

INGKA CENTRES BUSINESS TRANSFORMATION MAINTAINS STRONG MOMENTUM

- *Expansion on track as Ingka Centres acquires two new assets in UK and North America*
- *€5.4 billion tenant sales achieved despite the pandemic forcing full or partial closure of centres in 13 of 15 markets*
- *Commitment to communities and tenants sees Ingka Centres maintain 95% occupancy*

Leiden, October 29, 2020 - Ingka Centres performance over the last 12 months¹ shows the transformation of its business is succeeding despite the economic and public health challenges posed by Covid-19. The global shopping centre operator maintained its growth strategy over the last 12 months acquiring new properties in North America and Europe and secured over 500 store openings including global brands such as Adidas, Tommy Hilfiger, Vans, H&M and Zara, that have expanded their presence within its portfolio. Occupancy was stable at 95% across Europe, Russia and China, despite pandemic restrictions in 13 of its 15 global markets. Many of Ingka Centres 45 Meeting Places had to close their doors due to Covid-19, but total visitation over the last 12 months still stood at 369 million people (480 million same period last year). Tenant sales reached €5.4bn during this period with a YOY decrease of 16.2% at constant exchange rates.

Ingka Centres expanded its portfolio with the acquisition of sites for its first IKEA anchored smaller format urban projects in London and San Francisco, with acquisition and redevelopment values of £160 million and \$260 million respectively. These urban projects are complementing IKEA's strategy of opening city stores in response to global urbanization trends, changing customer behaviour and the digitalization of retail.

As more than 500 new store openings demonstrate, Ingka Centres continues to be a trusted partner of choice for brands seeking growth across international markets. Many brands also continued to invest in upgrading and renovating their stores at Ingka Centres' Meeting Places to offer the best possible customer experience. Ingka Centres maintained its ongoing investment in upgrading its Meeting Places for the future to become more mixed-use, sustainable and in tune with online shopping trends. Globally its centres are being equipped with more F&B, entertainment, parks, flexible workspace, community spaces, playgrounds, concert arenas, extensions, online communities and more. Ingka Centres also introduced various initiatives to support communities through the Covid-19 pandemic.

2020 also saw Ingka Centres launch LIVAT Online. This online community was first introduced across its Chinese malls, bringing customers and tenants together for shopping, lifestyle and conversations. It is helping Ingka Centres and its partners get closer to their customers, by leveraging data to deliver personalised experiences and build stronger connections to drive traffic to both online and offline stores. Since its

¹ September 1, 2019 – August 31, 2020

launch in June LIVAT Online has been seeing 75,000 unique visitors every week. Ingka Centres is seeing significant growth in the number of customers using online communities to engage with its Meeting Places.

Ingka Centres Managing Director, Gerard Groener commented: *"We have had a robust performance this year under the circumstances we have witnessed. We are transforming retail experiences, engaging local communities, and providing access to affordable solutions that are relevant to our customers lifestyles. All this has ensured our business is more resilient in an uncertain climate. The pandemic is not over yet, and we are likely to face more near-term challenges. But we believe we are well placed to handle these, and our business is well positioned for a successful future.*

"Our commitment to sustainability remains unwavering in the face of Covid-19, and our People Planet Positive strategy that sets our agenda until 2030 is firmly on track. Overall, we want to help our customers live more sustainable lives, working with partners and local community organisations to accelerate new environmentally friendly experience concepts such as repair cafes and eco-labs, alongside initiatives like recycling schemes. For example, at our Wola Park Meeting Place in Warsaw we recently introduced a number of initiatives that aim to inspire people about sustainable food production, reducing waste and conserving water," Mr Groener continued.

Speaking about the future of retail-led real estate generally, Groener says Ingka Centres continued success will be down to providing opportunity for tenants to adapt and innovate, and for customers to adopt new behaviours. *"Our future is based on the ability to connect our customers, communities and partners with a sense of belonging and engage them in the community life at our centres. Urban projects that are naturally closer to more people or digital initiatives such as online communities will be part of this, which both support this vision and will drive traffic to both physical and online stores as we emerge from the global pandemic,"* he explained.

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About Ingka Centres

Ingka Centres is part of the Ingka Group (which also includes IKEA Retail and Ingka Investments). Ingka Centres has more than 40 years of experience in shopping centres and today works with 1,600 brands across its portfolio of 46 assets in 16 markets. Centres locations appear under different trademarks, including MEGA in Russia and LIVAT in China, always anchored by an IKEA store. Ingka Centres hosted and served more than 369 million visitors in FY20 (1 September 2019 - 31 August 2020) at its IKEA anchored meeting places. Ingka Centres creates its meeting places by collaborating with local communities, as well as its tenants and partners, to ensure they are destinations with emotional meaning that add value, and build social connections. www.ingkacentres.com

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