

**Ingka Investments
(Ingka Holding B.V. and its controlled entities)**

Ingka Investments signs agreement to acquire real estate for IKEA Retail in the heart of Paris

Ingka Investments, the investment arm of Ingka Group (owner and operator of 381 IKEA stores) today announces that a purchase agreement to acquire prime real estate in the heart of Paris has been signed. The space will be used by IKEA Retail France and the total investment is 130 million euros.

The investment is part of a long-term plan to transform its retail business and bring IKEA closer to customers by opening and testing new formats in cities. The property comprises a total of 7,500 sqm over 7 floors, with retail space on 3 floors. It is located at Rue de Rivoli and will be the second Paris city store, following the opening of IKEA La Madeleine in May 2019.

“We are delighted to have signed this agreement for a property in a top location in the heart of Paris, as it offers great potential for retail space. Ingka Investments is targeting acquisitions of existing real estate in major cities where IKEA Retail operates, as it supports testing new store formats we are creating in cities,” says Krister Mattsson, Managing Director of Ingka Investments, Ingka Group.

“Securing ownership of properties instead of leasing will preserve value on a long-term basis and this transaction also represents a great opportunity to speed up our transformation in order to create the IKEA of tomorrow to be more convenient, affordable and sustainable for the many,” he says.

Ingka Investments is investing in commercial real estate to enable IKEA Retail to open IKEA stores in cities. Investing in commercial real estate is a complimentary approach to the Ingka Centres and IKEA Retail expansion strategy to create a new world of IKEA in the inner cities. It is also a safe way to preserve value in assets that maintain their value through time. Ingka Investments will focus on prime, core real estate that requires no or limited development at top locations in prioritised cities.

The movement towards cities is a part of a wider direction looking at how IKEA Retail can increase its presence in big urban areas and bring the IKEA home furnishing offer to many more people. In 2019 new customer meeting points such as smaller city stores and planning studios were opened in cities, including Moscow, New York and Copenhagen.

With more than 3 million people living around the primary market area, IKEA Retail France will mainly focus on selling an inspirational accessory offer to its customers. It will represent an opportunity to position two city stores in Paris in different ways, in order to meet the customers' expectations and optimise the experience.

Walter Kadnar, CEO & CSO of IKEA Retail France, states: *“Paris has a wonderful potential to develop new ways to answer the needs of our customers. We have learnt a lot about the desires and*

About Ingka Group

Ingka Group (Ingka Holding B.V. and its controlled entities) is one of 12 different groups of companies that own and operate IKEA retail under franchise agreements with Inter IKEA Systems B.V. Ingka Group has three business areas: IKEA Retail, Ingka Investments and Ingka Centres. Ingka Group is a strategic partner in the IKEA franchise system, operating 381 IKEA stores in 30 countries. These IKEA stores had 839 million visits during FY19 and 2.6 billion visits to www.IKEA.com. Ingka Group operates business under the IKEA vision - to create a better everyday life for the many people by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible can afford it.

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needs of Parisians. Our affordable offer of democratic designs answers their aspirations. With this new store at Rue de Rivoli, we want to go further by offering, among others, the largest choice possible of accessories and decorative items, to feel always better at home. With this property, with an exceptional location, Ingka Investments let us accelerate our omnichannel strategy to be more accessible, convenient and sustainable for the many”.

A conditional purchase contract for the property was signed and the closing of the acquisition is expected in the second half of 2020. “IKEA Paris Rivoli” is planned to open in Spring 2021.

ENDS

Key figures for IKEA Paris Rivoli

- Rue de Rivoli 75001 Paris
- 7,500 sqm² in total for Retail and office space
- 7 floors
- 70-80 co-workers

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Read more about Ingka Group's sustainability performance and commitments in the new Annual & Sustainability Summary report: <https://www.ingka.com/about-us/annual-and-sustainability-summary-reports/>

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