

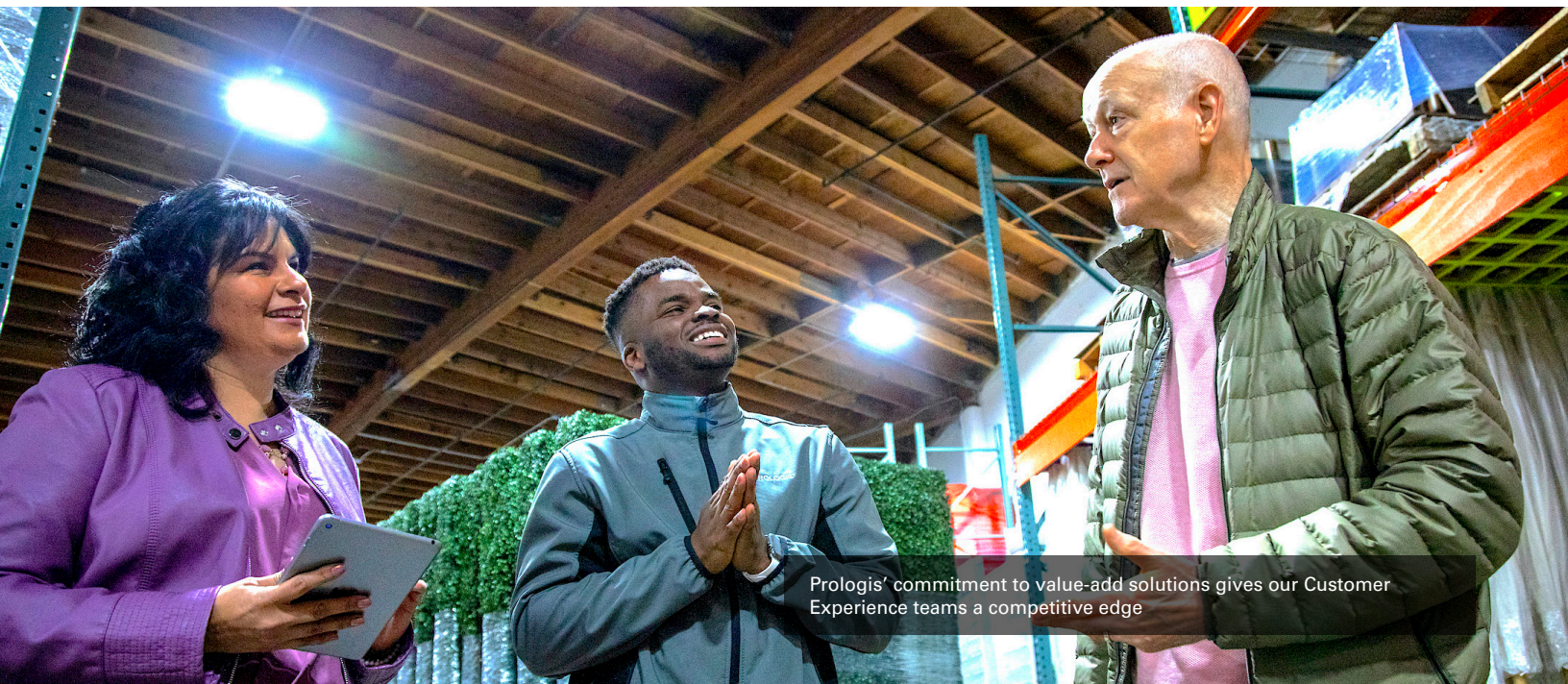


Prologis Vernon Business Center, Los Angeles, California

Creating Value Beyond the Real Estate

Prologis performed exceptionally well in 2019. We exceeded our cumulative earnings growth expectations, completed two complementary acquisitions and concluded our three-year strategic plan.

Our global team created opportunities to spend more one-on-one time with our customers, and continued our strong track record of technology and innovation while maintaining our leadership position in ESG.



The Prologis 3Cs

In 2019, we launched the 3Cs, an evolution of our Five Drivers, to guide our focus and drive success across the organization:

- **Customer Centricity:** We build lifelong partnerships with our customers. We listen, learn and use the power of our scale to solve our customers' pain points.
- **Change Through Innovation and Operational Excellence:** Our teams experiment and evolve to uncover and commercialize creative solutions. We believe the best ideas can come from anywhere.
- **Culture and Talent:** The Prologis culture prioritizes speed and experimentation. We support a workforce of lifelong learners in an atmosphere of responsiveness, reliability and respect.



LED lighting installation at Prologis Park Lehigh Valley West, Lehigh, Pennsylvania

Another Strong Year for ESG

Environmental stewardship, social responsibility and corporate governance (ESG) are embedded in the Prologis DNA.

- Prologis ESG focuses on metrics that connect tightly to our business strategies.
- Our initiatives boost operational efficiencies, build long-term relationships with employees, customers, communities and investors, and ensure resilience across our global platform.
- Our ongoing ESG leadership has been recognized by Corporate Knights' Global 100 Most Sustainable Corporations in the World, the Dow Jones Sustainability World Index and the Global Real Estate Sustainability Benchmark (GRESB), among others.



Chairman and Chief Executive Officer, Hamid R. Moghadam

Dear Fellow Shareholders,

We entered the decade on the heels of an exceptionally strong 2019, during which we set several high-water marks for performance.

In addition to completing our three-year strategic plan and surpassing our cumulative earnings growth expectations, we took our commitment to customers to a new level, completed the acquisitions of two respected peers in our space, made tangible strides in innovation and technology as well as operational excellence, and were recognized widely for our ESG initiatives.

None of this would have been possible without the dedication of our talented and diverse teams across the globe. Every day, they make it their mission to ensure that Prologis continues to be a leader.

2019 Performance

Our performance surpassed expectations materially:

- Core FFO per diluted share grew 10 percent to \$3.31 for the year.
- Our dividend increased 10 percent to \$2.12 per common share.
- Our balance sheet remains one of the best in the business, with liquidity of approximately \$4.8 billion and capacity to raise capital through fund sell-downs of an additional \$7.5 billion.
- The portfolio delivered double-digit net effective rent change of 29.2 percent.
- We continued our industry-leading performance against key benchmarks, outperforming the RMS and RMP REIT indices by approximately 3,000 basis points in the year.

I would also like to note that 2019 was a record year for capital deployment. Development stabilizations were \$2.5 billion with an estimated weighted average margin of 36.9 percent and estimated value creation of \$911 million.

Furthermore, we started \$2.9 billion of new developments, adding 37 million square feet (owned and managed) to our portfolio. Build-to-suits (BTS) were also strong, totaling about 43 percent of our total development activity for the year—specifically, 32 starts totaling 11 million square feet.

While our build-to-suit business continued to thrive in the past year, our customers told us they wanted a more streamlined process—and we listened. The result is our Customer Led Development (CLD) program, which merges our BTS program with the unique advantages of our scale to meet our customers' needs. Our Global Customer Solutions team helped to drive this initiative, and I am proud of how they delivered for our customers.

Prologis Research, the industry's only in-house research team, continued to leverage proprietary data and analytics to ensure efficient distribution solutions for our customers, as well as analytics that help our field teams with operational strategies. They play a critical role in ensuring we stay on top of current opportunities and tomorrow's trends.

“ We set several high-water marks for performance across our global portfolio.”

2019 Milestones

Our scale and operating expertise make it possible for us to acquire assets that allow us to deliver best-in-class service to our customers. Last year, we completed agreements to acquire Industrial Property Trust Inc. and Liberty Property Trust, and as of this letter, those transactions are now complete, bringing our portfolio to nearly a billion square feet. These portfolios are highly complementary to our own, and they increase synergies and our presence in key markets. It is also important to note that our G&A per assets under management is a fraction of other companies'.

“ We have built an enterprise that is capable of executing on major transactions while delivering sector-leading results.

Our Strategic Capital business had a record-breaking year, with its largest third-party equity raise in Prologis history, at \$6.2 billion. Furthermore in 2019, we formed the \$1.7 billion open-ended Prologis China Core Logistics

Fund. Strategic Capital has been instrumental in growing our third-party AUM to more than \$40 billion and delivering record promotes from our co-investment ventures across the globe. Strategic Capital's consistent revenues and ability to raise third-party capital help to ensure that our balance sheet remains the strongest in our industry, with 90 percent of fees coming from long-term or perpetual vehicles. We have one of the best logistics investment track records in the world, and our proven ability to source capital on a global basis ensures we are well-positioned to continue growing the business as well as the scale and quality of our portfolio.

Looking Ahead to 2020—Creating Value Beyond the Real Estate

The Prologis 3Cs

Last year, we debuted our 3Cs, an evolution and simplification of our previous Five Drivers, to restate our focus going forward:

- Customer Centricity
- ChangeThrough Innovation and Operational Excellence
- Culture and Talent



Here are some highlights:

1. Customer Centricity: listen, learn and solve customer pain points.

Examples in action:

CARE Program: What began as an experiment in two U.S. markets (Chicago and Indianapolis) was such a resounding success that it has since been launched globally. CARE—Customer

Appreciation Retention and Engagement—is about getting in front of our customers, person-to-person. Each week, our teams in the field dedicate specific hours to spend with customers—to connect, listen and learn. Knowing our customers better helps us be an even better partner.

Prologis Essentials: Essentials encompasses everything from LED lighting installations, retrofits to racking systems, forklift sourcing and our SolarSmart rooftop renewable energy program.

Net Promoter Score: Last year, we introduced Net Promoter Score (NPS) as part of our Americas Customer Experience survey to measure our customers' experience on our platform. Prologis' global NPS score at year-end was 52, which exceeds the business-to-business industry benchmark and puts us on par with some of the most admired business-to-consumer companies. This score is a baseline from which to build, and a proof point that highlights the dedication and enthusiasm of our customer-facing teams.

2. ChangeThrough Innovation and Operational Excellence: experiment and evolve in pursuit of creative solutions.

Examples in action:

Prologis Ventures: Our venture capital arm and an innovation leader since its inception, Prologis Ventures identifies and advances technologies and business models to help us stay ahead of real estate technology trends and disrupt ourselves from within, while driving new sources of revenue and deepening customer relationships.

“ Prologis Ventures identifies and advances technologies and business models to drive new sources of revenue and deepen customer relationships.

Prologis Labs: Our dedicated innovation incubator in Northern California celebrated its first anniversary in November. The team worked with some of our largest customers to structure and run experiments with the goal of solving customer pain points.

Kaizen: To further bolster our efforts in continuous improvement and operational excellence, we launched three Kaizen events in 2019 and more are planned for 2020. Kaizen workshops have helped us create efficiencies in our leasing and forecasting processes.

3. Culture and Talent: embrace change, build a company of lifelong learners and draw strength from inclusion and diversity.

As we continue to shift to becoming an even more customer-centric organization that is focused on change through innovation, the transition cannot happen without the right culture and team in place. Our culture prioritizes speed and experimentation to create a community of lifelong learners that emphasizes responsiveness, reliability and respect.

At the board of directors level, I am pleased that Ms. Avid Modjtabai, a 27-year Wells Fargo veteran and named one of the “Most Powerful Women in Banking” by American Banker, joined the Prologis board as a new independent director in February 2020. Ms. Modjtabai’s extensive finance and technology expertise, along with her focus on customer experience, will be a significant benefit to our board.

Another Strong Year for ESG

Environmental stewardship, social responsibility and corporate governance (ESG) are embedded in the Prologis DNA. Before I touch on some of our broader ESG accomplishments in 2019, I would like to showcase one of our programs, the Prologis Community Workforce Initiative (CWI), which has made remarkable strides since its inception in 2018.

CWI partners with non-governmental organizations and municipalities to train people for careers in logistics and, in turn, provide our customers with a steady pipeline of skilled and ready labor, helping to solve one of their biggest pain points. This program has opened up opportunities for individuals of all ages and backgrounds, including those in underserved communities. We have developed partnerships with community-based organizations in major logistics markets such as Los Angeles; Tracy, California; Chicago; Miami; New Jersey; Oakland; and Mexico City.

“The Prologis Community Workforce Initiative has made remarkable strides since its inception, and we are excited to take it to the next level.”

As we take CWI to the next level, we look forward to scaling the program to additional markets throughout the U.S. We are developing an online curriculum with Prologis-branded industry certifications and look forward to expanding the program to Mexico and the UK this year. Our goal is to train 25,000 individuals over the next five years.

Ahead of the publication of our ESG Impact Report, I am pleased and humbled to share a handful of our ESG recognitions:

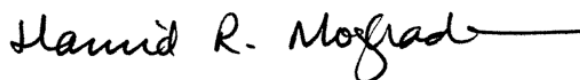
- Top real estate company on the 2020 Global 100 Most Sustainable Corporations in the World list, as well as #6 among U.S. companies and #26 overall.
- Dow Jones Sustainability World Index, which is reserved for the top 10 percent of companies.
- GRESB leader in the Americas and Asia, and top 10 percent for ESG in the world.
- Investor’s Business Daily #3 ranking on “50 Best ESG Companies” list.
- Logix Award for carbon neutral development for our facility in Muggensturm, Germany.
- First issuer of green bonds in the logistics space as well as the first sustainability-linked bank facilities across U.S. REITs.

In Closing...

With a new three-year plan in place, significant embedded rent upside, a well-located land bank and substantial balance sheet capacity, I am confident in Prologis’ ability to navigate potential turmoil in the global economy. We have built a resilient business, and in these difficult times our focus is on the well-being of our employees, customers and the communities in which we operate.

My sincere gratitude goes out to the people of Prologis who turn ideas into reality every day and have demonstrated, over and over, the power of seeking collective successes over individual kudos. We are an organization founded on collaboration, humility and good old-fashioned hard work. I look forward to seeing what our teams will accomplish throughout the rest of this year.

Sincerely,



Hamid R. Moghadam
Chairman and CEO



Senior Leaders

Thomas S. Olinger

Chief Financial Officer

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Hamid R. Moghadam

Chairman of the Board of Directors and Chief Executive Officer

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Eugene F. Reilly

Chief Investment Officer

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Gary E. Anderson

Chief Operating Officer

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Edward S. Nekritz

Chief Legal Officer and General Counsel

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Colleen McKeown

Chief Human Resources Officer

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Michael S. Curlless

Chief Customer Officer

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Chairman of the Board of Directors and Chief Executive Officer

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Cristina G. Bita

Vice President of Finance, Google

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Lydia H. Kennard

Principal, Airport Property Ventures, LLC; Founder and Chief Executive Officer, KDG Construction Consulting

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J. Michael Losh

Former CFO, General Motors; Former Chairman, GMAC

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Irving F. Lyons III

Principal, Lyons Asset Management

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Avid Modjtabai

Senior Executive Vice President, Payments, Virtual Solutions and Innovation, Wells Fargo

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David P. O'Connor

Managing Partner, High Rise Capital Partners, LLC

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Oliver Piani

Chief Executive Officer and Founder of OP Conseils; Senior Consultant, Ardian

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Jeffrey L. Skelton

Former Managing Partner, Resultant Capital Partners

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Carl B. Webb

Senior Partner, Ford Management, LP

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William D. Zollars

Former Chairman, President and Chief Executive Officer, YRC Worldwide Inc.

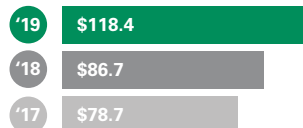
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Financial Highlights

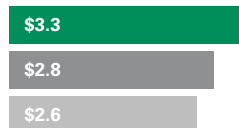
ASSETS UNDER MANAGEMENT

(in billions)



REVENUE SUMMARY

(in billions)



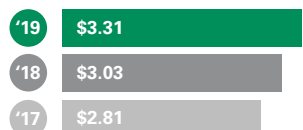
DEVELOPMENT VALUE CREATION¹

(in millions)

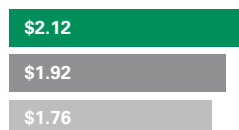


CORE FFO

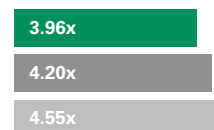
(per diluted share)



DIVIDENDS PER COMMON SHARE



DEBT-TO-EBITDA



Please see Prologis' Annual Report on Form 10-K for the year ended December 31, 2019, and our Q4'19 earnings supplemental for additional detail regarding the financial information presented in this annual report and definitions and reconciliations of non-GAAP measurements, such as Core FFO, GAAP same store NOI and adjusted EBITDA. Regarding securities ratings presented, such ratings are not recommendations to buy, sell or hold securities and are subject to revision or withdrawal at any time by the rating organizations.

1. Prologis' share of estimated value creation from development stabilizations