

Ingka Centres Acquires 6X6 Building in Downtown San Francisco

The new retail destination will be anchored by IKEA and complemented with mixed-use offerings

San Francisco (September 8, 2020) - Ingka Centres, part of the Ingka Group (which also includes IKEA Retail and Ingka Investments), has acquired the 6X6 building in downtown San Francisco from MSP Property LLP, a company controlled and owned by Alexandria Real Estate Equities Inc. and TMG Partners. The company will transform and redesign the 6X6 building at 945 Market Street into a new retail destination that's anchored by IKEA and complemented with mixed-use offerings that are uniquely suited for San Franciscans and their lifestyle. The IKEA store and first phase of redevelopment are slated to open in fall 2021.

The acquisition is Ingka Centres' first in the U.S., representing a milestone for the company, which in 2018 announced a new strategic vision and investment of €7.3bn (approximately \$8.6bn) to transform its business in response to the changing retail environment.

Gerard Groener, Ingka Centres' General Manager, said: "Our urban projects are all about getting closer to our customers. 6X6 is an impressive six-floor glass building, with smart modern design and internal areas that provide the ideal canvas to create something truly spectacular. We believe Ingka Centres can transform the performance of well-located assets like 6X6 by aligning their offers to how people want to spend their time. We're so excited about the potential that 6X6 building represents to Ingka Centres and local communities."

6X6 will be Ingka Centres' second mixed-use project in a downtown location, following the company's acquisition of Kings Mall in London's Hammersmith earlier this year. The company is evaluating opportunities within 40 major cities across Europe, Russia, North America, Asia and Oceania to introduce their vibrant, urban destinations. In the U.S., the company is actively targeting sites for similar projects in New York City, Los Angeles and Chicago.

All anchored by IKEA stores, these urban projects are designed to complement the IKEA Retail U.S. strategy of opening smaller format stores within city centers in response to global urbanization trends, changing customer behavior and the digitalization of retail.

IKEA Retail U.S. President Javier Quiñones said: "It's an exciting time for IKEA Retail U.S. as we enter this next phase of our expansion into major U.S. cities. Globally, IKEA is evolving to be more convenient for customers wherever they are. We feel energized by the opportunity to bring a new, more accessible shopping experience to the many customers in San Francisco. It has been a pleasure working with Mayor London Breed and her office on this project and we look forward to meeting our new neighbors in the future."

London Breed, Mayor of San Francisco said: "We are incredibly excited to welcome Ingka Centres and IKEA to San Francisco. The presence of this great retailer in the heart of our city will be transformative for our Mid-Market neighborhood, create more jobs, and offer

a great new shopping experience for our residents. We greatly appreciate all the work that Ingka Centres and IKEA have put in with our office to help make this a reality, and we look forward to celebrating when they settle in their new home."

Ingka Centres' redevelopment plans for 6X6 will be driven by the needs of the local community. The company will work closely with tenants and partners to create a place people want to visit long into the future. The property will also be redesigned around the IKEA People and Planet Positive strategy, which will make the building more sustainable and promote sustainable living for the many. Ingka Centre will promote recycling, greener spaces, and improved air quality among other initiatives at 6X6.

The property comprises over 375,000 square feet, including the building's parking lot. Its gross leasable area is approximately 256,000 square feet, and the volume of investment including acquisition and future redevelopment is \$260 million.

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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 45 shopping centres in 15 markets. Centres locations appear under different trademarks, including MEGA in Russia and LIVAT in China, always anchored by an IKEA store. Ingka Centres hosts and serves more than 480 million visitors each year 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

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 374 IKEA stores in 30 countries. These IKEA stores had 839 million visits during FY19 and 2.6 billion visits to 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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