,128</b>	<b>647,550</b>
<b>Total Building Dispositions and Contributions</b>	<b>5,905</b>	<b>5,107</b>	<b>\$ 555,175</b>	<b>\$ 303,614</b>	<b>13,721</b>	<b>12,142</b>	<b>\$ 1,381,324</b>	<b>\$ 992,088</b>
Weighted average stabilized cap rate				6.0%				5.2%
Land dispositions			496	496			2,311	2,311
Dispositions of other investments in real estate			-	-			17,906	17,824
<b>Grand Total Dispositions and Contributions</b>			<b>\$ 555,671</b>	<b>\$ 304,110</b>			<b>\$ 1,401,541</b>	<b>\$ 1,012,223</b>



# Capital Deployment

2Q 2020 Supplemental

## Land Portfolio – Owned and Managed

square feet and dollars in thousands, ordered by Prologis Share of NOI (%) of the Operating Portfolio	Acres			Current Book Value		
	Owned and Managed	Prologis Share	Estimated Build Out (sq ft)	Owned and Managed	Prologis Share	% of Total
Southern California	126	126	2,231	\$ 123,002	\$ 123,002	7.1
New Jersey/New York City	36	36	352	27,412	27,412	1.6
San Francisco Bay Area	13	13	56	530	530	0.0
Chicago	174	174	2,517	47,246	47,246	2.7
Lehigh Valley	300	300	3,136	108,134	108,134	6.2
Dallas/Ft. Worth	95	95	1,884	20,821	20,821	1.2
Houston	197	184	3,251	42,397	40,750	2.4
Seattle	40	40	848	66,848	66,848	3.9
Atlanta	358	358	3,194	32,551	32,551	1.9
South Florida	140	137	1,926	105,554	103,195	6.0
Baltimore/Washington	145	145	1,328	39,577	39,577	2.3
Central Valley	1,023	1,023	20,502	216,602	216,602	12.5
Central PA	29	16	399	7,968	4,386	0.3
Orlando	27	27	387	8,093	8,093	0.5
Las Vegas	55	55	1,073	15,611	15,611	0.9
Denver	9	9	183	9,457	9,457	0.5
Phoenix	172	172	2,799	30,285	30,285	1.7
Cincinnati	-	-	-	-	-	0.0
Nashville	84	84	1,686	6,543	6,543	0.4
Remaining U.S. Markets (10 markets)	403	403	5,676	69,157	69,157	4.0
<b>Total U.S.</b>	<b>3,426</b>	<b>3,397</b>	<b>53,428</b>	<b>977,788</b>	<b>970,200</b>	<b>56.1</b>
Mexico	470	451	8,112	91,199	85,971	5.0
Canada	171	171	3,156	88,957	88,957	5.1
Brazil	482	238	10,785	102,189	28,960	1.7
<b>Total Other Americas</b>	<b>1,123</b>	<b>860</b>	<b>22,053</b>	<b>282,345</b>	<b>203,888</b>	<b>11.8</b>
United Kingdom	383	260	7,221	247,591	143,169	8.3
France	303	256	5,857	34,715	26,786	1.5
Netherlands	24	24	666	9,633	9,633	0.6
Germany	33	33	738	18,848	18,848	1.1
Remaining European countries (8 countries)	1,202	1,144	23,237	217,276	203,109	11.7
<b>Total Europe</b>	<b>1,945</b>	<b>1,717</b>	<b>37,719</b>	<b>528,063</b>	<b>401,545</b>	<b>23.2</b>
Japan	74	74	3,990	147,995	147,995	8.5
China	128	19	5,265	44,123	6,618	0.4
<b>Total Asia</b>	<b>202</b>	<b>93</b>	<b>9,255</b>	<b>192,118</b>	<b>154,613</b>	<b>8.9</b>
<b>Total Outside the U.S.</b>	<b>3,270</b>	<b>2,670</b>	<b>69,027</b>	<b>1,002,526</b>	<b>760,046</b>	<b>43.9</b>
<b>Total Land Portfolio</b>	<b>6,696</b>	<b>6,067</b>	<b>122,455</b>	<b>\$ 1,980,314</b>	<b>\$ 1,730,246</b>	<b>100.0</b>



# Capital Deployment

2Q 2020 Supplemental

## Land Portfolio – Summary and Roll Forward

dollars in thousands	Acres			Current Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Central	770	757	12.5	\$ 138,021	\$ 136,374	7.9
East	1,092	1,076	17.7	333,729	327,788	18.9
West	1,564	1,564	25.8	506,038	506,038	29.3
<b>Total U.S.</b>	<b>3,426</b>	<b>3,397</b>	<b>56.0</b>	<b>977,788</b>	<b>970,200</b>	<b>56.1</b>
Mexico	470	451	7.5	91,199	85,971	5.0
Canada	171	171	2.8	88,957	88,957	5.1
Brazil	482	238	3.9	102,189	28,960	1.7
<b>Total Other Americas</b>	<b>1,123</b>	<b>860</b>	<b>14.2</b>	<b>282,345</b>	<b>203,888</b>	<b>11.8</b>
Central Europe	839	799	13.2	116,168	106,978	6.2
Northern Europe	102	102	1.7	42,467	42,467	2.4
Southern Europe	621	556	9.1	121,837	108,931	6.3
United Kingdom	383	260	4.3	247,591	143,169	8.3
<b>Total Europe</b>	<b>1,945</b>	<b>1,717</b>	<b>28.3</b>	<b>528,063</b>	<b>401,545</b>	<b>23.2</b>
Japan	74	74	1.2	147,995	147,995	8.5
China	128	19	0.3	44,123	6,618	0.4
<b>Total Asia</b>	<b>202</b>	<b>93</b>	<b>1.5</b>	<b>192,118</b>	<b>154,613</b>	<b>8.9</b>
<b>Total Outside the U.S.</b>	<b>3,270</b>	<b>2,670</b>	<b>44.0</b>	<b>1,002,526</b>	<b>760,046</b>	<b>43.9</b>
<b>Total Land Portfolio</b>	<b>6,696</b>	<b>6,067</b>	<b>100.0</b>	<b>\$ 1,980,314</b>	<b>\$ 1,730,246</b>	<b>100.0</b>
Estimated build out of land portfolio (in TEI)				\$ 11,300,000	\$ 10,300,000	
Estimated build out of other land (in TEI) <sup>(A)</sup>				3,000,000	2,600,000	
<b>Total</b>				<b>\$ 14,300,000</b>	<b>\$ 12,900,000</b>	
<b>Land Roll Forward - Prologis Share</b>						
<b>As of March 31, 2020</b>	\$ 866,569	\$ 200,400	\$ 341,099	\$ 88,226	\$ 1,496,294	
Acquisitions	24,623	-	59,827	62,916	147,366	
Dispositions	(202)	-	-	-	(202)	
Development starts	(37,428)	-	-	-	(37,428)	
Infrastructure costs	47,698	1,485	7,435	2,866	59,484	
Effect of changes in foreign exchange rates and other	68,940	2,003	(6,816)	605	64,732	
<b>As of June 30, 2020</b>	<b>\$ 970,200</b>	<b>\$ 203,888</b>	<b>\$ 401,545</b>	<b>\$ 154,613</b>	<b>\$ 1,730,246</b>	

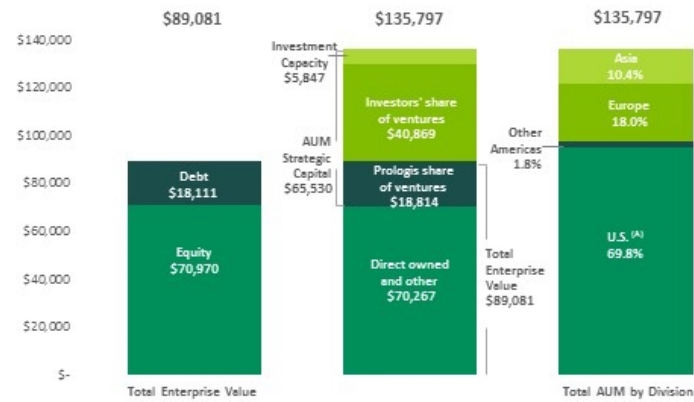
A. Amounts include approximately 3,000 acres that we could develop through options, ground leases, unconsolidated joint ventures and other contractual arrangements.



Overview

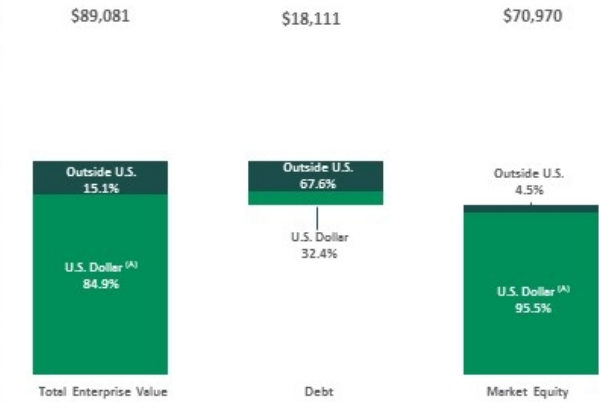
ASSETS UNDER MANAGEMENT

(dollars in millions)



U.S. DOLLAR EXPOSURE

(dollars in millions)



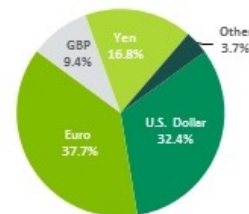
Prologis Share - Debt Metrics (B)

	June 30, 2020	March 31, 2020
Debt as % of gross market capitalization*	19.8%	21.7%
Debt as % of gross real estate assets*	29.9%	29.4%
Secured debt as % of gross real estate assets*	2.0%	2.0%
Unencumbered gross real estate assets to unsecured debt*	324.6%	322.0%
Fixed charge coverage ratio*	9.70x	9.03x
Fixed charge coverage ratio, excluding development gains*	8.50x	7.55x
Debt/Adjusted EBITDA*	4.17x	4.20x
Debt/Adjusted EBITDA, excluding development gains*	4.75x	4.97x
Weighted average interest rate	2.3%	2.3%
Weighted average remaining maturity in years	9.1	9.1
Floating Debt	8.8%	11.3%

Credit Ratings at June 30, 2020 (C)

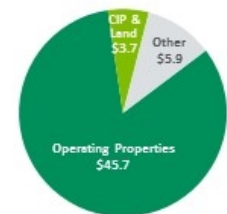
Moody's	A3 (Outlook Stable)
Standard & Poor's	A- (Outlook Stable)

DEBT BY CURRENCY- PROLOGIS SHARE



UNENCUMBERED ASSETS - PROLOGIS SHARE

(dollars in billions)



\* This is a non-GAAP financial measure. Please see our Notes and Definitions for detailed calculation.

A. Mexico is included in the U.S. as it is U.S. dollar functional.

B. The detail calculations are included in the Notes and Definitions section and are not in accordance with the applicable SEC rules.

C. A securities rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time by the rating organization.



# Capitalization

2Q 2020 Supplemental

## Debt Components- Consolidated

dollars in thousands

Maturity	Unsecured			Secured Mortgage	Total	Wtd. Avg. Interest Rate	% Fixed
	Senior	Credit Facilities <sup>(A)</sup>	Other <sup>(A)</sup>				
2020	\$ -	\$ -	\$ 10,626	\$ 4,521	\$ 15,147	6.0%	100%
2021	-	-	-	43,391	43,391	4.1%	71%
2022	713,763	59,118	250,000	11,857	1,034,738	2.1%	94%
2023	850,000	-	124,597	33,832	1,008,429	4.2%	88%
2024	671,336	55,990	-	263,176	990,502	3.5%	81%
2025	796,403	-	-	132,551	928,954	3.7%	100%
2026	959,779	-	788,853	1,213	1,749,845	1.7%	55%
2027	1,258,190	-	66,820	1,255	1,326,265	1.1%	100%
2028	1,387,115	-	137,353	158,932	1,683,400	1.6%	94%
2029	1,747,481	-	-	-	1,747,481	2.2%	100%
2030	1,096,518	-	46,403	-	1,142,921	2.2%	96%
Thereafter	3,764,522	-	278,419	-	4,042,941	1.7%	98%
<b>Subtotal</b>	<b>13,245,107</b>	<b>115,108</b>	<b>1,703,071</b>	<b>650,728</b>	<b>15,714,014</b>	<b>2.2%</b>	<b>91%</b>
Unamortized net premiums	24,831	-	-	2,790	27,621		
Unamortized finance costs	(64,546)	-	(8,045)	(2,172)	(74,763)		
<b>Total consolidated debt, net of unamortized premiums (discounts) and finance costs</b>	<b>\$ 13,205,392</b>	<b>\$ 115,108</b>	<b>\$ 1,695,026</b>	<b>\$ 651,346</b>	<b>\$ 15,666,872</b>		
Weighted average interest rate	2.3%	0.6%	1.0%	3.6%	2.2%		
Weighted average remaining maturity in years	10.4	2.6	6.2	5.1	9.7		

### Prologis debt by local currency

	Senior	Credit Facilities	Other	Secured Mortgage	Total	Investment Hedges <sup>(B)</sup>		% of Total	Liquidity	
						Hedges	Total		Aggregate lender commitments-	
Dollars	\$ 5,283,663	\$ -	\$ 260,192	\$ 218,430	\$ 5,762,285	\$ (1,084,869)	\$ 4,677,416	30%	Credit facilities	\$ 3,947,877
Euro	6,024,531	55,990	-	-	6,080,521	318,940	6,399,461	41%	Available term loans	250,000
GBP	916,121	-	-	161,339	1,077,460	322,011	1,399,471	9%	Less:	
Yen	981,077	59,118	1,310,870	129,750	2,480,815	191,958	2,672,773	17%	Borrowings outstanding	115,108
CAD	-	-	123,964	141,827	265,791	210,665	476,456	3%	Outstanding letters of credit	29,453
Other	-	-	-	-	-	41,295	41,295	0%	Current availability	4,053,316
<b>Total Debt</b>	<b>\$ 13,205,392</b>	<b>\$ 115,108</b>	<b>\$ 1,695,026</b>	<b>\$ 651,346</b>	<b>\$ 15,666,872</b>	<b>\$ -</b>	<b>\$ 15,666,872</b>	<b>100%</b>	Cash and cash equivalents	549,129
									<b>Total liquidity</b>	<b>\$ 4,602,445</b>

- A. The maturity for the yen revolver (\$59 million), the global senior credit facility (\$56 million), and a certain term loan (\$250 million) are reflected at the extended maturity date as the extension is at our option.
- B. We manage our exposure to changes in foreign currency exchange rates using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is reflected in the table under Investment Hedges. See also page 28 for our market equity exposure by currency.



# Capitalization

2Q 2020 Supplemental

## Debt Components- Noncontrolling Interests and Unconsolidated <sup>(A)</sup>

dollars in thousands

Maturity	Noncontrolling Interests					Prologis Share of Unconsolidated Co-Investment Ventures				
	Unsecured	Secured	Total	Wtd. Avg. Interest Rate	% Fixed	Unsecured <sup>(B)</sup>	Secured	Total	Wtd. Avg. Interest Rate	% Fixed
2020	\$ -	\$ 547	\$ 547	3.7%	100%	\$ 6	\$ 2,749	\$ 2,755	4.1%	93%
2021	-	2,379	2,379	3.1%	48%	62,779	138,987	201,766	3.9%	96%
2022	-	1,098	1,098	3.7%	100%	366,734	99,043	465,777	3.2%	75%
2023	-	526	526	4.0%	100%	195,456	95,747	291,203	3.4%	88%
2024	-	412	412	3.6%	100%	225,866	87,742	313,608	3.2%	89%
2025	-	427	427	3.6%	100%	113,081	9,539	122,620	1.7%	96%
2026	-	441	441	3.6%	100%	48,533	59,733	108,266	2.8%	98%
2027	-	457	457	3.6%	100%	100,278	1,898	102,176	2.2%	98%
2028	-	-	-	-	-	189,227	8	189,235	2.5%	100%
2029	-	-	-	-	-	218,716	-	218,716	1.7%	100%
2030	-	-	-	-	-	137,692	-	137,692	2.6%	100%
Thereafter	-	-	-	-	-	308,705	-	308,705	2.6%	100%
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 6,287</b>	<b>\$ 6,287</b>	<b>3.5%</b>	<b>80%</b>	<b>\$ 1,967,073</b>	<b>\$ 495,446</b>	<b>\$ 2,462,519</b>	<b>2.9%</b>	<b>92%</b>
Unamortized net premiums (discounts)	-	122	122			(2,400)	793	(1,607)		
Unamortized finance costs	-	(37)	(37)			(8,156)	(2,036)	(10,192)		
<b>Noncontrolling interests share and Prologis Share of unconsolidated debt</b>	<b>\$ -</b>	<b>\$ 6,372</b>	<b>\$ 6,372</b>			<b>\$ 1,956,517</b>	<b>\$ 494,203</b>	<b>\$ 2,450,720</b>		
Weighted average interest rate	-	3.5%	3.5%			2.6%	3.9%	2.9%		
Weighted average remaining maturity in years	-	4.5	4.5			6.5	2.8	5.7		

### Noncontrolling interests share of Consolidated debt by local currency

	Unsecured	Secured	Total	% of Total
Dollars	\$ -	\$ 6,372	\$ 6,372	100%
Euro	-	-	-	-
GBP	-	-	-	-
Yen	-	-	-	-
CAD	-	-	-	-
Other	-	-	-	-
<b>Total Debt</b>	<b>\$ -</b>	<b>\$ 6,372</b>	<b>\$ 6,372</b>	<b>100%</b>

### Prologis Share of unconsolidated debt by local currency

Unsecured	Secured	Total	Investment Hedges <sup>(C)</sup>		% of Total
			Hedges	Total	
\$ 955,906	\$ 264,832	\$ 1,220,738	\$ (27,960)	\$ 1,192,778	49%
571,943	53,046	624,989	(198,953)	426,036	17%
-	155,608	155,608	142,837	298,445	12%
365,916	-	365,916	-	365,916	15%
-	-	-	-	-	0%
62,752	20,717	83,469	84,076	167,545	7%
<b>\$ 1,956,517</b>	<b>\$ 494,203</b>	<b>\$ 2,450,720</b>	<b>\$ -</b>	<b>\$ 2,450,720</b>	<b>100%</b>

- A. Refer to Notes and Definitions under Non-GAAP Pro-Rate Financial Information for further explanation on how these amounts are calculated.  
 B. The maturity of certain unsecured debt (Prologis Share \$780 million) is reflected at the extended maturity dates as the extensions are at the entity's option.  
 C. We manage our exposure to changes in foreign currency exchange rates using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is reflected in the table under Investment Hedges. See also page 28 for our market equity exposure by currency.



# Net Asset Value

2Q 2020 Supplemental

## Components – Prologis Share

in thousands, except for percentages and per square foot

Operating							
	Square Feet	Gross Book Value	GBV per Sq Ft	Adjusted Cash NOI (Actual)*	Adjusted Cash NOI (Pro Forma)*	Annualized Adjusted Cash NOI*	Percent Occupied
<b>Consolidated Operating Portfolio</b>							
U.S.	381,338	\$36,836,914	\$ 97	\$ 548,960	\$ 548,960	\$ 2,195,840	96.3%
Other Americas	10,872	867,597	80	13,358	13,358	53,432	97.0%
Europe	6,065	447,886	74	5,690	5,690	22,760	89.5%
Asia	2,102	312,019	148	4,940	4,940	19,760	98.7%
Pro forma adjustments for mid-quarter acquisitions/development completions					1,986	7,944	
<b>Total consolidated operating portfolio</b>	<b>400,377</b>	<b>38,464,416</b>	<b>96</b>	<b>572,948</b>	<b>574,934</b>	<b>2,299,736</b>	<b>96.2%</b>
<b>Unconsolidated Operating Portfolio</b>							
U.S.	27,689	2,558,000	92	39,444	39,444	157,776	93.6%
Other Americas	19,913	1,228,990	62	23,031	23,031	92,124	95.8%
Europe	55,764	4,652,597	83	71,690	71,690	286,760	96.4%
Asia	9,991	1,316,089	132	16,781	16,781	67,124	91.9%
Pro forma adjustments for mid-quarter acquisitions/development completions					424	1,696	
<b>Total unconsolidated operating portfolio</b>	<b>113,357</b>	<b>9,755,676</b>	<b>86</b>	<b>150,946</b>	<b>151,370</b>	<b>605,480</b>	<b>95.2%</b>
<b>Total Operating Portfolio</b>	<b>513,734</b>	<b>\$48,220,092</b>	<b>\$ 94</b>	<b>\$ 723,894</b>	<b>\$ 726,304</b>	<b>\$ 2,905,216</b>	<b>96.0%</b>
Additional bad debt expense overnormalized run rate					3,900	15,600	
<b>Total Operating Portfolio, including an adjustment</b>					<b>\$ 730,204</b>	<b>\$ 2,920,816</b>	
<b>Development</b>							
	Square Feet	Investment Balance	TEI	TEI per Sq Ft		Annualized Estimated NOI	Percent Occupied
<b>Consolidated</b>							
<b>Prestabilized</b>							
U.S.	5,070	\$ 405,822	\$ 486,832	\$ 96		\$ 29,767	10.5%
Other Americas	243	10,943	13,915	57		1,197	100.0%
Europe	2,181	158,947	183,312	84		10,500	24.1%
Asia	-	-	-	-		-	-
<b>Properties under development</b>							
U.S.	9,793	758,300	1,006,248	103		47,793	
Other Americas	963	44,273	79,903	83		5,285	
Europe	6,401	304,589	666,432	104		31,272	
Asia	5,930	354,421	1,020,877	172		55,818	
<b>Total consolidated development portfolio</b>	<b>30,581</b>	<b>2,037,295</b>	<b>3,457,519</b>	<b>113</b>		<b>181,632</b>	
<b>Unconsolidated</b>							
U.S.	155	7,322	9,335	60		457	
Other Americas	282	10,191	12,566	45		1,179	
Europe	275	18,641	30,099	109		1,277	
Asia	2,844	91,984	155,035	55		9,143	
<b>Total unconsolidated development portfolio</b>	<b>3,556</b>	<b>128,138</b>	<b>207,035</b>	<b>58</b>		<b>12,056</b>	
<b>Total Development Portfolio</b>	<b>34,137</b>	<b>\$ 2,165,433</b>	<b>\$ 3,664,554</b>	<b>\$ 107</b>		<b>\$ 193,688</b>	
Prologis share of est. value creation (see Capital Deployment - Development Portfolio)		816,714					
<b>Total Development Portfolio, including est. value creation</b>		<b>\$ 2,982,147</b>					



\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

# Net Asset Value

2Q 2020 Supplemental

## Components - continued

in thousands				
<b>Balance Sheet and Other Items</b>				
<b>Other assets</b>				
Cash and cash equivalents	\$	549,129		
Restricted cash		40,778		
Accounts receivable, prepaid assets and other tangible assets		1,056,805		
Other real estate investments and gross book value of assets held for sale		4,189,928		
Value added operating properties		484,127		
Prologis receivable from unconsolidated co-investment ventures		598,909		
Investments in and advances to other unconsolidated joint ventures		989,803		
<b>Total other assets</b>	<b>\$</b>	<b>7,909,479</b>		
<b>Other liabilities</b>				
Accounts payable and other current liabilities	\$	1,140,569		
Deferred income taxes		69,191		
Value added tax and other tax liabilities		29,001		
Tenant security deposits		308,520		
Other liabilities		424,030		
<b>Total liabilities</b>	<b>\$</b>	<b>1,971,311</b>		
<b>Noncontrolling Interests and Unconsolidated</b>				
Less: noncontrolling interests share of net tangible other assets	\$	(224,945)		
Prologis share of unconsolidated net tangible other assets	\$	281,346		
Less: noncontrolling interests share of value added operating properties	\$	-		
Prologis share of unconsolidated value added operating properties	\$	40,946		
<b>Land</b>				
Current book value of land	\$	1,692,512		
Less: noncontrolling interests share of the current book value of land	\$	(18,561)		
Prologis share of book value of land in unconsolidated co-investment ventures	\$	56,295		
<b>Strategic Capital / Development Management</b>				
<b>Strategic Capital</b>				
Third party share of asset management fees from consolidated and unconsolidated co-investment ventures (annualized)	\$	57,123	\$	228,492
Third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)		8,126		44,125
Strategic capital expenses for asset management and other transactional fees		(17,084)		(65,851)
<b>Total strategic capital</b>	<b>\$</b>	<b>48,165</b>	<b>\$</b>	<b>206,766</b>
Promotes, net of expenses (trailing 12 months) <sup>(A)</sup>	\$	179,757	\$	298,585
Development management income (trailing 12 months)	\$	1,100	\$	8,882
<b>Debt (at par) and Preferred Stock</b>				
<b>Debt</b>				
Consolidated debt			\$	15,714,014
Noncontrolling interests share of consolidated debt			\$	(6,287)
Prologis share of unconsolidated co-investment ventures debt			\$	2,462,519
Preferred stock			\$	68,948
<b>Common Stock and Limited Operating Partnership Units</b>				
Outstanding shares of common stock and limited operating partnership units				759,684



A. For the quarter, promote revenue was \$228 million, less promote cash expense of \$37 million and promote amortization expense of \$11 million.



Prologis Fokker Park, Oude Meer, the Netherlands

## Notes and Definitions



Please refer to our annual and quarterly financial statements filed with the Securities and Exchange Commission on Forms 10-K and 10-Q and other public reports for further information about us and our business. Certain amounts from previous periods presented in the Supplemental Information have been reclassified to conform to the current presentation.

**Acquisition Price**, as presented for building acquisitions, represent economic cost. This amount includes the building purchase price plus 1) transaction closing costs, 2) due diligence costs, 3) immediate capital expenditures (including two years of property improvements and all leasing commissions and tenant improvements required to stabilize the property), 4) the effects of marking assumed debt to market and 5) the net present value of free rent and discounts, if applicable.

**Adjusted Cash NOI (Actual)** is a non-Generally Accepted Accounting Principles ("GAAP") financial measure and a component of Net Asset Value ("NAV"). It is used to assess the operating performance of our properties and enables both management and investors to estimate the fair value of our operating portfolio. A reconciliation for the most recent quarter ended of our rental income and rental expenses included in our Consolidated Statement of Income to Adjusted Cash NOI for the consolidated Operating Portfolio is as follows (*in thousands*):

Rental revenues	\$ 944,366
Rental expenses	(232,109)
NOI	712,257
Net termination fees and adjustments (a)	(4,065)
Less: actual NOI for development portfolio and other	(66,738)
Property management fees	860
Less: properties contributed or sold (b)	(1,940)
Less: noncontrolling interests share of NOI	(59,180)
<b>Prologis share of adjusted NOI for consolidated Operating Portfolio at June 30, 2020</b>	<b>581,194</b>
Straight-line rents (c)	(20,886)
Free rent (c)	16,980
Amortization of lease intangibles (c)	(5,346)
Effect of foreign currency exchange (d)	35
Less: noncontrolling interests and other	971
<b>Second quarter Adjusted Cash NOI (Actual)</b>	<b>\$ 572,948</b>

(a) Net termination fees generally represent the gross fee negotiated at the time a customer is allowed to terminate its lease agreement offset by that customer's rent leveling asset or liability, if any, that has been previously recognized. Removing the net termination fees from rental income allows for the calculation of Adjusted Cash NOI (Actual) to include only rental income that is indicative of the property's recurring operating performance.

(b) Actual NOI for properties that were contributed or sold during the three-month period is removed.

(c) Straight-line rents, free rent and amortization of lease intangibles (above and below market leases) are removed from the rental income of our Operating Portfolio to allow for the calculation of a cash yield.

(d) Actual NOI and related adjustments are calculated in local currency and translated at the period end rate to allow for consistency with other assets and liabilities as of the reporting date.

**Adjusted Cash NOI (Pro forma)** is a non-GAAP financial measure and consists of Adjusted Cash NOI (Actual) for the properties in our Operating Portfolio adjusted to reflect NOI for a full quarter for operating properties that were acquired or stabilized during the quarter.

**Adjusted EBITDA.** We use Adjusted EBITDA attributable to common stockholders/unitholders ("Adjusted EBITDA"), a non-GAAP financial measure, as a measure of our operating performance. The most directly comparable GAAP measure to Adjusted EBITDA is net earnings.

We calculate Adjusted EBITDA beginning with consolidated net earnings attributable to common stockholders and removing the effect of: Interest expense, income taxes, depreciation and amortization, impairment charges, gains or losses from the disposition of investments in real estate (excluding development properties and land), gains from the revaluation of equity investments upon acquisition of a controlling interest, gains or losses on early extinguishment of debt and derivative contracts (including cash charges), similar adjustments we make to our FFO measures (see definition below), and other items, such as, stock based compensation and unrealized gains or losses on foreign currency and derivatives. We also include a pro forma adjustment to reflect a full period of NOI on the operating properties we acquire or stabilize during the quarter and to remove NOI on properties we dispose of during the quarter, assuming all transactions occurred at the beginning of the quarter. The pro forma adjustment also includes economic ownership changes in our ventures to reflect the full quarter at the new ownership percentage.

We believe Adjusted EBITDA provides investors relevant and useful information because it permits investors to view our operating performance, analyze our ability to meet interest payment obligations and make quarterly preferred stock dividends on an unleveraged basis before the effects of income tax, depreciation and amortization expense, gains and losses on the disposition of non-development properties and other items (outlined above), that affect comparability. While all items are not infrequent or unusual in nature, these items may result from market fluctuations that can have inconsistent effects on our results of operations. The economics underlying these items reflect market and financing conditions in the short-term but can obscure our performance and the value of our long-term investment decisions and strategies.

We calculate our Adjusted EBITDA, based on our proportionate ownership share of both our unconsolidated and consolidated ventures. We reflect our share of our Adjusted EBITDA measures for unconsolidated ventures by applying our average ownership percentage for the period to the applicable reconciling items on an entity by entity basis. We reflect our share for consolidated ventures in which we do not own 100% of the equity by adjusting our Adjusted EBITDA measures to remove the noncontrolling interests share of the applicable reconciling items based on our average ownership percentage for the applicable periods.

While we believe Adjusted EBITDA is an important measure, it should not be used alone because it excludes significant components of net earnings, such as our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements, contractual commitments or interest and principal payments on our outstanding debt and is therefore limited as an analytical tool.

Our computation of Adjusted EBITDA may not be comparable to EBITDA reported by other companies in both the real estate industry and other industries. We compensate for the limitations of Adjusted EBITDA by providing investors with financial statements prepared according to GAAP, along with this detailed discussion of Adjusted EBITDA and a reconciliation to Adjusted EBITDA from consolidated net earnings attributable to common stockholders.

**Annualized Estimated NOI** for the properties in our Development Portfolio is based on current TEI multiplied by the Estimated Weighted Average Stabilized Yield.

**Assets Under Management ("AUM")** represents the estimated fair value of the real estate we own or manage through both our consolidated and unconsolidated entities. We calculate AUM by adding investment capacity and the third-party investors' share of the estimated fair value of the assets in the co-investment ventures to Enterprise Value.



## Notes and Definitions (continued)

2Q 2020 Supplemental

**Business Line Reporting** is a non-GAAP financial measure. Core FFO and development gains are generated by our three lines of business: (i) real estate operations; (ii) strategic capital; and (iii) development. The real estate operations line of business represents total Prologis Core FFO, less the amount allocated to the Strategic Capital line of business. The amount of Core FFO allocated to the Strategic Capital line of business represents the third party share of asset management fees, Net Promotes and transactional fees that we earn from our consolidated and unconsolidated co-investment ventures less costs directly associated to our strategic capital group. Realized development gains include our share of gains on dispositions of development properties and land, net of taxes. To calculate the per share amount, the amount generated by each line of business is divided by the weighted average diluted common shares outstanding used in our Core FFO per share calculation. Management believes evaluating our results by line of business is a useful supplemental measure of our operating performance because it helps the investing public compare the operating performance of Prologis' respective businesses to other companies' comparable businesses. Prologis' computation of FFO by line of business may not be comparable to that reported by other real estate investment trusts as they may use different methodologies in computing such measures.

Debt Covenants are calculated in accordance with the respective debt agreements and may be different than other covenants or metrics presented. They are not calculated in accordance with the applicable Securities Exchange Commission rules. Please refer to the respective agreements for full financial covenant descriptions. Debt covenants as of the period end were as follows:

	Indenture		Global Line	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<60%	26.2%	<60%	24.6%
Fixed charge coverage ratio	>1.5x	12.01x	>1.5x	12.67x
Secured debt leverage ratio	<40%	1.1%	<40%	1.0%
Unencumbered asset to unsecured debt ratio	>150%	339.3%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>150%	1315.9%

### Calculation of Per Share Amounts

	Three Months Ended		Six Months Ended	
	2020	2019	2020	2019
in thousands, except per share amount				
Net earnings				
Net earnings attributable to common stockholders	\$ 404,539	\$ 383,784	\$ 893,957	\$ 730,891
Noncontrolling interest attributable to exchangeable limited partnership units	11,763	11,759	25,812	22,416
Adjusted net earnings attributable to common stockholders - Diluted	\$ 416,302	\$ 395,543	\$ 919,769	\$ 753,247
Weighted average common shares outstanding - Basic	737,992	630,271	718,278	629,990
Incremental weighted average effect on exchange of limited partnership units	21,539	19,556	20,884	19,637
Incremental weighted average effect of equity awards	6,299	5,620	6,865	5,139
Weighted average common shares outstanding - Diluted	765,830	655,447	746,027	654,766
Net earnings per share - Basic	\$ 0.55	\$ 0.61	\$ 1.24	\$ 1.16
Net earnings per share - Diluted	\$ 0.54	\$ 0.60	\$ 1.23	\$ 1.15
Core FFO				
Core FFO attributable to common stockholders/unit holders	\$ 853,451	\$ 506,196	\$ 1,452,670	\$ 980,447
Noncontrolling interest attributable to exchangeable limited partnership units	187	159	330	353
Core FFO attributable to common stockholders/unit holders - Diluted	\$ 853,638	\$ 506,355	\$ 1,453,000	\$ 980,800
Weighted average common shares outstanding - Basic	737,992	630,271	718,278	629,990
Incremental weighted average effect on exchange of limited partnership units	21,539	19,556	20,884	19,637
Incremental weighted average effect of equity awards	6,299	5,620	6,865	5,139
Weighted average common shares outstanding - Diluted	765,830	655,447	746,027	654,766
Core FFO per share - Diluted	\$ 1.11	\$ 0.77	\$ 1.95	\$ 1.50





## Notes and Definitions (continued)

**Debt Metrics.** We evaluate the following debt metrics to monitor the strength and flexibility of our capital structure and evaluate the performance of our management. Investors can utilize these metrics to make a determination about our ability to service or refinance our debt. See below for the calculations.

dollars in thousands	Three Months Ended	
	Jun. 30, 2020	Mar. 31, 2020
<b>Debt as a % of gross real estate assets:</b>		
Consolidated debt (at par)	\$ 15,714,034	\$ 15,715,218
Noncontrolling interests share of consolidated debt (at par)	(6,287)	(6,555)
Prologis share of unconsolidated debt (at par)	2,462,519	2,346,405
Total Prologis share of debt (at par)	18,170,246	18,055,068
Prologis share of outstanding foreign currency derivatives	(16,991)	(17,842)
Consolidated cash and cash equivalents	(549,129)	(807,871)
Noncontrolling interests share of consolidated cash and cash equivalents	89,467	13,817
Prologis share of unconsolidated cash and cash equivalents	(219,053)	(308,055)
Total Prologis share of debt, net of adjustments	\$ 17,474,540	\$ 16,995,117
Consolidated gross real estate assets	52,211,074	51,663,291
Noncontrolling interests share of consolidated gross real estate assets	(3,876,011)	(3,901,731)
Prologis share of unconsolidated gross real estate assets	10,083,819	9,800,146
Total Prologis share of gross real estate assets	\$ 58,418,882	\$ 57,561,706
<b>Debt as a % of gross real estate assets</b>	<b>29.9%</b>	<b>29.4%</b>
<b>Debt as a % of gross Market Capitalization:</b>		
Total Prologis share of debt, net of adjustments	\$ 17,474,540	\$ 16,995,117
Total outstanding common stock and limited partnership units	759,684	759,773
Share price at quarter end	\$ 93.33	\$ 80.37
Total equity capitalization	\$ 70,901,308	\$ 61,062,956
Total Prologis share of debt, net of adjustments	17,474,540	16,995,117
Gross Market Capitalization	\$ 88,375,848	\$ 77,998,073
<b>Debt as a % of gross Market Capitalization</b>	<b>19.8%</b>	<b>21.7%</b>
<b>Secured debt as a % of gross real estate assets:</b>		
Consolidated secured debt (at par)	\$ 650,728	\$ 647,437
Noncontrolling interests share of consolidated secured debt (at par)	(6,287)	(6,555)
Prologis share of unconsolidated secured debt (at par)	495,446	508,769
Total Prologis share of secured debt (at par)	\$ 1,139,887	\$ 1,149,651
Total Prologis share of gross real estate assets	\$ 58,418,882	\$ 57,561,706
<b>Secured debt as a % of gross real estate assets</b>	<b>2.0%</b>	<b>2.0%</b>
<b>Unencumbered gross real estate assets to unsecured debt:</b>		
Consolidated unencumbered gross real estate assets	\$ 50,565,251	\$ 50,042,613
Noncontrolling interests share of consolidated unencumbered gross real estate assets	(3,815,075)	(3,838,935)
Prologis share of unconsolidated unencumbered gross real estate assets	8,533,117	8,229,081
Total Prologis share of unencumbered gross real estate assets	\$ 55,283,293	\$ 54,432,759
Consolidated unsecured debt (at par)	15,063,286	15,067,780
Noncontrolling interests share of consolidated unsecured debt (at par)	-	-
Prologis share of unconsolidated unsecured debt (at par)	1,967,073	1,837,636
Total Prologis share of unsecured debt (at par)	\$ 17,030,359	\$ 16,905,416
<b>Unencumbered gross real estate assets to unsecured debt</b>	<b>324.6%</b>	<b>322.0%</b>

dollars in thousands

**Fixed Charge Coverage ratio:**

	2Q 2020 Supplemental	
	Jun. 30 2020	Mar. 31 2020
Adjusted EBITDA	\$ 1,110,666	\$ 1,012,743
Adjusted EBITDA-annualized including trailing 12 months of development gains and excluding net promotes (a)	\$ 3,894,199	\$ 3,916,972
Net promotes for the trailing 12 months	298,585	119,306
Adjusted EBITDA-annualized	\$ 4,192,784	\$ 4,036,277
Pro forma adjustment annualized	(9,576)	(204,832)
Adjusted EBITDA, including NOI from disposed properties, annualized	\$ 4,183,208	\$ 3,831,445
Interest expense	\$ 81,298	\$ 75,642
Amortization and write-off of deferred loan costs	(3,620)	(3,758)
Amortization of debt premiums, net	1,330	2,593
Capitalized interest	10,503	10,642
Preferred stock dividends	1,634	1,635
Noncontrolling interests share of consolidated fixed charges	(73)	(76)
Prologis share of unconsolidated fixed charges	16,741	19,429
Total Prologis share of fixed charges	\$ 107,813	\$ 106,097
Total Prologis share of fixed charges, annualized	\$ 431,252	\$ 424,388
<b>Fixed charge coverage ratio</b>	<b>9.70</b>	<b>9.03</b>
<b>Debt to Adjusted EBITDA:</b>		
Total Prologis share of debt, net of adjustments	\$ 17,474,540	\$ 16,995,117
Adjusted EBITDA-annualized	\$ 4,192,784	\$ 4,036,277
<b>Debt to Adjusted EBITDA ratio</b>	<b>4.17</b>	<b>4.20</b>

(a) Prologis share of gains on dispositions of development properties for the trailing 12 months was \$516.3 million and \$626.8 million for the current quarter and the previous quarter, respectively.

**Development Portfolio** Includes Industrial properties, yards and parking lots that are under development and Industrial properties that are developed but have not met Stabilization. At June 30, 2020, total TEI for yards and parking lots was \$66.2 million on both an Owned and Managed and Prologis Share basis. We do not disclose square footage for yards and parking lots.

**Enterprise Value** equals our Market Equity plus our share of total debt.

**Estimated Build Out (TEI and sq ft)** represents the estimated TEI and finished square feet available for lease upon completion of an Industrial building on existing parcels of land.

**Estimated Value Creation** represents the value that we expect to create through our development and leasing activities. We calculate Estimated Value Creation by estimating the Stabilized NOI that the property will generate and applying a stabilized capitalization rate applicable to that property. Estimated Value Creation is calculated as the amount by which the value exceeds our TEI and does not include any fees or promotes we may earn. Estimated Value Creation for our Value-Added Properties that are sold includes the realized economic gain.

**Estimated Weighted Average Margin** is calculated on development properties as Estimated Value Creation, less estimated closing costs and taxes, if any, on properties expected to be sold or contributed, divided by TEI.

## Notes and Definitions (continued)

Estimated Weighted Average Stabilized Yield is calculated on the active properties in the Development Portfolio as Stabilized NOI divided by TEI. The yields on a Prologis Share basis were as follows:

	Pre-Stabilized Developments	2020 Expected Completion	2021 and Thereafter Expected Completion	Total Development Portfolio	
U.S.	6.1%	6.3%	5.4%	6.2%	6.2%
Other Americas	8.7%	6.8%	8.8%	7.2%	7.2%
Europe	5.8%	5.4%	5.5%	5.5%	5.5%
Asia	6.2%	5.5%	5.5%	5.5%	5.5%
Total	6.1%	6.0%	5.5%	5.8%	5.8%

FFO, as modified by Prologis attributable to common stockholders/unitholders ("FFO, as modified by Prologis"); Core FFO attributable to common stockholders/unitholders ("Core FFO"); AFFO attributable to common stockholders/unitholders ("AFFO"); (collectively referred to as "FFO"). FFO is a non-GAAP financial measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net earnings.

The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as earnings computed under GAAP to exclude historical cost depreciation and gains and losses from the sales, along with impairment charges, of previously depreciated properties. We also exclude the gains on revaluation of equity investments upon acquisition of a controlling interest and the gain recognized from a partial sale of our investment, as these are similar to gains from the sales of previously depreciated properties. We exclude similar adjustments from our unconsolidated entities and the third parties' share of our consolidated co-investment ventures.

### Our FFO Measures

Our FFO measures begin with NAREIT's definition and we make certain adjustments to reflect our business and the way that management plans and executes our business strategy. While not infrequent or unusual, the additional items we adjust for in calculating FFO, as modified by Prologis, Core FFO and AFFO, as defined below, are subject to significant fluctuations from period to period. Although these items may have a material impact on our operations and are reflected in our financial statements, the removal of the effects of these items allows us to better understand the core operating performance of our properties over the long term. These items have both positive and negative short-term effects on our results of operations in inconsistent and unpredictable directions that are not relevant to our long-term outlook.

We calculate our FFO measures, as defined below, based on our proportionate ownership share of both our unconsolidated and consolidated ventures. We reflect our share of our FFO measures for unconsolidated ventures by applying our average ownership percentage for the period to the applicable reconciling items on an entity by entity basis. We reflect our share for consolidated ventures in which we do not own 100% of the equity by adjusting our FFO measures to remove the noncontrolling interests share of the applicable reconciling items based on our average ownership percentage for the applicable periods.

These FFO measures are used by management as supplemental financial measures of operating performance and we believe that it is important that stockholders, potential investors and financial analysts understand the measures management uses. We do not use our FFO measures as, nor should they be considered to be, alternatives to net earnings computed under GAAP, as indicators of our

operating performance, as alternatives to cash from operating activities computed under GAAP or as indicators of our ability to fund our cash needs.

We analyze our operating performance principally by the rental revenues of our real estate and the revenues from our strategic capital business, net of operating, administrative and financing expenses. This income stream is not directly impacted by fluctuations in the market value of our investments in real estate or debt securities.

### FFO, as modified by Prologis

To arrive at FFO, as modified by Prologis, we adjust the NAREIT defined FFO measure to exclude the impact of foreign currency related items and deferred tax, specifically:

- (i) deferred income tax benefits and deferred income tax expenses recognized by our subsidiaries;
- (ii) current income tax expense related to acquired tax liabilities that were recorded as deferred tax liabilities in an acquisition, to the extent the expense is offset with a deferred income tax benefit in earnings that is excluded from our defined FFO measure;
- (iii) foreign currency exchange gains and losses resulting from (a) debt transactions between us and our foreign entities, (b) third-party debt that is used to hedge our investment in foreign entities, (c) derivative financial instruments related to any such debt transactions, and (d) mark-to-market adjustments associated with other derivative financial instruments.

We use FFO, as modified by Prologis, so that management, analysts and investors are able to evaluate our performance against other REITs that do not have similar operations or operations in jurisdictions outside the U.S.

### Core FFO

In addition to FFO, as modified by Prologis, we also use Core FFO. To arrive at Core FFO, we adjust FFO, as modified by Prologis, to exclude the following recurring and nonrecurring items that we recognized directly in FFO, as modified by Prologis:

- (i) gains or losses from the disposition of land and development properties that were developed with the intent to contribute or sell;
- (ii) income tax expense related to the sale of investments in real estate;
- (iii) impairment charges recognized related to our investments in real estate generally as a result of our change in intent to contribute or sell these properties;
- (iv) gains or losses from the early extinguishment of debt and redemption and repurchase of preferred stock; and
- (v) expenses related to natural disasters.

We use Core FFO, including by segment and region, to: (i) assess our operating performance as compared to other real estate companies; (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods; (iii) evaluate the performance of our management; (iv) budget and forecast future results to assist in the allocation of resources; (v) provide guidance to the financial markets to understand our expected operating performance; and (vi) evaluate how a specific potential investment will impact our future results.

## AFFO

To arrive at AFFO, we adjust Core FFO to include realized gains from the disposition of land and development properties and recurring capital expenditures and exclude the following items that we recognize directly in Core FFO:

- (i) straight-line rents;
- (ii) amortization of above- and below-market lease intangibles;
- (iii) amortization of management contracts;
- (iv) amortization of debt premiums and discounts and financing costs, net of amounts capitalized, and;
- (v) stock compensation expense.

We use AFFO to (i) assess our operating performance as compared to other real estate companies, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, (iii) evaluate the performance of our management, (iv) budget and forecast future results to assist in the allocation of resources, and (v) evaluate how a specific potential investment will impact our future results.

## Limitations on the use of our FFO measures

While we believe our modified FFO measures are important supplemental measures, neither NAREIT's nor our measures of FFO should be used alone because they exclude significant economic components of net earnings computed under GAAP and are, therefore, limited as an analytical tool. Accordingly, these are only a few of the many measures we use when analyzing our business. Some of the limitations are:

- The current income tax expenses that are excluded from our modified FFO measures represent the taxes and transaction costs that are payable.
- Depreciation and amortization of real estate assets are economic costs that are excluded from FFO. FFO is limited, as it does not reflect the cash requirements that may be necessary for future replacements of the real estate assets. Furthermore, the amortization of capital expenditures and leasing costs necessary to maintain the operating performance of logistics facilities are not reflected in FFO.
- Gains or losses from non-development property dispositions and impairment charges related to expected dispositions represent changes in value of the properties. By excluding these gains and losses, FFO does not capture realized changes in the value of disposed properties arising from changes in market conditions.
- The deferred income tax benefits and expenses that are excluded from our modified FFO measures result from the creation of a deferred income tax asset or liability that may have to be settled at some future point. Our modified FFO measures do not currently reflect any income or expense that may result from such settlement.
- The foreign currency exchange gains and losses that are excluded from our modified FFO measures are generally recognized based on movements in foreign currency exchange rates through a specific point in time. The ultimate settlement of our foreign currency-denominated net assets is indefinite as to timing and amount. Our FFO measures are limited in that they do not reflect the current period changes in these net assets that result from periodic foreign currency exchange rate movements.

- The gains and losses on extinguishment of debt or preferred stock that we exclude from our Core FFO, may provide a benefit or cost to us as we may be settling our obligation at less or more than our future obligation.
- The natural disaster expenses that we exclude from Core FFO are costs that we have incurred. We compensate for these limitations by using our FFO measures only in conjunction with net earnings computed under GAAP when making our decisions. This information should be read with our complete Consolidated Financial Statements prepared under GAAP. To assist investors in compensating for these limitations, we reconcile our modified FFO measures to our net earnings computed under GAAP.

**General and Administrative Expenses ("G&A").** Generally our property management personnel perform the property-level management of the properties in our owned and managed portfolio, which include properties we consolidate and those we manage that are owned by the unconsolidated co-investment ventures. We allocate the costs of our property management function to the properties we consolidate (Included in Rental Expenses) and the properties owned by the unconsolidated co-investment ventures (Included in Strategic Capital Expenses) by using the square feet owned by the respective portfolios. Strategic Capital Expenses also include the direct expenses associated with the asset management of the unconsolidated co-investment ventures provided by our employees who are assigned to our Strategic Capital segment and promote expenses. We do not allocate indirect costs to Strategic Capital Expenses.

We capitalize certain costs directly related to our development. Capitalized G&A expenses include salaries and related costs as well as other G&A costs. The capitalized costs were as follows:

in thousands	Three Months Ended		Six Months Ended	
	2020	2019	2020	2019
Building and land development activities	\$ 16,794	\$ 15,759	\$ 38,483	\$ 35,029
Operating building improvements and other	5,433	4,698	11,610	9,803
<b>Total capitalized G&amp;A</b>	<b>\$ 22,227</b>	<b>\$ 20,457</b>	<b>\$ 50,093</b>	<b>\$ 44,832</b>

## G&amp;A as a Percent of Assets Under Management (in thousands):

Net G&A - midpoint of 2020 guidance	\$ 270,000
Add: estimated 2020 strategic capital expenses (excluding promote expense)	140,000
Less: estimated 2020 strategic capital property management expenses	(74,000)
<b>Adjusted G&amp;A</b>	<b>\$ 336,000</b>
Gross book value at period end (a):	
Operating properties	\$ 79,909,933
Development portfolio - TEI (b)	4,480,045
Land portfolio	1,980,314
Other real estate investments and gross book value of assets held for sale	5,110,335
<b>Total value of assets under management</b>	<b>\$ 91,480,627</b>
<b>G&amp;A as % of assets under management</b>	<b>0.37%</b>

(a) This does not represent enterprise value.

(b) Amount includes TEI of the active Development Portfolio and investment balance of the suspended Development Portfolio.

## Notes and Definitions (continued)

2Q 2020 Supplemental

**Guidance.** The following is a reconciliation of our annual guided Net Earnings per share to our guided Core FFO per share:

	Low	High
<b>Net Earnings (a)</b>	<b>\$ 2.06</b>	<b>\$ 2.18</b>
Our share of:		
Depreciation and amortization	2.20	2.23
Net gains on real estate transactions, net of taxes	(0.60)	(0.70)
Unrealized foreign currency gains and other, net	0.04	0.04
<b>Core FFO</b>	<b>\$ 3.70</b>	<b>\$ 3.75</b>

(a) Earnings guidance includes potential future gains recognized from real estate transactions, but excludes future foreign currency or derivative gains or losses as these items are difficult to predict.

### Income Taxes.

in thousands	Three Months Ended		Six Months Ended	
	2020	2019	2020	2019
Current income tax expense	\$ 25,680	\$ 10,545	\$ 46,875	\$ 20,865
Current income tax expense on dispositions	22,999	7,645	29,718	10,044
Total current income tax expense	48,679	18,190	76,593	30,909
Deferred income tax expense (benefit)	(2,162)	8,442	831	9,235
<b>Total income tax expense</b>	<b>\$ 46,517</b>	<b>\$ 26,632</b>	<b>\$ 77,424</b>	<b>\$ 40,144</b>

### Interest Expense.

in thousands	Three Months Ended		Six Months Ended	
	2020	2019	2020	2019
Gross interest expense	\$ 89,511	\$ 67,420	\$ 174,620	\$ 137,487
Amortization of debt discounts (premiums), net	(1,330)	835	(3,923)	1,674
Amortization of finance costs	3,620	3,422	7,388	6,745
Interest expense before capitalization	91,801	71,677	178,085	145,906
Capitalized amounts	(10,503)	(12,555)	(21,145)	(26,277)
<b>Interest expense</b>	<b>\$ 81,298</b>	<b>\$ 59,122</b>	<b>\$ 156,940</b>	<b>\$ 119,629</b>

**Investment Capacity** is our estimate of the gross real estate that could be acquired by our co-investment ventures through the use of existing equity commitments from us and our partners assuming the maximum leverage limits of the ventures are used.

**Market Capitalization** equals Market Equity, less liquidation preference of the preferred shares/units, plus our share of total debt.

**Market Equity** equals outstanding shares of common stock and units multiplied by the closing stock price plus the liquidation preference of the preferred shares/units.

**Net Asset Value ("NAV").** We consider NAV to be a useful supplemental measure of our operating performance because it enables both management and investors to estimate the fair value of our business. The assessment of the fair value of a particular line of our business is subjective in that it involves estimates and can be calculated using various methods. Therefore, we have presented the financial results and investments related to our business components that we believe are important in calculating our NAV but we have not presented any specific methodology nor provided any guidance on the assumptions or estimates that should be used in the calculation.

The components of NAV do not consider the potential changes in rental and fee income streams or the franchise value associated with our global operating platform, strategic capital platform or development platform.

**Net Effective Rent** is calculated at the beginning of the lease using estimated total cash rent to be received over the term and annualized. Amounts derived in a currency other than the U.S. dollar have been translated using the average rate from the previous twelve months. The per square foot number is calculated by dividing the Net Effective Rent by the occupied square feet of the lease.

**Net Operating Income ("NOI")** is a non-GAAP financial measure used to evaluate our operating performance and represents Rental Revenue less rental expenses.

**Net Promote** includes actual promote revenue earned from third party investors during the period, net of related cash and stock compensation expenses.

**Non-GAAP Pro-Rata Financial Information.** This information includes non-GAAP financial measures. The Prologis share of unconsolidated co-investment ventures are derived on an entity-by-entity basis by applying our ownership percentage to each line item in the GAAP financial statements of these ventures to calculate our share of that line item. For purposes of balance sheet data, we use our ownership percentage at the end of the period and for operating information we use our average ownership percentage during the period consistent with how we calculate our share of net earnings (loss) during the period for our consolidated financial statements. We use a similar calculation to derive the noncontrolling interests' share of each line item in our consolidated financial statements.

We believe this form of presentation offers insights into the financial performance and condition of our company as a whole, given the significance of our co-investment ventures that are accounted for either under the equity method or consolidated with the third parties' share included in noncontrolling interests, although the presentation of such information may not accurately depict the legal and economic implications of holding a non-controlling interest in the co-investment venture. Other companies may calculate their proportionate interest differently than we do, limiting the usefulness as a comparative measure.

We do not control the unconsolidated co-investment ventures for purposes of GAAP and the presentation of the assets and liabilities and revenues and expenses do not represent a legal claim to such items. The operating agreements of the unconsolidated co-investment ventures generally provide that investors, including Prologis, may receive cash distributions (1) to the extent there is available cash from operations, (2) upon a capital event, such as a refinancing or sale, or (3) upon liquidation of the venture. The amount of cash each investor receives is based upon specific provisions of each operating agreement and varies depending on factors including the amount of capital contributed by each investor and whether any contributions are entitled to priority distributions. Upon liquidation of the co-investment venture and after all liabilities, priority distributions and initial equity contributions have been repaid, the investors generally would be entitled to any residual cash remaining based on their respective legal ownership percentages.

Because of these limitations, the Non-GAAP Pro-Rata Financial Information should not be considered in isolation or as a substitute for our consolidated financial statements as reported under GAAP.

**Operating Portfolio** represents industrial properties in our owned and managed portfolio that have reached Stabilization. Prologis share of NOI excludes termination fees and adjustments and includes NOI for the properties contributed to or acquired from co-investment ventures at our actual share



## Notes and Definitions (continued)

2Q 2020 Supplemental

prior to and subsequent to change in ownership. The markets presented represent markets that are generally greater than 1% of Prologis share of NOI. Assets held for sale are excluded from the portfolio.

**Prologis Share** represents our proportionate economic ownership of each entity included in our total owned and managed portfolio whether consolidated or unconsolidated.

### Rental Revenue.

in thousands	Three Months Ended Jun. 30,		Six Months Ended Jun. 30,	
	2020	2019	2020	2019
Rental revenues	\$ 692,825	\$ 516,423	\$ 1,346,490	\$ 1,018,328
Rental recoveries	220,312	158,864	419,951	324,217
Amortization of lease intangibles	3,875	4,292	7,857	8,526
Straight-lined rents	27,354	21,110	48,875	46,425
<b>Rental Revenue</b>	<b>\$ 944,366</b>	<b>\$ 700,689</b>	<b>\$ 1,823,173</b>	<b>\$ 1,397,496</b>

**Rent Change (Cash)** represents the percentage change in starting rental rates per the lease agreement, on new and renewed leases, commenced during the period compared with the previous ending rental rates in that same space. This measure excludes any short-term leases of less than one-year, holdover payments, free rent periods and introductory (teaser rates) defined as 50% or less of the stabilized rate.

**Rent Change (Net Effective)** represents the percentage change in net effective rental rates (average rate over the lease term), on new and renewed leases, commenced during the period compared with the previous net effective rental rates in that same space. This measure excludes any short-term leases of less than one year and holdover payments.

**Retention** is the square footage of all leases commenced during the period that are rented by existing tenants divided by the square footage of all expiring and in-place leases during the reporting period. The square footage of tenants that default or buy-out prior to expiration of their lease and short-term leases of less than one year, are not included in the calculation.

**Same Store.** Our same store metrics are non-GAAP financial measures, which are commonly used in the real estate industry and expected from the financial community, on both a net effective and cash basis. We evaluate the performance of the operating properties we own and manage using a "same store" analysis because the population of properties in this analysis is consistent from period to period, which allows us and investors to analyze our ongoing business operations. We determine our same store metrics on property NOI, which is calculated as rental revenue less rental expense for the applicable properties in the same store population for both consolidated and unconsolidated properties based on our ownership interest, as further defined below.

We define our same store population for the three months ended June 30, 2020 as the properties in our Owned and Managed operating portfolio, including the property NOI for both consolidated properties and properties owned by the unconsolidated co-investment ventures at January 1, 2019 and owned throughout the same three-month period in both 2019 and 2020. We believe the drivers of property NOI for the consolidated portfolio are generally the same for the properties owned by the ventures in which we invest and therefore we evaluate the same store metrics of the Owned and Managed portfolio based on Prologis' ownership in the properties ("Prologis Share"). The same store population excludes properties held for sale to third parties, along with development properties that were not stabilized at the beginning of the period (January 1, 2019) and properties acquired or disposed

of to third parties during the period. To derive an appropriate measure of period-to-period operating performance, we remove the effects of foreign currency exchange rate movements by using the reported period-end exchange rate to translate from local currency into the U.S. dollar, for both periods.

As non-GAAP financial measures, the same store metrics have certain limitations as an analytical tool and may vary among real estate companies. As a result, we provide a reconciliation of Rental Revenues less Rental Expenses ("Property NOI") (from our Consolidated Financial Statements prepared in accordance with U.S. GAAP) to our Same Store Property NOI measures, as follows:

dollars in thousands	Three Months Ended Jun. 30,		
	2020	2019	Change (%)
Reconciliation of Consolidated Property NOI to Same Store Property NOI measures:			
Rental revenues	\$ 944,366	\$ 700,689	
Rental expenses	(232,109)	(181,138)	
<b>Consolidated Property NOI</b>	<b>\$ 712,257</b>	<b>\$ 519,551</b>	
Adjustments to derive same store results:			
Property NOI from consolidated properties not included in same store portfolio and other adjustments (a)	(232,199)	(50,693)	
Property NOI from unconsolidated co-investment ventures included in same store portfolio (a)(b)	484,296	473,863	
Third parties' share of Property NOI from properties included in same store portfolio (a)(b)	(395,378)	(388,017)	
<b>Prologis Share of Same Store Property NOI – Net Effective (b)</b>	<b>\$ 568,976</b>	<b>\$ 554,704</b>	<b>2.6%</b>
Consolidated properties straight-line rent and fair value lease adjustments included in the same store portfolio (c)	(9,407)	(11,972)	
Unconsolidated co-investment ventures straight-line rent and fair value lease adjustments included in the same store portfolio (c)	(10,082)	(5,970)	
Third parties' share of straight-line rent and fair value lease adjustments included in the same store portfolio (b)(c)	8,421	5,645	
<b>Prologis Share of Same Store Property NOI – Cash (b)(c)</b>	<b>\$ 557,908</b>	<b>\$ 542,407</b>	<b>2.9%</b>

- (a) We exclude properties held for sale to third parties, along with development properties that were not stabilized at the beginning of the period and properties acquired or disposed of to third parties during the period. We also exclude net termination and renegotiation fees to allow us to evaluate the growth or decline in each property's rental revenues without regard to one-time items that are not indicative of the property's recurring operating performance. Net termination and renegotiation fees represent the gross fee negotiated to allow a customer to terminate or renegotiate their lease, offset by the write-off of the asset recorded due to the adjustment to straight-line rents over the lease term. Same Store Property NOI is adjusted to include an allocation of property management expenses for our consolidated properties based on the property management services provided to each property (generally, based on a percentage of revenues). On consolidation, these amounts are eliminated and the actual costs of providing property management services are recognized as part of our consolidated rental expense.
- (b) We include the Property NOI for the same store portfolio for both consolidated properties and properties owned by the co-investment ventures based on our investment in the underlying properties. In order to calculate our share of Same Store Property NOI from the co-investment ventures in which we own less than 100%, we use the co-investment ventures' underlying Property NOI for the same store portfolio and apply our ownership percentage at June 30, 2020 to the Property NOI for both periods, including the properties contributed during the period. We adjust the total Property NOI from the same store portfolio of the co-investment ventures by subtracting the third parties' share of both consolidated and unconsolidated co-investment ventures.



*During the periods presented, certain wholly owned properties were contributed to a co-investment venture and are included in the same store portfolio. Neither our consolidated results nor those of the co-investment ventures, when viewed individually, would be comparable on a same store basis because of the changes in composition of the respective portfolios from period to period (e.g. the results of a contributed property are included in our consolidated results through the contribution date and in the results of the venture subsequent to the contribution date based on our ownership interest at the end of the period). As a result, only line items labeled "Prologis Share of Same Store Property NOI" are comparable period over period.*

- (c) *We further remove certain noncash items (straight-line rent and amortization of fair value lease adjustments) included in the financial statements prepared in accordance with U.S. GAAP to reflect a Same Store Property NOI – Cash measure.*

*We manage our business and compensate our executives based on the same store results of our Owned and Managed portfolio at 100% as we manage our portfolio on an ownership blind basis. We calculate those results by including 100% of the properties included in our same store portfolio.*

**Same Store Average Occupancy** represents the average occupied percentage of the Same Store portfolio for the period.

**Stabilization** is defined as the earlier of when a property that was developed has been completed for one year or is 90% occupied. Upon Stabilization, a property is moved into our Operating Portfolio.

**Stabilized NOI** is equal to the estimated twelve months of potential gross rental revenue (base rent, including above or below market rents plus operating expense reimbursements) multiplied by 95% to adjust income to a stabilized vacancy factor of 5%, minus estimated operating expenses.

**Total Expected Investment ("TEI")** represents total estimated cost of development or expansion, including land, development and leasing costs. TEI is based on current projections and is subject to change.

**Turnover Costs** represent the estimated obligations incurred in connection with the signing of a lease; including leasing commissions and tenant improvements and are presented for leases that commenced during the period. Tenant improvements include costs to prepare a space for a new tenant or a lease renewal with the current tenant. It excludes costs for a first generation lease (i.e. a new development property) and short-term leases of less than one year.

**Value-Added Properties** are properties we have either acquired at a discount and believe we could provide greater returns post-stabilization or properties we expect to repurpose to a higher and better use.

**Weighted Average Interest Rate** is based on the effective rate, which includes the amortization of related premiums and discounts and finance costs.

**Weighted Average Stabilized Capitalization ("Cap") Rate** is calculated as Stabilized NOI divided by the Acquisition Price.





**FOR IMMEDIATE RELEASE**

**Prologis Reports Second Quarter 2020 Earnings Results**

SAN FRANCISCO (July 21, 2020) – Prologis, Inc. (NYSE: PLD), the global leader in logistics real estate, reported results for the second quarter of 2020.

Net earnings per diluted share was \$0.54 for the quarter compared with \$0.60 for the second quarter of 2019. Core funds from operations\* per diluted share was \$1.11 compared with \$0.77 for the same period in 2019. The second quarter of 2020 included \$0.23 of net promote income, while the same period in 2019 had no net promote income.

“Our results for the quarter were excellent, driven by strong operating performance and record promote income. I’m proud of our team who has worked tirelessly to navigate the current environment,” said Hamid R. Moghadam, chairman and CEO, Prologis. “While e-commerce is clearly a tailwind, demand is broad-based across a variety of categories—a trend we saw accelerate in June.”

**OPERATING PERFORMANCE**

<b>Owned &amp; Managed</b>	<b>2Q20</b>	<b>Notes</b>
Period End Occupancy	95.7%	
Leases Commenced	42MSF	<i>39MSF operating portfolio and ~3MSF development portfolio.</i>
Retention	80.9%	<i>Up 540bps from 1Q 2020</i>

<b>Prologis Share</b>	<b>2Q20</b>	<b>Notes</b>
Net Effective Rent Change	22.0%	<i>Led by U.S. at 27.7%</i>
Cash Rent Change	9.6%	
Cash Same Store NOI*	2.9%	<i>Impacted by 42bps of bad debt</i>

**DEPLOYMENT ACTIVITY**

<b>Prologis Share</b>	<b>2Q20</b>
Building Acquisitions	\$8M
Weighted avg stabilized cap rate	7.6%
Development Stabilizations	\$333M
Estimated weighted avg yield	6.7%
Estimated weighted avg margin	33.2%
Estimated value creation	\$111M
Development Starts	\$66M
Estimated weighted avg margin	48.0%
Estimated value creation	\$32M
% Build-to-suit	100%
Total Dispositions and Contributions	\$304M
Weighted avg stabilized cap rate <i>(excluding land and other real estate)</i>	6.0%



## **BALANCE SHEET & LIQUIDITY**

Prologis ended the quarter with \$4.6 billion in liquidity, while debt as a percentage of total market capitalization was 20 percent. At June 30, the company's unconsolidated co-investment ventures had liquidity of approximately \$3.3 billion and a loan-to-value ratio of approximately 18 percent. The combined investment capacity of Prologis and its open-ended vehicles, at levels in line with their current credit ratings, is over \$13 billion.

During the quarter, Prologis and its co-investment ventures completed \$1.6 billion of debt activity at a weighted average rate of 1.8 percent and a weighted average term of almost 13 years. This activity excludes the previously announced €313 million principal amount of 2022 and 2024 notes tendered.

"While the credit markets were turbulent through much of the quarter, we again demonstrated our ability to raise very attractive debt across our co-investment ventures and global markets," said Tim Arndt, treasurer, Prologis. "We issued over ¥40 billion of unsecured bonds in Japan for Prologis, raised \$525 million of new private placement notes for USLF and completed a new €500 million green bond issuance in PELF. Our platform allows us to be agile and strategic when sourcing capital, even when there is significant dislocation."

At quarter end, the company's weighted average rate on its share of total debt was 2.3 percent with a weighted average remaining term of 9.1 years.

## **COMMUNITIES**

*Racial Justice:* Prologis stands in solidarity with the Black community to end racial injustice, hatred and violence. To date, the Prologis Foundation has committed \$1 million toward organizations engaged in the fight against systemic racism, with donations made to the Equal Justice Initiative, the NAACP Legal Defense and Educational Fund, the National Urban League, the Center for Policing Equity, Year Up and the Dream Corps.

*COVID-19 Relief:* In addition to the Prologis Foundation's \$5 million global relief fund to provide financial support to nonprofits and community-based organizations, the company has offered buildings and yard space to agencies and relief organizations through its Space for Good program. Year-to-date, Prologis has donated an additional \$5.5 million of in-kind rent in 13 markets globally.

## **2020 GUIDANCE**

"While the economic impact of COVID-19 remains unknown, the combination of what we see in our proprietary data, the pace of rent collections, and dialogue with our customers gives us a more positive outlook for the back half of the year," said Thomas S. Olinger, chief financial officer, Prologis.

"Year-over-year Core FFO growth at the midpoint, excluding promotes, is extremely strong, at over 12.5%, with leverage flat. Additionally, we continue to have significant dividend coverage of 1.6x and expect to generate free cash flow after dividends of \$1 billion in 2020."

## Earnings (per diluted share)

Net Earnings	\$1.98 to \$2.13	\$1.81 to \$1.88	\$2.06 to \$2.18
Core FFO*	\$3.67 to \$3.75	\$3.55 to \$3.65	\$3.70 to \$3.75

## Operations

Year-end occupancy	96.0% to 97.0%	94.5% to 96.0%	95.0% to 96.0%
Cash Same Store NOI* - Prologis share	4.25% to 5.25%	1.75% to 3.25% <sup>1</sup>	2.5% to 3.5% <sup>1</sup>

## Capital Deployment – Prologis Share (in millions)

Development stabilizations	\$2,200 to \$2,500	\$1,900 to \$2,200	\$1,900 to \$2,200
Development starts	\$2,000 to \$2,400	\$500 to \$800	\$800 to \$1,200
Building acquisitions	\$500 to \$700	\$450	\$500 to \$600
Building contributions	\$600 to \$900	\$650	\$700 to \$900
Building and land dispositions	\$1,300 to \$1,500	\$250	\$500 to \$800
Realized Development gains	\$300 to \$400	\$280	\$300 to \$400
Net Proceeds (Uses)	(\$600) to (\$700)	(\$50) to (\$350)	(\$100)

## Strategic Capital (in millions)

Strategic capital revenue, excl promote revenue	\$350 to \$360	\$345 to \$355	\$360 to \$370
Net promote income, incl in Core FFO* range	\$115	\$115	\$150

## G&amp;A (in millions)

General & administrative expenses	\$275 to \$285	\$270 to \$280	\$265 to \$275
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1. At the midpoint, this includes an estimated 75 basis point decline in average occupancy and a total of 75 basis points of bad debt expense.

\* This is a non-GAAP financial measure. See the Notes and Definitions in our supplemental information for further explanation and a reconciliation to the most directly comparable GAAP measure.

The earnings guidance described above includes potential gains recognized from real estate transactions but excludes any future or potential foreign currency or derivative gains or losses as our guidance assumes constant foreign currency rates. In reconciling from net earnings to Core FFO\*, Prologis makes certain adjustments, including but not limited to real estate depreciation and amortization expense, gains (losses) recognized from real estate transactions and early extinguishment of debt, impairment charges, deferred taxes and unrealized gains or losses on foreign currency or derivative activity. The difference between the company's Core FFO\* and net earnings guidance for 2020 relates predominantly to these items. Please refer to our second quarter Supplemental Information, which is available on our Investor Relations website at <http://ir.prologis.com> and on the SEC's website at [www.sec.gov](http://www.sec.gov) for a definition of Core FFO\* and other non-GAAP measures used by Prologis, along with reconciliations of these items to the closest GAAP measure for our results and guidance.

## July 21, 2020, CALL DETAILS

The call will take place on Tuesday, July 21, 2020, at 9:00 a.m. PT/12:00 p.m. ET. To access a live broadcast of the call, please dial +1 (33) 968-2252 (toll-free from the United States and Canada) or +1 (778) 560-2807 (from all other countries) and enter conference code 6049156. A live webcast can be accessed from the Investor Relations section of [www.prologis.com](http://www.prologis.com).

## ABOUT PROLOGIS

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of June 30, 2020, 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 963 million square feet (89 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,500 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; (x) risk related to the current coronavirus pandemic, and (xi) 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.

## CONTACTS

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