

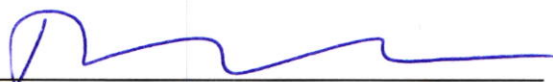
Ingka Centres Investments Three A/S

ANNUAL REPORT

1st of September 2017 – 31st of August 2018

10. FINANCIAL YEAR

The annual report has been discussed and approved at the Company's annual general assembly on 12 / 12 2018.



Chairman of AGM

CONTENTS

| | Page |
|---|-------|
| Company details | |
| Management review | 3 |
| Statement and Report | |
| Statement of Board of Directors and Board of executives | 4 |
| Independent Auditors' Report | 5-6 |
| Financial Statements 1. September 2017 - 31. August 2018 | |
| Accounting Policies | 7-9 |
| Income Statement..... | 10 |
| Balance Sheet..... | 11-12 |
| Notes | 13-14 |

COMPANY INFORMATION

| | |
|----------------------|--|
| Company | Ingka Centres Investments Three A/S Amager Strandvej 390 2770 Kastrup |
| Board of Directors | Gerardus Groener Monica Östberg Eva Bång |
| Board of Executives | Tord Andersson |
| Shareholder | Ingka Centres A/S Amager Strandvej 390 2770 Kastrup |
| Auditors | Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4 2000 Fredriksberg Denmark |
| Principal activities | The company's principal activities are trade, investment and financing and any other related business. |

MANAGEMENT REVIEW

The business

The group of Ingka Centres develops and manages shopping centres 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 restructuring of the holding structure of the Chinese shopping centres has been finalized during the year.

Ingka Centres Investment Three A/S owns one shopping centre in China.

Development in the financial year and result for the year

This year's result, DKK ('000) -1 relates to financial costs.

Special risks and events after the end of the financial year

No special risks and events have taken place after the closing of the financial year.

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ingka Centres Investment Three A/S for the financial year 1 September 2017 - 31 August 2018.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 August 2018 and of the results of the Company's operations for the financial year 1 September 2017 - 31 August 2018.

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

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

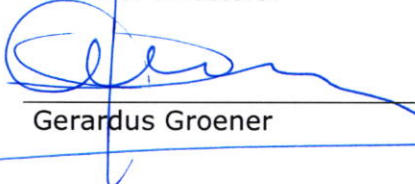
Copenhagen, 18th of December 2018

Board of Executives:

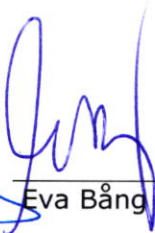


Tord Andersson

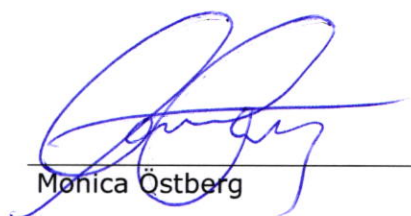
Board of Directors:



Gerardus Groener



Eva Bång



Monica Östberg

INDEPENDENT AUDITORS REPORT

To the shareholders of Ingka Centres Investments Three A/S

Opinion

We have audited the financial statements of Ingka Centres Investments Three A/S for the financial year 1 September 2017 – 31 August 2018, which comprise an income statement, balance sheet, statement of changes in equity 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 financial position of the Company at 31 August 2018 and of the results of the Company's operations for the financial year 1 September 2017 – 31 August 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities 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 as 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 users taken on the basis of the financial statements.

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

Independent auditor's report

- Identify and assess the risks of material misstatement of the 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 conclusion is 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 note 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.

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 our procedures, 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 18 December 2018

Ernst & Young

Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Henrik Reedtz
State Authorised Public Accountant
MNE-nr.: mne24830


Kaare Kristensen Lendorf
State Authorised Public Accountant
MNE-nr.: mne33819

ACCOUNTING POLICIES

The Financial statements of Ingka Centres Investments One A/S for 1 September 2017 - 31 August 2018 have been prepared in accordance with the Danish Financial Statements Act as regards reporting class B enterprises.

The financial statements have been prepared in accordance with the same accounting policies as last year.

Reporting currency

The financial statements are presented in DKK.

Principal accounting policies

Income is recognized in the income statement when earned, whereas costs are recognized 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 takes 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 at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and 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 at 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.

Consolidated financial statements

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

INCOME STATEMENT

Other external expenses

Other external expenses include expenses related to administration, etc.

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, and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity.

BALANCE SHEET

Investment in group enterprises

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 recognized 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 enterprises

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

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.

INCOME STATEMENT

| | Note | 1 Sept 2017 - 31 Aug 2018 DKK '000 | 1 Sept 2016 - 31 Aug 2017 DKK '000 |
|--|-------------|--|--|
| Other external expenses | | 0 | 0 |
| Other financial expense | 1 | -1 | -1 |
| PROFIT BEFORE TAX | | -1 | -1 |
| Tax on profit | | 0 | 0 |
| PROFIT FOR THE YEAR | | -1 | -1 |
| PROPOSED DISTRIBUTION OF PROFIT | | | |
| Retained profit | | -1 | -1 |

BALANCE SHEET

| ASSETS | Note | 31 Aug 2018 DKK '000 | 31 Aug 2017 DKK '000 |
|------------------------------------|-------------|-------------------------------------|-------------------------------------|
| Financial assets | | | |
| Investments in group enterprises | 3 | 1.337.980 | 1.337.607 |
| | | 1.337.980 | 1.337.607 |
| TOTAL FIXED ASSETS | | 1.337.980 | 1.337.607 |
| Current assets | | | |
| Receivables from group enterprises | | 3.722 | 3.722 |
| Cash and short-term deposits | | 482 | 483 |
| | | 4.204 | 4.205 |
| TOTAL ASSETS | | 1.342.184 | 1.341.812 |

BALANCE SHEET

| EQUITY AND LIABILITIES | Note | 31 Aug 2018 DKK '000 | 31 Aug 2017 DKK '000 |
|---|-------------|-------------------------------------|-------------------------------------|
| Equity | 4 | | |
| Share capital | | 9.837 | 9.837 |
| Share premium | | 1.343.975 | 1.343.975 |
| Retained profit | | -12.264 | -12.263 |
| | | 1.341.548 | 1.341.549 |
| Short-term liabilities | | | |
| Liabilities to group enterprises | | 636 | 263 |
| | | 636 | 263 |
| TOTAL LIABILITES | | 636 | 263 |
| TOTAL EQUITY AND LIABILITIES | | 1.342.184 | 1.341.812 |
| Number of employees | 2 | | |
| Ownership | 5 | | |
| Transactions with related parties | 6 | | |
| Contractual obligations and contingencies, etc. | 7 | | |

NOTES

| | 2018 DKK '000 | 2017 DKK '000 |
|---|-------------------------|-------------------------|
| Note 1 | | |
| Other financial expenses | | |
| Interest | -1 | -1 |
| Note 2 | | |
| The company has no employees | | |
| Note 3 | | |
| Investments in group enterprises | | |
| Cost 1 January | 1.337.607 | 1.337.607 |
| Other adjustments | 373 | 0 |
| Cost at 31 August | 1.337.980 | 1.337.607 |
| Impairments, beginning of year | 0 | 0 |
| Impairments at 31 August | 0 | 0 |
| Carrying amount 31 August | 1.337.980 | 1.337.607 |

Investments break down as follows (DKK '000)

| | Ownership | Equity 31 August 2018 | Result for the year 1 Sep 2017 - 31 Aug 2018 |
|------------------------------------|------------------|--------------------------------------|---|
| Ingka Centres Investments Three BV | 100% | 1.667.490 | -7 |

| | Share capital DKK '000 | Share premium DKK '000 | Retained profit DKK '000 | Total DKK '000 |
|--|--------------------------------------|--------------------------------------|--|--------------------------|
| Note 4 | | | | |
| Equity | | | | |
| Equity 1 September 2017 | 9.837 | 1.343.975 | -12.263 | 1.341.549 |
| Proposed distribution of profit for the year | 0 | 0 | -1 | -1 |
| Equity 31 August 2018 | 9.837 | 1.343.975 | -12.264 | 1.341.548 |

NOTES

Note 4 (cont)

2018
EUR '000

Share capital

The share capital is divided as follows:

13.203 shares in the denomination of EUR 100 1.320

| Movements in share capital: | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| 1 September | 9.837 | 9.837 | 9.837 | 9.837 | 9.837 |
| 31 August | 9.837 | 9.837 | 9.837 | 9.837 | 9.837 |

Note 5

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 A/S, Denmark (majority shareholder)

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

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

Note 6

Transactions with related parties

All transactions with related parties are made at arms-length principal.

Note 7

Contractual obligations and contingencies, etc.

Other contingent liabilities

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