STATEMENT RE POSSIBLE COMBINATION

PROLOGIS INC

Released 07:00:07 20 July 2026

RNS Number : 9796M
Prologis, Inc.
20 July 2026

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.

THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE.

FOR IMMEDIATE RELEASE

20 July 2026

Third Proposal and Introduction of a Partial Cash Alternative

Introduction

Prologis, Inc. ("Prologis") announces that since its announcement of 24 June 2026, it has made two further proposals to the Board of SEGRO plc ("SEGRO") pursuant to which Prologis would make an offer to acquire the entire issued and to be issued share capital of SEGRO (the "Combination").

Prologis made its second proposal on 10 July 2026 which was rejected on 12 July 2026. Prologis' most recent proposal was made on 16 July 2026 (the "Third Proposal") and rejected on 17 July 2026.

Prologis believes the Third Proposal provides a compelling opportunity for both sets of shareholders and urges SEGRO shareholders to encourage their Board to recommend the Combination.

Prologis has today published a new investor presentation to help shareholders assess the Third Proposal and the Combination.

Our Revised Proposal Delivers Superior Value

The Third Proposal consists of:

- **0.0890 new Prologis shares for each SEGRO share, a 6.0 per cent increase over Prologis' initial proposal; and**

- **a Partial Cash Alternative of up to £2.7bn, representing 20 per cent of the total consideration, at a fixed price of 1,000 pence per SEGRO share, subject to pro-rata scale-back.**

Based on Prologis' closing share price of $149.79 and the GBP:USD exchange of 1.3445 on 17 July 2026, being the last practicable date prior to this announcement, and assuming a shareholder elects for 20 per cent cash, the **Third Proposal values each SEGRO share at 993 pence,** representing:

- **a premium of 9.7 per cent to SEGRO's pro forma adjusted NAV of 905 pence per share as of 30 June 2026;**
- a premium of 33.8 per cent to the closing price of 742 pence per share on 23 June 2026 (being the day prior to the commencement of the offer period);
- a premium of 36.0 per cent to the 1-month volume weighted average share price of 730 pence as of 23 June 2026 (being the day prior to the commencement of the offer period); and
- a premium of 41.1 per cent to the 3-month volume weighted average share price of 704 pence as of 23 June 2026 (being the day prior to the commencement of the offer period).

The Third Proposal values the issued and to be issued share capital of SEGRO at approximately £13.5 billion.

Following completion of the Combination and assuming that the Partial Cash Alternative is fully taken up, existing SEGRO shareholders would hold approximately 9.2 per cent of Prologis' issued share capital.

Prologis also confirms that, in connection with the Combination, it intends to explore the feasibility of a secondary listing of Prologis shares on the London Stock Exchange if there is sufficient investor demand. For any such secondary listing to be feasible, Prologis expects that SEGRO Board engagement with Prologis will be required.

Prologis Global Platform Continues to Deliver, Further Enhancing Our Proposal

Prologis' Q2 2026 results further enhance the Third Proposal and demonstrate growth and value creation across its business lines. Prologis delivered year-on-year same-store NOI growth of 8.5 per cent and year-on-year Core FFO per share growth of 11.6 per cent.

FY'26 H1 data center starts reached $2.1 billion, exceeding previous full-year guidance, and the 5.8 GW power pipeline has more than doubled over the last two years. Prologis also increased 2026 Core FFO per share guidance by 179 basis points at the midpoint.

The Standalone Case Doesn't Add Up

Prologis has thoroughly assessed SEGRO's investor presentation dated 8 July 2026. With deep operating experience in SEGRO's markets, a global development platform and an established end-to-end data center business, Prologis is well positioned to evaluate the claims being made. The facts SEGRO shareholders should consider are clear:

- **SEGRO's Assessment of Value Is Unrealistic**
    - SEGRO's discount rate applied of 8 per cent understates both execution risk and cost of capital in relation to speculative, long-dated, often un-zoned and untenanted development projects.
    - The Paris data center entitlement revocation shows its powered land bank is subject to material risk, which does not appear to be factored into SEGRO's valuation exercise.
- **SEGRO's Own Actions Contradict Its Valuation Claims**
    - SEGRO's defence valuation adds a "cluster" premium, despite planning to dispose of prime assets, including significant development land, into the proposed PSP joint venture at NAV.
    - SEGRO's reported NAV declined 2.2 per cent in the first half of 2026.
- **Shareholders Bear All the Risk**
    - The SEGRO Board rejected the Third Proposal valued at 993 pence (based on an election for 20 per cent of consideration in cash) for value that may never materialise.
    - Questions remain regarding leadership succession.
    - Market evidence does not support a standalone share price consistent with Prologis' proposal.

While Prologis disputes the approach and fundamental basis of the SEGRO defence exercise, Prologis would expect SEGRO to confirm it will apply the same valuation framework and assumptions in its evaluation of Prologis as part of its assessment of the exchange offer and relative value.

SEGRO's 2024 Rejection of Prologis Proposal Was Costly for SEGRO Shareholders

Prologis made an all-share proposal to SEGRO in March 2024 to acquire the entire issued and to be issued share capital of SEGRO (the "March 2024 Proposal"). The March 2024 Proposal implied a headline price of 963 pence per share and a 7.1 per cent premium to NTA.

SEGRO, as with our initial approach announced on 24 June 2026, dismissed the March 2024 Proposal as "opportunistic", stating that "we are not seeking to combine or sell SEGRO" and "we see no merit in the proposed combination".

Had SEGRO engaged in March 2024 and SEGRO shareholders been given the opportunity to consider a firm offer made under Rule 2.7 of the Code on the terms of the March 2024 Proposal and it had become unconditional on its terms, SEGRO shareholders could be 36.5 per cent better off today in share price terms.

References in this statement to the March 2024 Proposal are for factual information purposes only and shall not be construed as indicating any terms of any transaction or offer for the purposes of Rule 2.5 of the Code.

SEGRO Shareholders Face a Clear Choice

Prologis' proposal provides upfront value, greater flexibility and long-term upside opportunity. SEGRO's standalone plan relies on flawless execution of a significant, long-dated development pipeline, substantial third-party funding and an unjustified valuation.

Prologis urges SEGRO shareholders to encourage the Board of SEGRO to recommend the Combination.

The investor presentation published today is available on Prologis' website at https://ir.prologis.com/potential-offer-for-segro-disclaimer subject to certain restrictions.

There can be no certainty that an offer for SEGRO will be made. A further announcement will be made as appropriate.

Important Code Notes

In accordance with Rule 2.6(a) of the Code, Prologis is required, by not later than 5:00 pm (London time) on 22 July 2026, to either announce a firm intention to make an offer for SEGRO in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer for SEGRO, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline may only be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

In accordance with Rule 2.5(a) of the Code, Prologis reserves the right to vary the form and/or mix of consideration as set out in this announcement and/or introduce other forms of consideration. Prologis reserves the right to make an offer for SEGRO at a lower value and/or on less favourable terms than those described in this announcement: (a) with the agreement or recommendation of the Board of SEGRO; (b) if a third party announces a possible or a firm intention to make an offer for SEGRO which, at that date, is of a value less than the value implied by the Third Proposal; or (c) following the announcement by SEGRO of a Rule 9 waiver transaction pursuant to Appendix 1 of the Code or a reverse takeover (as defined in the Code). If after the date of this announcement SEGRO declares, makes or pays any dividend or distribution or other return of capital to its shareholders, Prologis reserves the right to make an equivalent reduction to terms of the Third Proposal or an equalisation dividend to a common date.

The Partial Cash Alternative

The maximum aggregate amount of the partial cash alternative is £2.7 billion, representing approximately 20 per cent of the total value of the consideration based on the offer price of 993 pence per share (the "Partial Cash Alternative").

SEGRO shareholders who validly elect to receive the Partial Cash Alternative for the basic entitlement (equal to 20 per cent of the fixed cash amount of a fixed 1,000 pence per share) would receive 200 pence in cash and would also receive 0.0712 new Prologis shares for each SEGRO share.

SEGRO shareholders may elect to receive cash consideration less than, or in excess of, their basic entitlement. Elections to receive cash in excess of this basic entitlement may be scaled back pro rata, depending upon the overall level of take-up of the Partial Cash Alternative.

The Partial Cash Alternative would not affect the entitlements of those SEGRO shareholders who do not elect for it, each of whom would receive 0.0890 new Prologis shares for each SEGRO share.

Enquiries:

Prologis, Inc.

Tim Arndt, Chief Financial Officer	**+1 (415) 394-9000**
Justin Meng, Global Head of Investor Relations & Strategic Initiatives	**+1 (347) 544-1393**
Jennifer Nelson, Senior Vice President, Global Communications	**+1 (415) 999-9327**

Rothschild & Co **+44 (0) 207 280 5000**

Alex Midgen

Matthew Greenberger

Sam Green

J.P. Morgan **+44 (0) 20 3493 8000**

James Robinson

Saravanan Nagappan

Thomas Grier

Eastdil Secured **+44 (0) 20 7074 4950**

Max von Hurter

BofA Securities **+44 (0) 20 7628 1000**

Ed Peel

Stephen Little

Geoff Iles

Jeff Horowitz

Brunswick Group **+44 (0)20 7404 5959**

Simon Sporborg

Nina Coad

Stuart Hudson

Linklaters LLP is retained as legal adviser to Prologis.

Further information

N.M. Rothschild & Sons Limited ("Rothschild & Co"), which is authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom, and J.P. Morgan Securities LLC, together with its affiliate J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove and which is authorised in the United Kingdom by the Prudential Regulation Authority ("PRA") and regulated in the United Kingdom by the PRA and the FCA) (together "J.P. Morgan"), Eastdil Secured International Limited (**"**Eastdil Secured**"** or "ESI") which is authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom, and Merrill Lynch International ("BofA Securities"), which is authorised by the PRA and regulated by the FCA and PRA in the United Kingdom, are each acting exclusively for Prologis and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Prologis for providing the protections afforded to their respective clients or for providing advice in connection with the subject matter of this announcement. This announcement is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or pursuant to an exemption from registration under the Securities Act of 1933, as amended.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on Website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available subject to certain restrictions relating to persons resident in restricted jurisdictions on Prologis' website at https://ir.prologis.com/ promptly and in any event by no later than 12 noon (London time) on 21 July 2026. The content of this website is not incorporated into and does not form part of this announcement.

Forward-Looking Statements

The statements in this announcement 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 Prologis and SEGRO operate as well as management's beliefs and assumptions. Such statements involve uncertainties that could significantly impact Prologis' or SEGRO's financial results. Words such as "expects," "anticipates," "intends," "believes," "would," "could," "should" 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 Prologis expects or anticipates will occur in the future - including statements relating to any possible transaction between Prologis and SEGRO , rent and occupancy growth, acquisition and development activity, including data center developments and power procurement related thereto, contribution and disposition activity, general conditions in the geographic areas where Prologis and SEGRO operate, expectations regarding new lines of business, Prologis' and SEGRO's respective debt, capital structure and financial position, Prologis' ability to earn revenues from co-investment ventures or 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 Prologis believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, Prologis can give no assurance that its 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) the ultimate outcome of any possible transaction between Prologis and SEGRO, including the possibility that SEGRO will continue to reject any proposed transaction with Prologis; (ii) uncertainties as to whether SEGRO will cooperate with Prologis regarding any proposed transaction; (iii) the effect of the announcement of any proposed transaction on the ability of Prologis and SEGRO to operate their respective businesses and retain and hire key personnel and to maintain favourable business relationships; (iv) the timing of any proposed transaction; (v) the ability to satisfy closing conditions to the completion of any proposed transaction (including shareholder approvals); (vi) other risks related to the completion of any proposed transaction and actions related thereto; (vii) international, national, regional and local economic and political climates and conditions; (viii) changes in global financial markets, interest rates and foreign currency exchange rates; (ix) increased or unanticipated competition for Prologis' or SEGRO's properties; (x) risks associated with acquisitions, dispositions and development of properties, including those specific to data center development and the integration of the operations of significant real estate portfolios; (xi) maintenance of Real Estate Investment Trust ("REIT") status, tax structuring and changes in income tax laws and rates; (xii) availability of financing and capital, the levels of debt that Prologis and SEGRO maintain and their credit ratings; (xiii) risks related to Prologis' investments in and management of its co-investment ventures, including the ability to establish new co-investment ventures; (xiv) risks of doing business internationally, including currency risks; (xv) environmental uncertainties, including risks of natural disasters; (xvi) risks related to global pandemics; and (xvii) those additional factors discussed under Part I, Item 1A. Risk Factors in Prologis' Annual Report on Form 10-K for the year ended December 31, 2025. Prologis undertakes no duty to update any forward-looking statements appearing in this announcement except as may be required by law.

Sources and Bases

- Share price and volume weighted average share price data is derived from FactSet
- £2.7bn Partial Cash Alternative is a rounded figure
- GBP:USD exchange rate of 1.3445 at market close on 17 July 2026 per FactSet
- The value attributed to SEGRO's issued share capital (and therefore the value of the Combination) is based upon fully diluted share capital of 1,361,290,607 SEGRO ordinary shares of 10 pence each, comprising:
  - 1,354,090,872 ordinary shares in issue as of 16 July 2026 as announced by SEGRO pursuant to Rule 2.9 of the Takeover Code (with no shares held in treasury); and
  - 7,199,735 shares relating to SEGRO's share schemes, derived from SEGRO's 2025 Annual Report. This figure is net of shares held by the SEGRO Employee Benefit Trust
- Prologis' issued share capital is based upon fully diluted share capital of 960,679,487 shares at par value of $0.01 per share, comprising:
  - 933,028,487 shares of common stock at par value of $0.01 per share; and
  - 27,651,000 shares relating to Prologis' share schemes, derived from Prologis' public filings.
- See-through value of the offer calculates as the PLD share price of $149.76 divided by the GBP:USD exchange rate of 1.3445 and multiplied by 0.0712x (being the exchange ratio multiplied by 80 per cent per the basic entitlement outlined below) and plus 200 pence (being the cash basic entitlement)
- Discount to EPRA NTA is calculated as the see-through value of the offer at the Exchange Ratio divided by the SEGRO pro forma adjusted 30 June 2026 NAV of 905 per the Trading Update dated 8 July 2026
- Basic entitlements under the Partial Cash Alternative calculated as (i) exchange ratio of 0.0890 multiplied by 80%; and (ii) the fixed cash amount per share of 1,000 pence multiplied by 20%
- SEGRO's shareholding in the enlarged group is calculated as (i) newly issued Prologis shares of 96,923,891 (calculated as 1,361,290,607 SEGRO shares multiplied by 0.0712 exchange ratio at the basic entitlement); divided by (ii) the enlarged group issued share capital of 1,057,603,378 (equal to the existing Prologis fully diluted issued share capital of 960,679,487 plus the newly issued shares of 96,923,891)
- Prologis' power pipeline as of Q226 is as set out in Prologis' quarterly earnings release and supplemental information
- Under the terms of the March 2024 Proposal, SEGRO shareholders would have received 0.092 new Prologis shares for each SEGRO share held, which at the prevailing Prologis share price of $133.08 and exchange rate (GBP: USD 1.2745) as at the date of the March 2024 Proposal would have implied an offer value of 963 pence per SEGRO share.

- The discount to NTA for the March 2024 Proposal is calculated as the offer value of 963 pence (see above) divided by the SEGRO adjusted NAV of 899 pence. This represents the 31 December 2023 EPRA NTA of 907 pence, pro forma for the impact of SEGRO's £907 million equity raise in February 2024.
- Between the date of the March 2024 Proposal to the day prior to the commencement of the offer period, the SEGRO share price has decreased by 15.0 per cent. and the Prologis share price has increased by 9.1 per cent.
- 36.5 per cent difference calculated as the Prologis share price on 23 June 2026 of $145.25 divided by the GBP:USD rate of 1.3196 and multiplied by the exchange ratio of 0.092x which equals 1,013 pence. This is then divided by the SEGRO share price on 23 June 2026 of 742 pence.
- Prologis Q2 Earnings metrics are taken from the Q2 Earnings Release, Supplemental Financial Report and Investor Fact Sheet. All published on 16 July 2026.
- SEGRO discount rate of 8 per cent for development properties and data center development is sourced from the SEGRO "Sources of information and basis of calculation" posted on the microsite.
- SEGRO NTA decline of 2.2 per cent calculated as the 30 June 2026 pro forma NTA of 905 pence divided by the SEGRO EPRA NTA of 925 pence as at 31 December 2025, minus 1

END