

Ingka Centres Investments Five A/S
ANNUAL REPORT
1 September 2018 – 31 August 2019
3RD FINANCIAL YEAR

The annual report has been discussed and approved at the Company's annual general assembly on / 2020.

Tord Andersson
Chairman of the AGM

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COMPANY INFORMATION

Company	Ingka Centres Investments Five A/S Amager Strandvej 390 2770 Kastrup
Board of Directors	Gerardus Groener Monica Östberg Milen Mitkov Gentchev
Board of Executives	John Rasmussen
Shareholder	Ingka Centres A/S Amager Strandvej 390 2770 Kastrup
Principal activities	The company's principal activities are trade, investment and financing and any other related business.

MANAGEMENT REVIEW

The business

The group of IKEA 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 IKEA 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 Five A/S owns one shopping centre under development in China through its Dutch subsidiary.

Development in the financial year and result for the year

This year's result amounts to DKK -1,446 thousand compared to DKK 228 thousand last year.

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 Board of Executive have today discussed and approved the annual report of Ingka Centres Investment Five A/S for the financial year 1 September 2018 - 31 August 2019.

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 2019 and of the results of the Company's operations for the financial year 1 September 2018 – 31 August 2019.

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, 30 January 2020

Board of Executives

John Rasmussen

Board of Directors:

Gerardus Groener

Milen Mitkov Gentchev

Monica Östberg

ACCOUNTING POLICIES

The Financial statements of Ingka Centres Investments Five A/S for 1 September 2018 – 31 August 2019 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 based on 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 operating income and expenses

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

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 other than the decrease in value reflected by depreciation or amortization.

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.

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

	1 Sep 2018 - 31 Aug 2019	1 Sep 2017 - 31 Aug 2018
Note	DKK '000	DKK '000
Other operating income	9	0
Other external expenses	-1.452	0
Other financial income	0	292
Other financial expenses	1 -2	0
PROFIT BEFORE TAX	-1.445	292
Tax on profit	-1	-64
PROFIT FOR THE YEAR	-1.446	228
PROPOSED DISTRIBUTION OF PROFIT		
Retained profit	-1.446	228

BALANCE SHEET

ASSETS	Note	31 Aug 2019 DKK '000	31 Aug 2018 DKK '000
Current Assets			
Investments in group enterprises	2	2.983.642	2.973.236
Receivables from group enterprises		17	17
Cash at banks		389	755
		2.984.048	2.974.008
TOTAL ASSETS		2.984.048	2.974.008

BALANCE SHEET 31. AUGUST

EQUITY AND LIABILITIES	Note	31 Aug 2019 DKK '000	31 Aug 2018 DKK '000
Equity	3		
Share capital		521	521
Share premium account		2.983.232	2.972.826
Retained profit		-1.277	169
		2.982.476	2.973.516
Liabilities to group enterprises		1.572	428
Other short term liabilities		0	64
Current liabilities		1.572	492
LIABILITES		1.572	492
TOTAL EQUITY AND LIABILITIES		2.984.048	2.974.008
Number of employees	4		
Ownership	5		
Contractual obligations and contingencies, etc.	6		

NOTES**1 Sept 2018 - 1 Sept 2017 -
31 Aug 2019 31 Aug 2018**

DKK '000 DKK '000

Note 1**Other financial expenses**

Other interest expenses including foreign exchange gains

-2	0
-2	0

Note 2**Investments in group enterprises**

Cost 1 September

2.973.236 2.972.863

Investments in group enterprises

10.406 373

Cost at 31 August**2.983.642 2.973.236****Impairment at 31 August****0 0****Carrying amount 31 August****2.983.642 2.973.236****Name of group enterprise and ownership**

	Ownership	Equity 31 August 2019	Result 1 Sep 2018 - 31 Aug 2019
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Ingka Centres Investments Five B.V.

100% 2.969.048 -7

Note 3**Equity**

Equity 1 September

	Share capital	Share premium	Retained profit	Total
	DKK '000	DKK '000	DKK '000	DKK '000

Capital increase

521 2.972.826 169 2.973.516

Proposed distribution of profit for the year

0 10.406 0 10.406

Equity 31 August**521 2.983.232 -1.277 2.982.476**

NOTES

2019
EUR '000

Note 3 cont.

Share capital

The share capital is divided as follows:
70 shares in the denomination of EUR 100

70

Movements in share capital:

	2019	2018	2017
	DKK '000	DKK '000	DKK '000
1 September	521	521	0
Capital increase	0	0	521
31 August	521	521	521

Note 4

The company has no employees.

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

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.