

Ingka Centres Investments Three A/S
ANNUAL REPORT
1 September 2020 – 31 August 2021
13TH FINANCIAL YEAR

The annual report has been discussed and approved at the Company's annual general assembly on 23/11 2021.



Milen Mitkov Gentchev
Chairman of AGM

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COMPANY INFORMATION

Company	Ingka Centres Investments Three A/S Mårkærvej 15 2630 Taastrup
Board of Directors	Matthew James Drage Anna Ulrike Andersson Milen Mitkov Gentshev
Board of Executives	John Rasmussen
Shareholder	Ingka Centres A/S Mårkærvej 15 2630 Taastrup
Auditors	KPMG P/S Dampfærgevej 28 2100 København Ø 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 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.

Ingka Centres Investment Three A/S owns one Meeting Place in China through its Dutch subsidiary.

Development in the financial year and result for the year

This year's result amounts to DKK -30 thousand compared to DKK -97 thousand in 2019/20.

In early 2020, an outbreak of Covid-19 have affected large parts of the world. As a result of the outbreak of Covid-19 sales in our subsidiaries have been affected due to forced and voluntary closure of stores.

As the outbreak occurred before 31 August 2020 the effect of the uncertainties have been reflected in the valuation of the company's underlying assets and thus reflected in the company's annual accounts.

Events after the end of the financial year

No 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 2020 - 31 August 2021.

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 2021 and of the results of the Company's operations for the financial year 1 September 2020 - 31 August 2021.

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.

Taastrup, 23 November 2021

Board of Executives:



John Rasmussen

Board of Directors:

DocuSigned by:




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Matthew James Drage



Milen Mitkov-Gentchev



Anna Ulrike Andersson

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 2020 – 31 August 2021, 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 2021 and of the results of the Company's operations for the financial year 1 September 2020 – 31 August 2021 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' Code of Ethics for Professional Accountants (IESBA Code) and the 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 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.

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.

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.

Copenhagen, 23 November 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Kim Schmidt

State Authorised

Public Accountant

mne34552

INCOME STATEMENT

		1 Sept 2020 - 31 Aug 2021	1 Sept 2019 - 31 Aug 2020
	Note	DKK '000	DKK '000
Other external expenses		-36	-122
Other financial expense	2	-3	-3
PROFIT BEFORE TAX		-39	-125
Tax on profit		9	27
PROFIT FOR THE YEAR		-30	-97
PROPOSED DISTRIBUTION OF PROFIT			
Retained profit		-1,030	-97
Proposed dividend		1,000	0
Proposed distribution of profit		-30	-97

BALANCE SHEET

ASSETS	Note	31 Aug 2021 DKK '000	31 Aug 2020 DKK '000
Financial assets			
Investments in group enterprises	3	1.338.912	1.338.912
		1.338.912	1.338.912
TOTAL FIXED ASSETS		1.338.912	1.338.912
Current assets			
Receivables from group enterprises		9	3.750
Cash		1.737	427
		1.746	4.177
TOTAL ASSETS		1.340.658	1.343.089

BALANCE SHEET

EQUITY AND LIABILITIES	Note	31 Aug 2021 DKK '000	31 Aug 2020 DKK '000
Equity	4		
Share capital		9.837	9.837
Share premium		1.343.975	1.343.975
Proposed dividend		1.000	
Retained profit		-14.209	-13.179
		1.340.603	1.340.633
Short-term liabilities			
Liabilities to group enterprises		0	2.384
Other short-term liabilities		55	72
		55	2.456
TOTAL LIABILITES		55	2.456
TOTAL EQUITY AND LIABILITIES		1.340.658	1.343.089
Number of employees	5		
Ownership	6		
Contractual obligations and contingencies, etc.	7		

Note 1

ACCOUNTING POLICIES

The Financial statements of Ingka Centres Investments Three A/S for 1 September 2020 - 31 August 2021 have been prepared in accordance with the Danish Financial Statements Act as regards reporting class B enterprises with options from higher reporting classes.

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.

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.

NOTES

	2021 DKK '000	2020 DKK '000
Note 2		
Other financial expenses		
Interest	-3	-3
	-3	-3

Note 3**Investments in group enterprises**

Cost 1 January	1.338.912	1.337.980
Additions	0	932
Cost at 31 August	1.338.912	1.338.912

Carrying amount 31 August	1.338.912	1.338.912
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Investments break down as follows (DKK '000)

	Ownership	Equity 31 August 2021	Result for the year 1 Sep 2020 - 31 Aug 2021
Ingka Centres Investments Three BV	100%	1.664.355	0

	Share capital DKK '000	Share premium DKK '000	Retained profit DKK '000	Proposed dividend DKK '000	Total DKK '000
Note 4					
Equity					
Equity 1 September	9.837	1.343.975	-13.179	0	1.340.633
Proposed distribution of profit for the year	0	0	-1.030	1.000	-30
Equity 31 August	9.837	1.343.975	-14.209	1.000	1.340.603

NOTES

Note 4 (cont)

2021
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:	2021	2020	2019	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
1 September	9.837	9.837	9.837	9.837	9.837
31 August	<u>9.837</u>	<u>9.837</u>	<u>9.837</u>	<u>9.837</u>	<u>9.837</u>

Note 5

The company has no employees

Note 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 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 7

Contractual obligations and contingencies, etc.

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.