Ingka Centres ApS

Mårkærvej 16
DK-2630 Taastrup

CVR no. 25 92 99 34

Annual report 1 September 2021 - 31 August 2022

The annual report was presented and approved at the Company's annual general meeting

on ______________________________ 20 ____

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Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ingka Centres ApS for the financial year 1 September 2021 – 31 August 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 August 2022 and of the results of the Company's operations for the financial year 1 September 2021 – 31 August 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Taastrup, 24 February 2023
Executive Board:

John Rasmussen

Board of Directors:

Milen Mitkov Gentchev Chairman	Anna Ulrike Andersson	Matthew James Drage

Independent auditor's report

To the shareholders of Ingka Centres ApS

Opinion

We have audited the financial statements of Ingka Centres ApS for the financial year 1 September 2021 – 31 August 2022, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities, and financial position at 31 August 2022 and of the results of the Company's operations for the financial year 1 September 2021 – 31 August 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters in the financial statements

We draw attention to note 1 "Accounting policies" to the financial statements, in which it is described that Management has decided to dissolve the Company in the future. Therefore, the financial statements have not been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

— conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— evaluate the overall presentation, structure, and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed; we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

København, 24 February 2023
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Kim Schmidt
State Authorised
Public Accountant
mne34552

Management's review

Company details

Ingka Centres ApS
Mårkærvej 16
DK-2630 Taastrup

CVR no.	25 92 99 34
Established:	1 January 2001
Registered office:	Taastrup
Financial year:	1 September 2021 – 31 August 2022

Board of Directors

Matthew James Drage
Milen Mitkov Gentchev
Anna Ulrike Andersson

Executive Board

John Rasmussen

Shareholders

Ingka Centres Asia B.V.
Bargelaan 20
NL-2333 CT Leiden
The Netherlands

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Principal activities

The Company’s principal activities are trade, investment and financing and any other related business.

Management's review

Operating review

Principal activities

The group of Ingka Centres develops and operates Meeting Places for the many people anchored by IKEA stores. The group offers great opportunities to develop Meeting Places of the future, strengthen relations with tenants and spread retail ideas across borders. The group of Ingka Centres strives to create unique Meeting Places where both the IKEA store and tenants benefit from the synergy created by the retail centre and the IKEA store being located side by side.

The group of Ingka Centres ApS owns 3 Meeting Places in China through its subsidiaries and has projects for another 3 Meeting Places.

Significant changes in the Company's activities and financial position

During the reporting period, Ingka Centers A/S and its subsidiaries Ingka Centres Investments One-Six A/S have been converted from A/S to ApS.

Subsidiaries (Ingka Centres Investments One-Six ApS) have been merged vertically up to their Parent Company wirh Ingka Centers ApS as the continuing entity. The effect of the merger is presented in the equity statement.

It has been decided to dissolve the company in the future.

Before the dissolution, the Company will pay out a dividend consisting of all shares in subsidiaries. The financial statements have not been prepared on a going concern basis.

Events after the balance sheet date

On 21 October 2022, an extraordinary general meeting of Ingka Centres ApS was held where shareholders decided to pay an extraordinary dividend consisting of the Company's shares in Asia Center Holding B.V, Ingka Centres China B.V, Ingka Centres Investments One B.V, Ingka Centres Investments Three B.V, Ingka Centres Investments Four B.V, Ingka Centres Investments Five B.V, Ingka Centres Investments Six B.V.

Financial statements 1 September 2021 – 31 August 2022

Income statement

DKK'000	Note	1 Sep 2021 – 31 Aug 2022	1 Sep 2020 – 31 Aug 2021
Gross profit		-698	14,170
Other financial income	3	4	0
Other financial expenses	4	-144	-108
Profit/loss before tax		**-838**	**14,062**
Tax on profit/loss for the year		45	67
Profit/loss for the year		**-793**	**14,129**

Proposed profit appropriation/distribution of loss

Retained profit/loss		-793	-5.871
Proposed dividend		0	20,000
Total appropriation		**-793**	**14,129**

Financial statements 1 September 2021 – 31 August 2022

Balance sheet

DKK'000	Note	31 Aug 2022	31 Aug 2021
ASSETS			
Investments			
Investments in group entities	5	11,271,659	10,893,414
		11,271,659	10,893,414
Total fixed assets		11,271,659	10,893,414
Current assets			
Receivables from group entities		45	30,411
Other receivables		86	36
Cash		136,199	10,851
Total current assets		136,330	41,298
TOTAL ASSETS		**11,407,989**	**10,934,712**

Financial statements1 September 2021 – 31 August 2022

Balance sheet

DKK'000	Note	31 Aug 2022	31 Aug 2021
EQUITY AND LIABILITIES			
Equity			
Share capital		131,918	131,917
Share premium		0	10,262,185
Retained profit		11,275,552	514,476
Proposed dividend		0	20,000
Total equity		11,407,470	10,928,578
Short-term liabilities			
Trade payables		225	0
Liabilities to group entities		209	5,929
Accrued expense		85	205
Total liabilities		519	6,134
TOTAL EQUITY AND LIABILITIES		**11,407,989**	**10,934,712**
Ownership	6		
Contractual obligations and contingencies, etc.	7		

Financial statements 1 September 2021 – 31 August 2022

Statement of changes in equity

DKK'000	Contributed capital	Share premium account	Retained earnings	Proposed dividends	Total
Balance at 1 September 2021	131,917	10,262,185	514,476	20,000	10,928,578
Capital contribution	0	409,074	0	0	409,074
Capital injection	1	134,999	0	0	135,000
Profit for the period	0	0	-793	0	-793
Dividends received	0	0	10,000	0	10,000
Dividends paid	0	0	0	-20,000	-20,000
Net effect from merger	0	0	-54,389	0	-54,389
Transfer from share premium acc	0	-10,806,258	10,806,258	0	0
Equity at 31 August 2022	131,918	0	11.275.552	0	11.407.470*

*Subsequent to the balance sheet date there has been an extraordinary dividend pay-out of the shares in subsidiaries.

Share capital

EUR'000	31 Aug 2022
The share capital is divided as follows:	
177,117 shares in the denomination of EUR 100	17,712

Movements in share capital

	2021/22	2021/20	2020/19	2019/18	2018/17
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
1 September 2021	131,917	131,917	131,917	131,917	131,917
Capital increase	1	0	0	0	0
31 August 2022	131,918	131,917	131,917	131,917	131,917

Financial statements 1 September 2021 – 31 August 2022

Notes

1 Accounting policies

The Financial statements of Ingka Centres ApS for 1 September 2021 – 31 August 2022 have been prepared in accordance with the Danish Financial Statements Act as regards reporting class B entities with opt-in from higher reporting classes.

Management has decided to dissolve the company in the future.

The financial statements have not been prepared on a going concern basis.

As a consequence of the upcoming close-down of the Company, the classification of certain fixed assets and non-current liabilities was changed in 2022, and fixed assets that are expected to be sold are measured at realisable values. Similarly, when the realisable value exceeds amortised cost, liabilities are measured at realisable values.

Apart from the above, the financial statements have been prepared based on the same accounting policies as last year.

Reporting currency

The financial statements are presented in DKK.

Principal accounting policies

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will flow out of the Company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement take into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables, and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 September 2021 – 31 August 2022

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Consolidated financial statements

In accordance with section 112(1) of the Danish Financial Statements Act, consolidated financial statements have not been prepared.

Income statement

Net revenue

Net revenue is measured net of VAT and other indirect taxes charged on behalf of third parties. Revenue consists of management fee from group entities.

Other operating income and expenses

Other operating income and expenses include items of a secondary nature relative to the entity's core business.

Other external expenses

Other external expenses include expenses related to administration, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items "Net revenue", "Other operating income" and "Other external expenses" are consolidated into one item designated “Gross profit".

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Amortisation/depreciation and write-downs

Amortisation/depreciation includes amortisation/depreciation and write-downs of trademarks. Fixed assets are amortised/depreciated using the straight-line method, based on the cost measured by reference to the below assessments of the useful lives and residual values of the assets.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year

The tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that can be attributed to profit for the year.

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Balance sheet

Investment in group entities

Investments in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Dividends from subsidiaries are recognised in the income statement for that accounting year, in which the dividend is declared. However, if the distributed dividend exceeds the accumulated earnings after the acquisition, the cost of the investment is reduced by the exceeding amount.

Impairment of non-current assets

The carrying amount of investments in subsidiaries is subject to an annual test for indications of impairment.

Impairment tests are conducted of individual assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

Receivables from group entities

Receivables from group entities are measured at amortised cost which usually corresponds to nominal value. Write-downs are provided to meet expected losses.

Other receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Financial statements 1 September 2021 – 31 August 2022

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Provision

Provisions comprise expected expenses relating to guarantee commitments, restructurings, etc. Provisions are recognised when, at the balance sheet date, the entity has a legal or constructive obligation, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions expected to be settled after more than one year after the balance sheet date is measured at the net present value of the expected payments. Other provisions are measured at net realisable value.

Financial liabilities

Financial liabilities are measured at amortised cost which usually corresponds to nominal value.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Equity and merger effect

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Company. The uniting of interests is considered completed as from the earliest accounting period included in the annual report, however, no earlier than the date when the companies became subject to joint control, including restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

Financial statements 1 September 2021 – 31 August 2022

Notes

2 Going concern

Management has decided to dissolve the Company in the future. Subsequent to the balance sheet date the Company has paid out the shares in subsidiaries to its parent company. The financial statements have not been prepared on a going concern basis.

DKK'000	1 Sep 2021 – 31 Aug 2022	1 Sep 2020 – 31 Aug 2021
3 Other financial income		
Foreign exchange gains	4	0
Total	4	0
4 Other financial expenses		
Exchange losses	144	108
Total	144	108
5 Investments in group entities		
Cost 1 September 2021	10,940,585	10,940,585
Additions	378,245	0
Disposals for the year	0	0
Cost at 31 August 2022	11,318,830	10,940,585
Impairment losses 1 September 2021	47,171	47,171
Disposals for the year	0	0
Impairment losses 31 August 2022	47,171	47,171
Carrying amount 31 August 2022	11,271,659	10,893,414

6 Ownership

The following shareholders are recorded in the Company's register of shareholders as owning minimum 5% of the votes or the share capital:

Ingka Centres Asia B.V., Leiden, The Netherlands

The largest and smallest group's consolidated financial statements that the Company is part of are prepared by:

Ingka Holding B.V., The Netherlands, commercial reg. no. 33773748

Financial statements 1 September 2021 – 31 August 2022

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7 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company is jointly taxed with IKEA A/S, which acts as administrative company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes from the entity.