



**COMMERCIAL  
PROPERTIES**

INSTITUTIONAL PRESENTATION

IVQ 2021



# ABOUT US

- **LEADING COMMERCIAL REAL ESTATE COMPANY IN ARGENTINA**

Listed Company, controlled 80% by IRSA

- **UNIQUE PORTFOLIO OF ASSETS**

450,000 GLA sqm in the most premium locations

- **SIGNIFICANT GROWTH POTENTIAL**

Huge landbank for future mixed uses developments

- **HEALTHY FINANCIAL POSITION**

Good cash flow generation and conservative leverage

- **EXPERIENCED MANAGEMENT TEAM**

With proven track record in the industry

- **CAPITAL MARKETS TRACK RECORD**

Since 1994 in BYMA and 2000 in NASDAQ



# OUR STRATEGY



## OPERATING PROFITABILITY

Our **premium locations** and our **leadership position in Argentina**, together with our knowledge of the shopping center and office industry, allows us to maintain **high occupancy levels and an optimal tenant mix**.



## INNOVATION AND GROWTH

**Pioneers in innovative real estate developments** in Argentina due to their format, scale and concept. We have created a unique real estate portfolio in the last 30 years in the country **innovating and adapting to changes in context and consumption habits**.



## SUSTAINABILITY

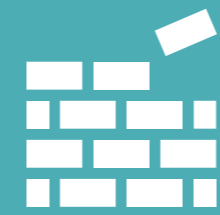
We are **part of the communities** where our business units operate. We plan for the long term and work towards environmental protection, and sustainable Development, **seeking to achieve environmental certification standards in our real estate projects**.



# OUR BUSINESS MODEL



DEVELOPMENT



OPERATION



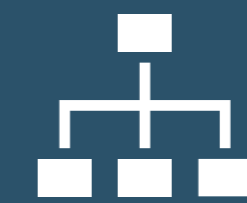
COMMERCIALIZATION



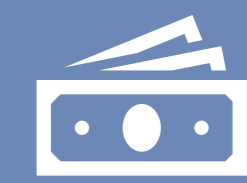
ACQUISITION



ADMINISTRATION



SALE





# OUR GROWTH HISTORY

TH. Sqm GLA

APSA

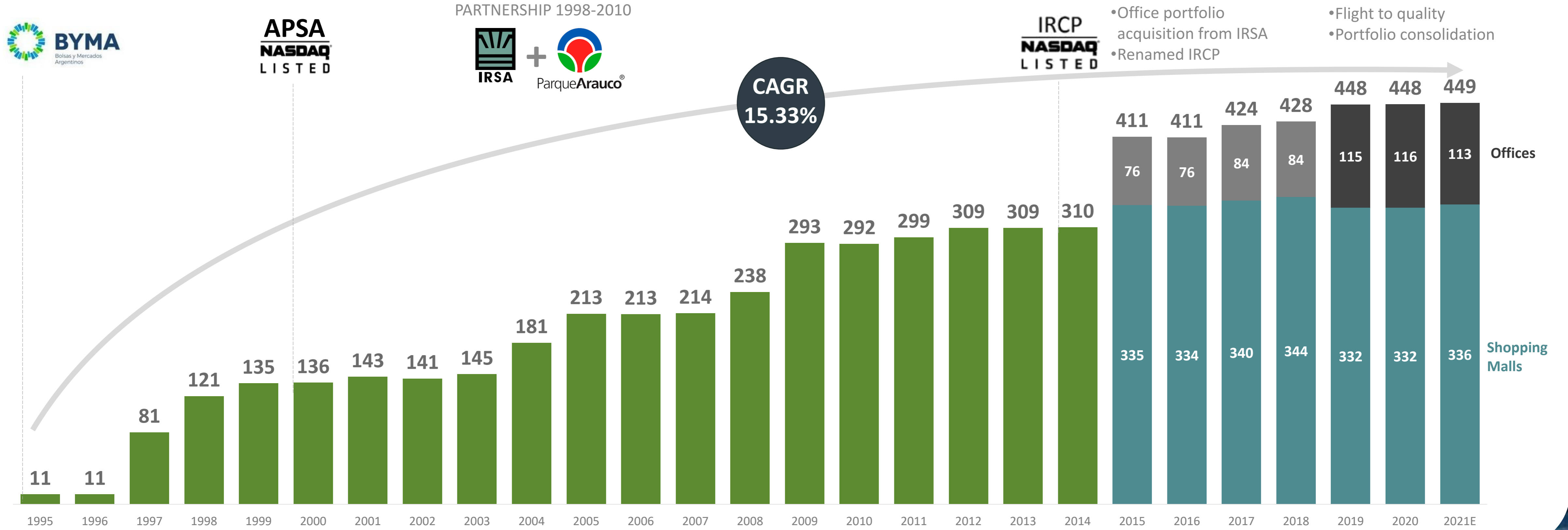
Centros Comerciales

IRSA

COMMERCIAL PROPERTIES

## SHOPPING MALLS GROWTH THROUGH CAPITAL MARKETS

## NEW RENTAL VEHICLE



# IRCP IN NUMBERS

**450,000**

SQM GLA

**1,550**

Malls tenants

**45**

Office tenants

**67%**

BA Malls market share

**10%**

BA Office market share

**~70%**

EBITDA Margin

**>90%**

Historical avg. occupancy

**>100mm**

Malls annual visitors

**784**

Employees

**213**

Women

**571**

Men

**9**

Directors

**3**

Independent

**2**

Women

**30%**

ISO certified Malls

**50%**

LEED or potentially certifiable  
Offices



# MALLS' PORTFOLIO

15

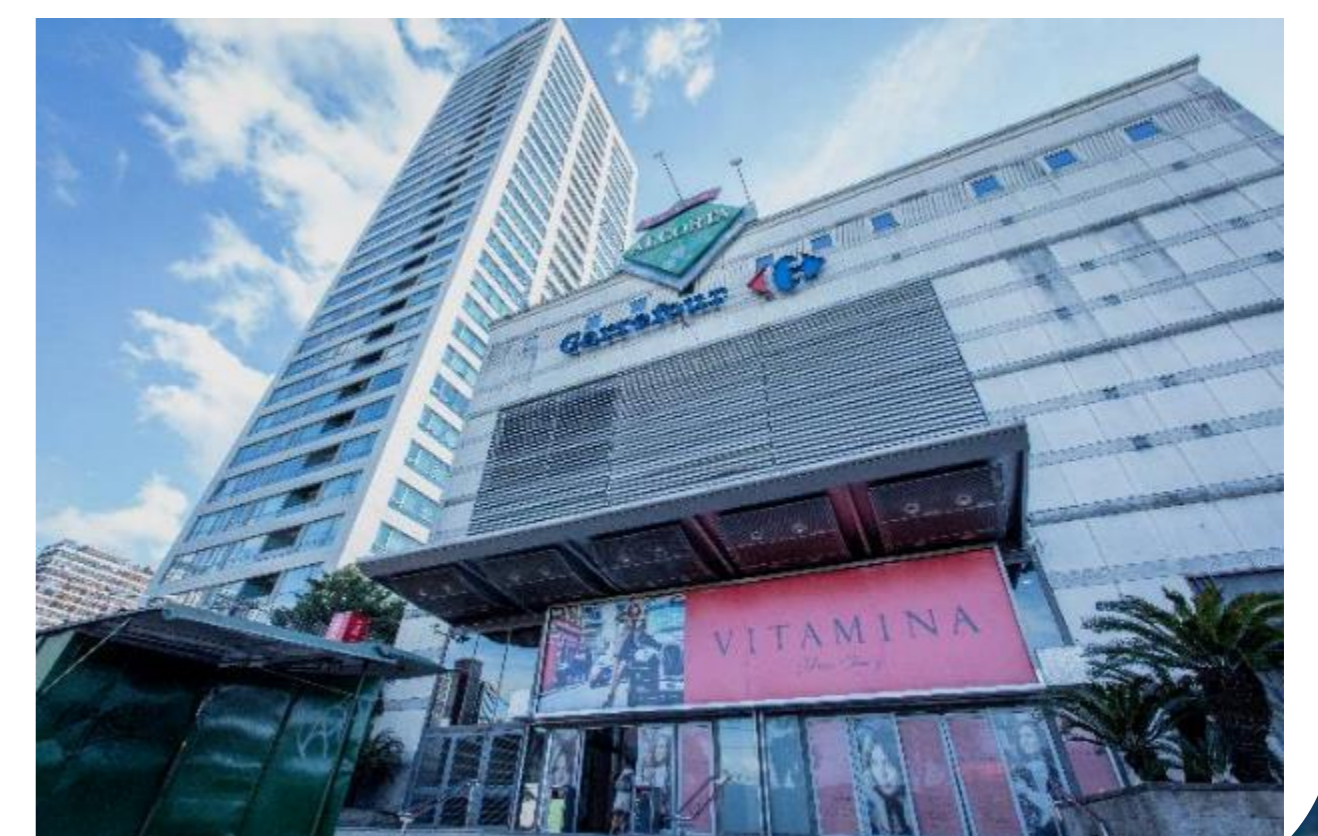
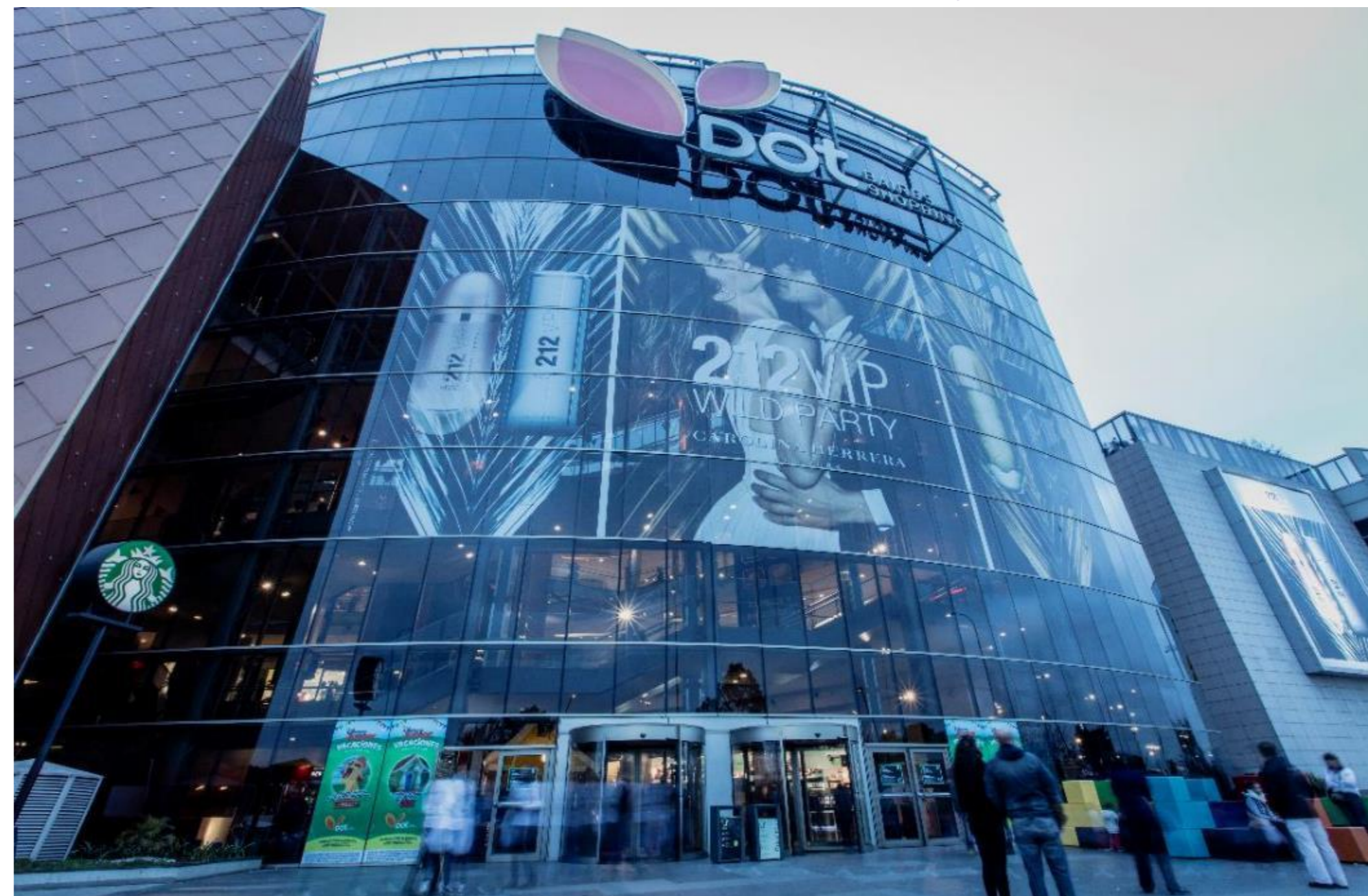
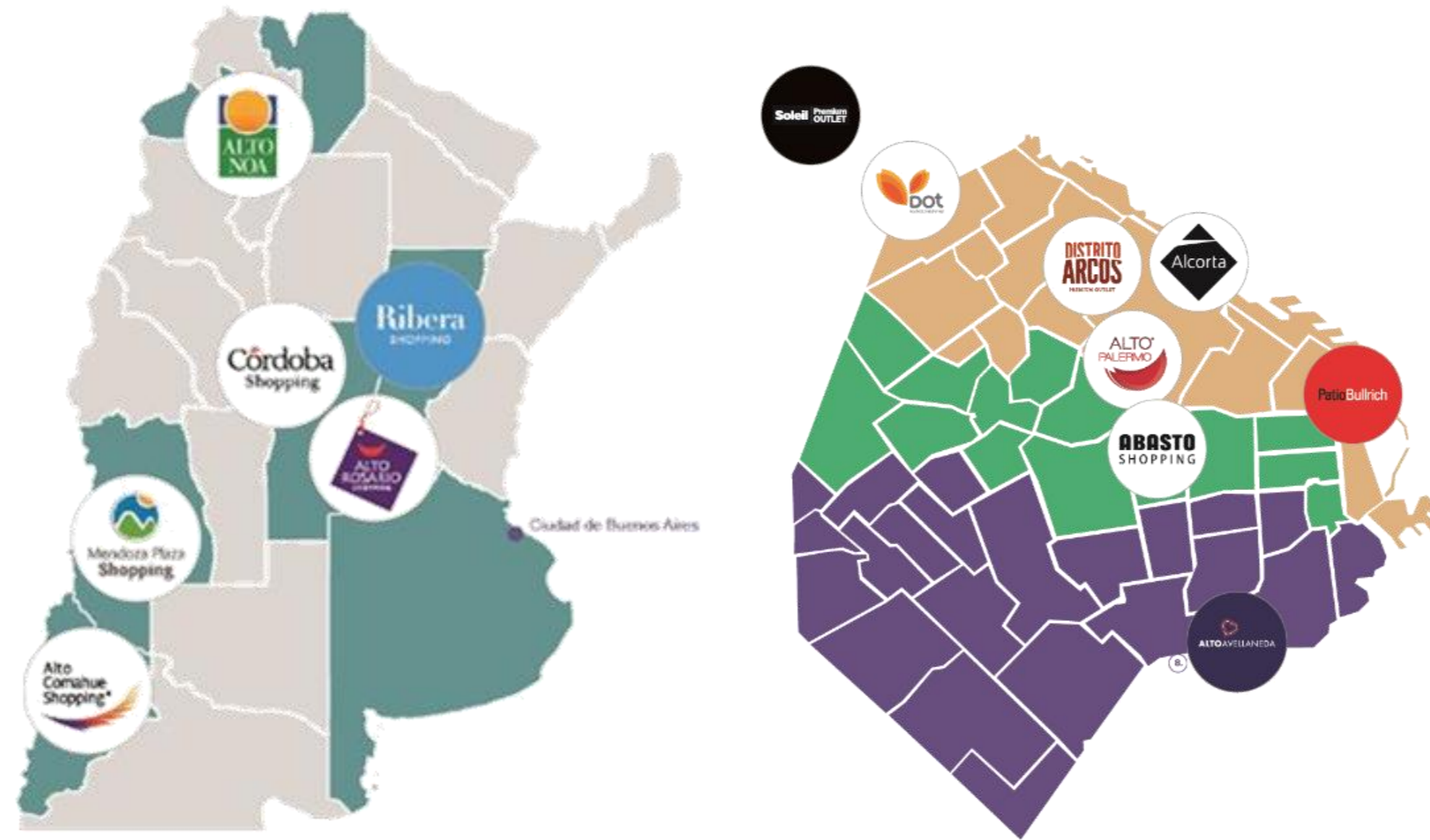
# Malls

336,000

GLA sqm

67%

BA City Market Share





# OFFICE PORTFOLIO

7

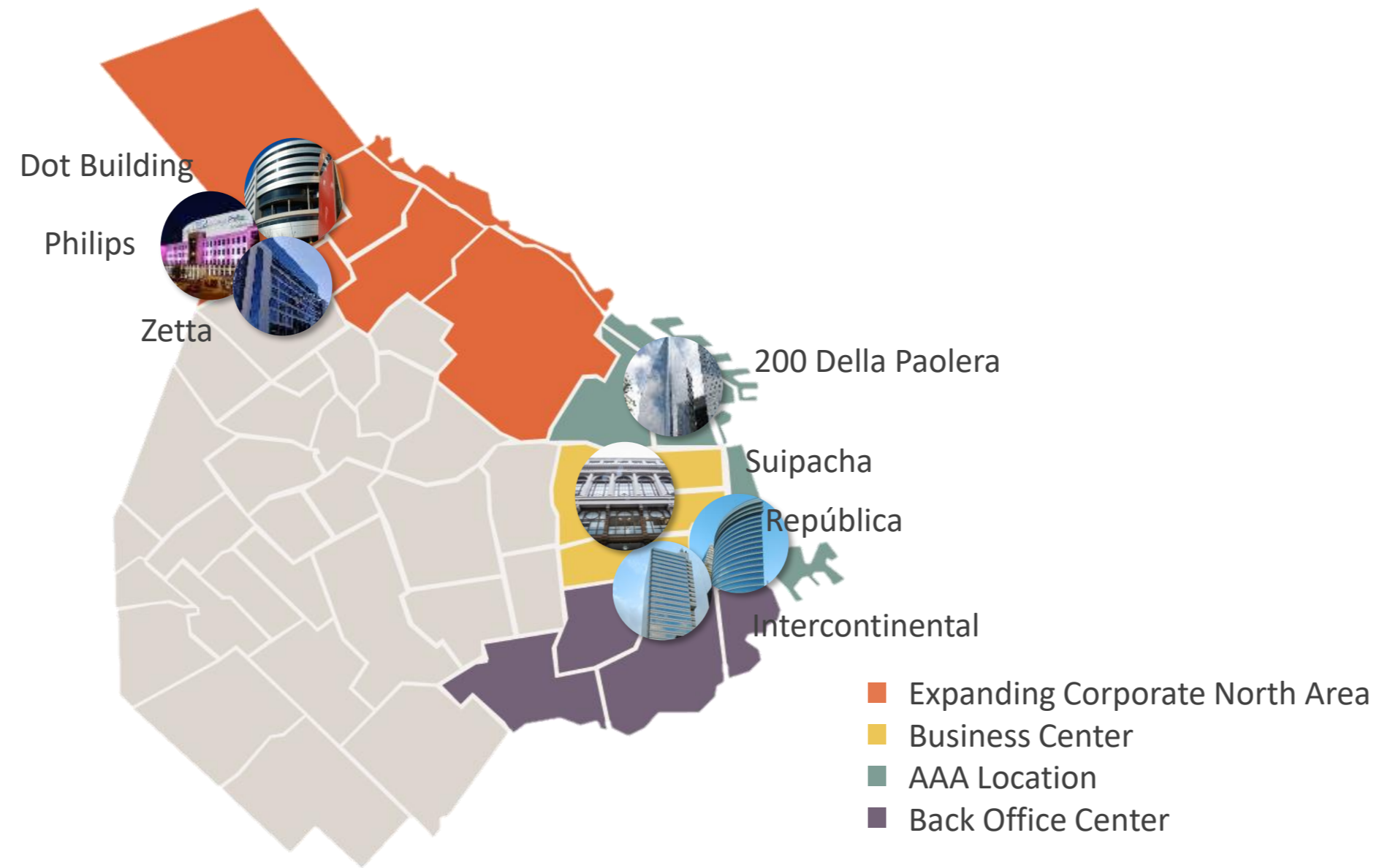
# Office buildings

113,000

GLA sqm

10%

BA City Market Share



## DELLA PAOLERA 261



30  
Floors

35,000  
SQM OF GLA

316  
Parking lots

27,000  
IRCP GLA

75%  
Occupancy

New headquarters  
Opened on Dec-20



# OUR REVENUE MODEL

## SHOPPING MALLS

Revenue Model

Rental revenues

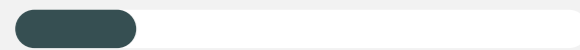
74%



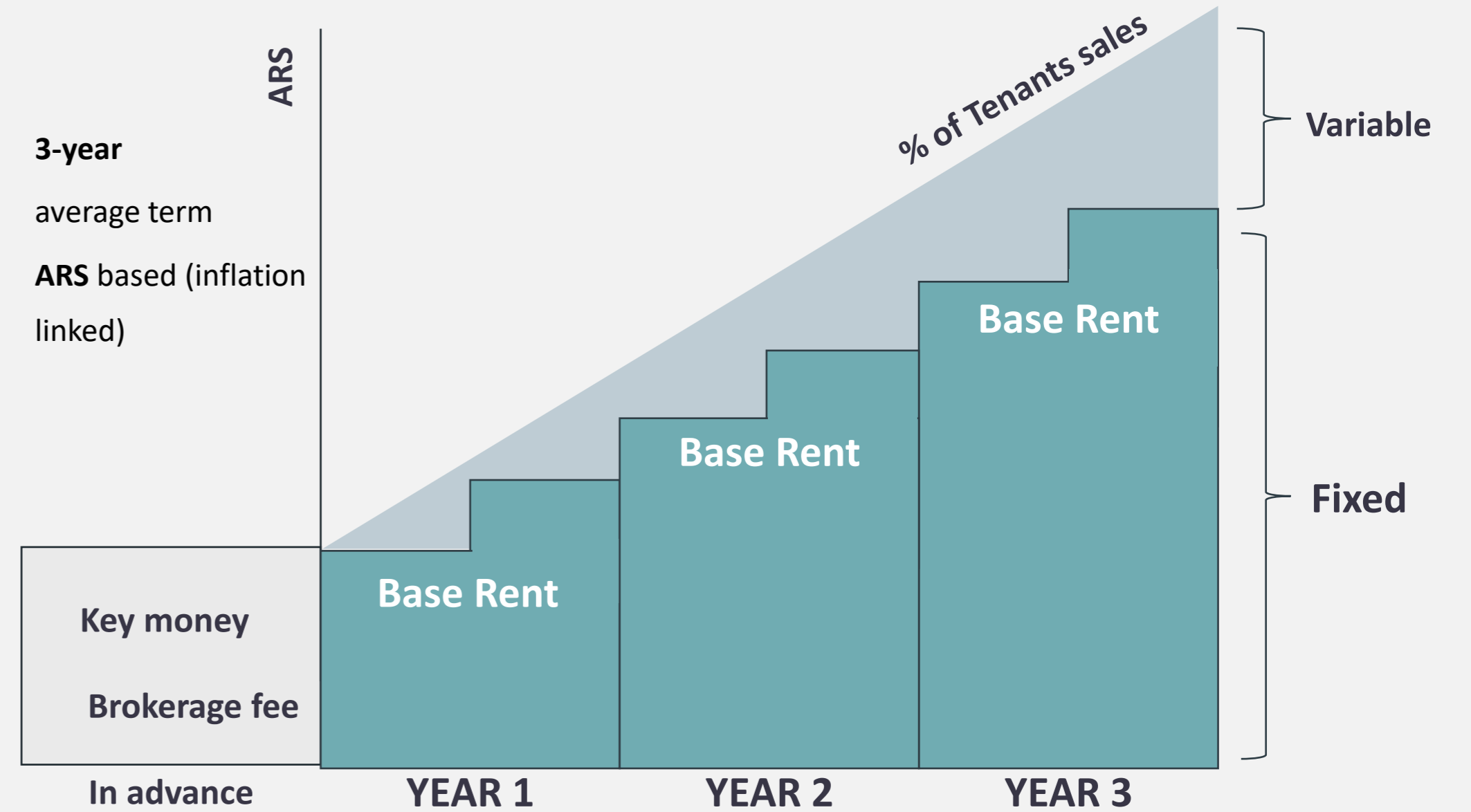
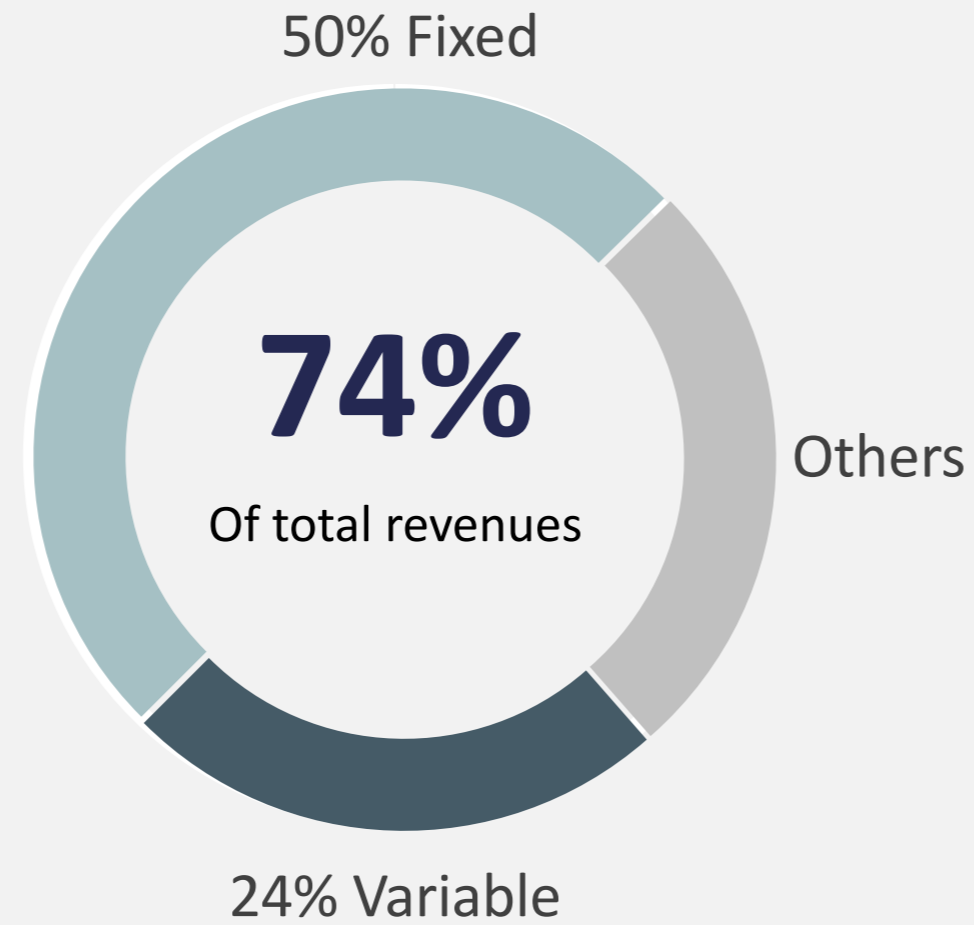
The company collects the highest between a % of tenant monthly sales and a minimum rent (base rent)

Other revenues

26%



Other revenues include key money, brokerage fee, stands, parking and non-traditional advertising

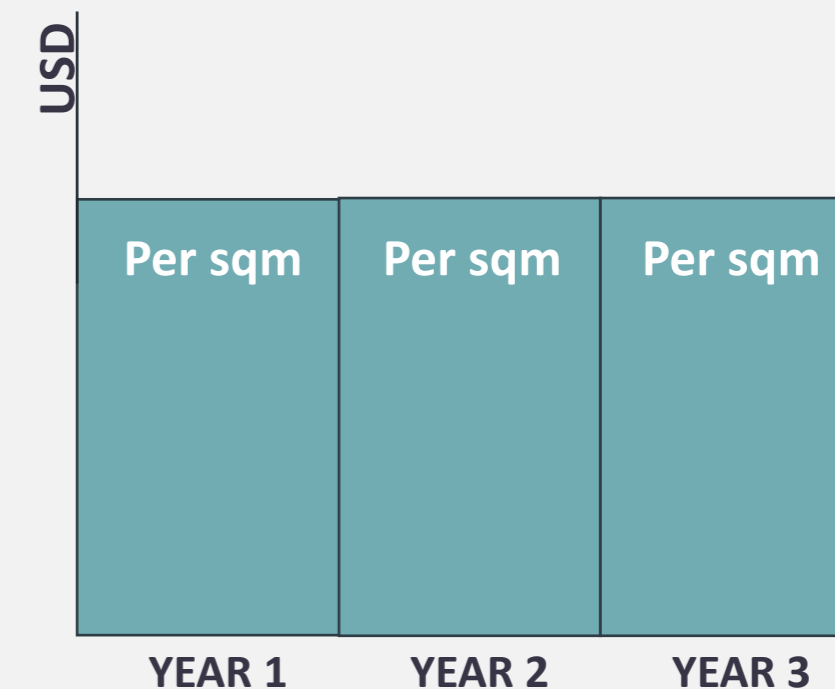


Malls' Revenues collection affected during COVID19 lockdown due to the closure of operations

## OFFICE BUILDINGS

Revenue Model

- 3-year average term
- US Dollar based
- Rental rates for renewed terms are negotiated at market conditions

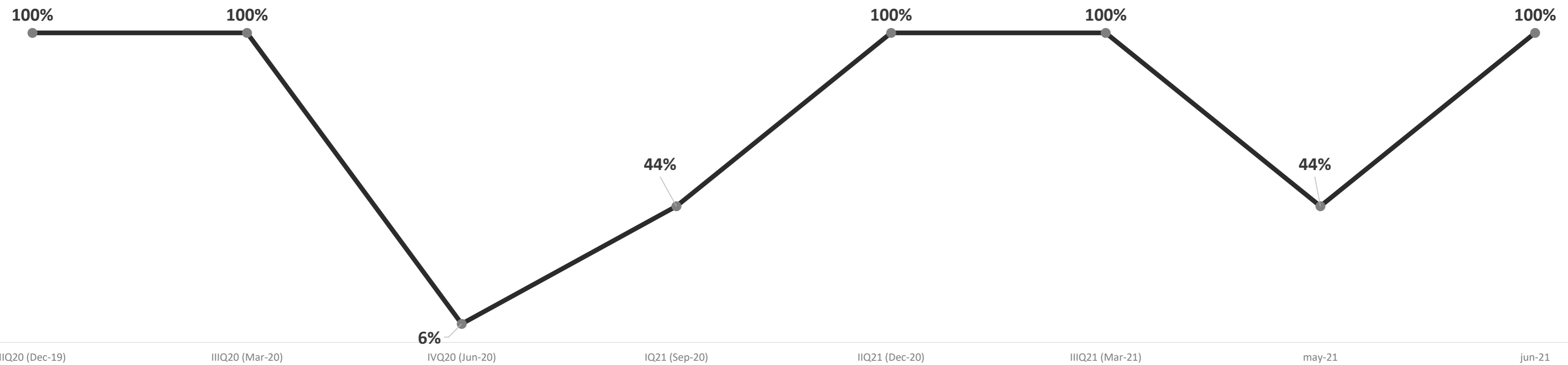


Normal revenues collection during COVID19 lockdown despite home office work modality



# SHOPPING MALLS – COVID-19 IMPACT

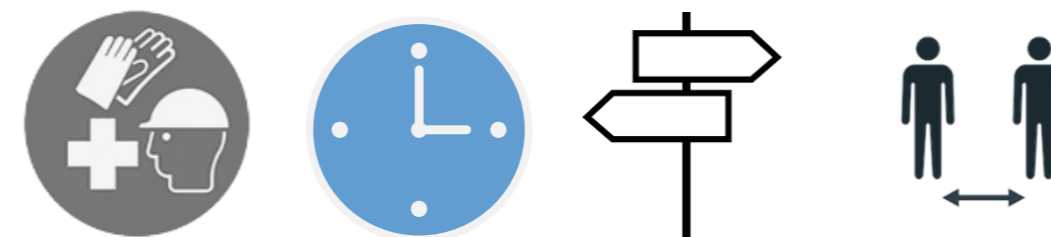
## PORTFOLIO UNDER OPERATION (%GLA)



PRE-COVID

1<sup>ST</sup> WAVE LOCKDOWN FROM MARCH TO OCTOBER 2020

REOPENINGS UNDER STRICT PROTOCOLS



2<sup>ND</sup> WAVE LOCKDOWN FROM APRIL 16<sup>TH</sup> TO JUNE 11<sup>TH</sup> IN METROPOLITAN AREA OF BA

REOPENINGS

### COMMERCIAL POLICY

SUPPORTING TENANTS AND PRIORITIZING LONG-TERM RELATIONSHIPS

- Waive of base rent and commercial fund during lockdown periods
- Charge of common expenses



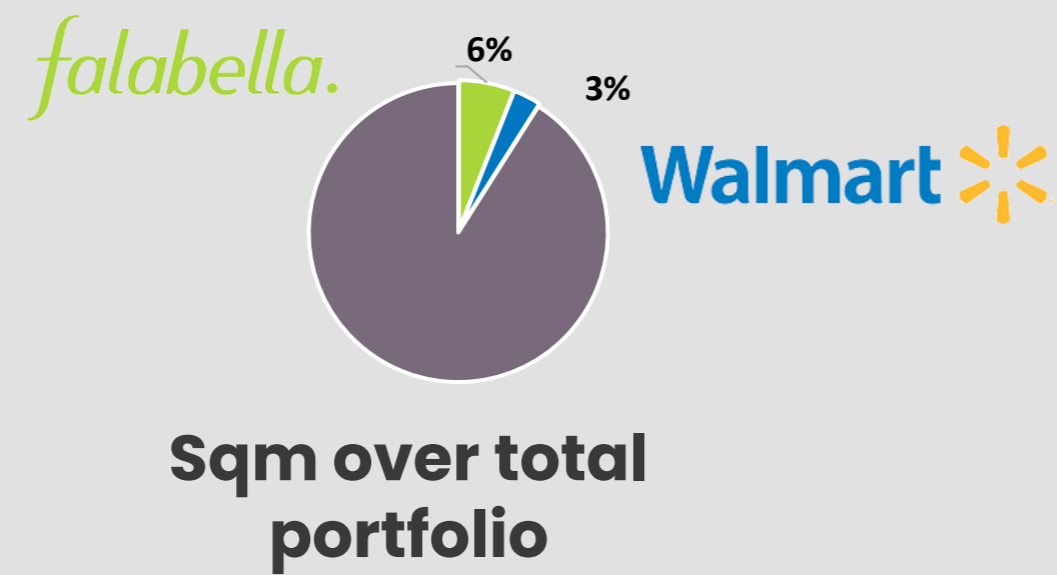
# SHOPPING MALLS – COVID-19 IMPACT

## COMPANY'S MANAGEMENT DURING PANDEMIC

**FY21 EXITS**  
# stores

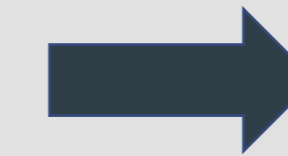
235

**INTERNATIONAL EXITS FROM ARGENTINA**

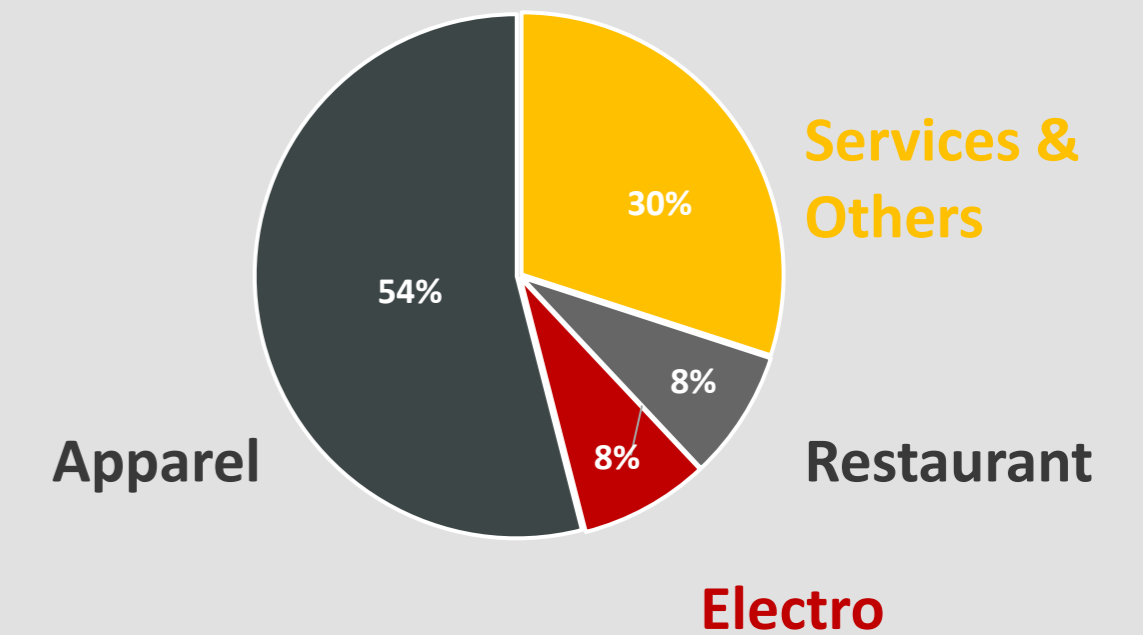


**NEW CONTRACTS**  
FY21

232



**INCOMING ITEMS**



**COSTS & SG&A REDUCTION**

ARS million – FY21 vs FY20

17%

**DELINQUENCY**  
ARS million

	FY 21	FY20
Delinquency	188	464
Revenues	5,321	8,915
Delinquency/ Revenues	0.4%	5.2%



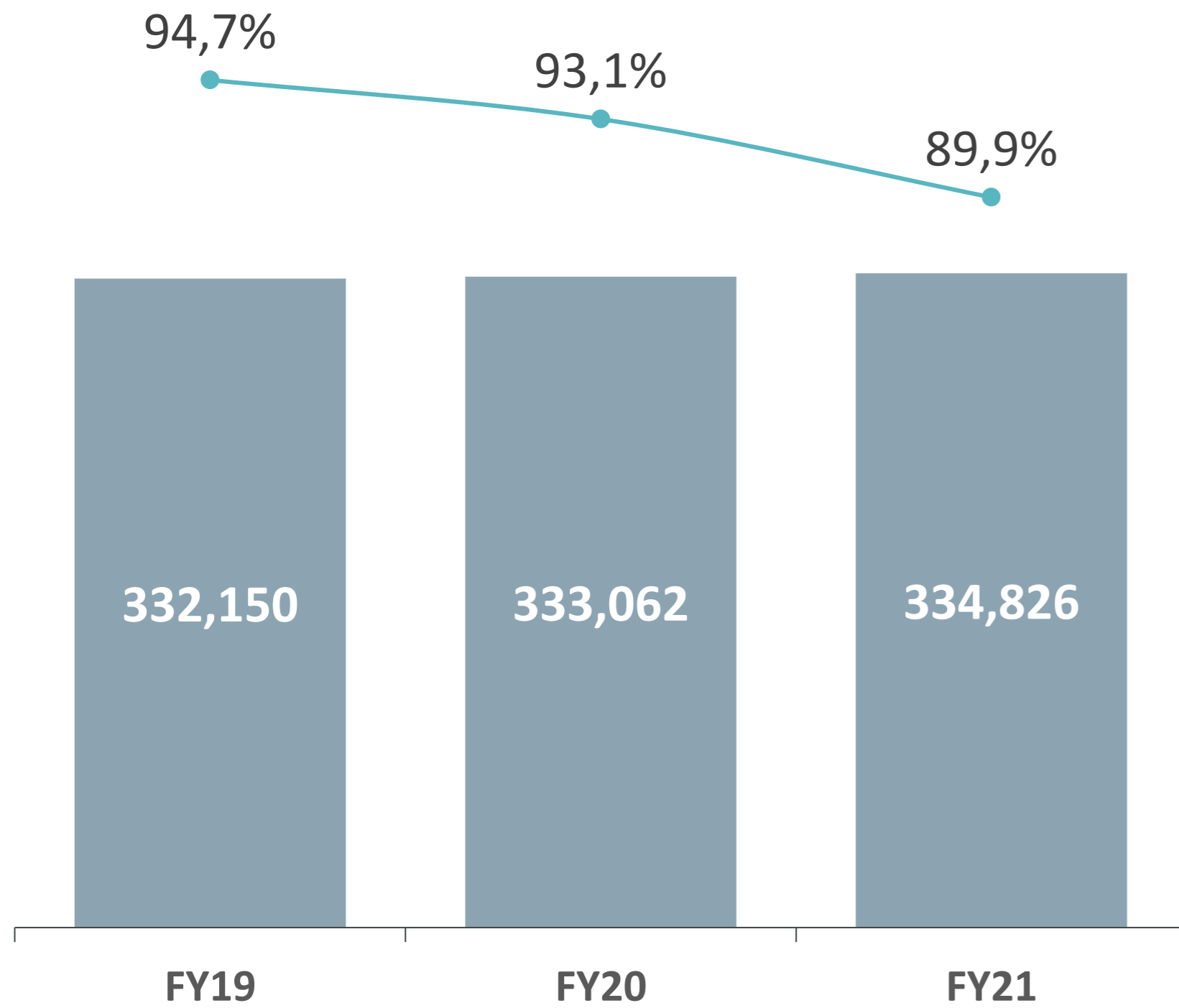


# SHOPPING MALLS OPERATING FIGURES

## GLA & OCCUPANCY

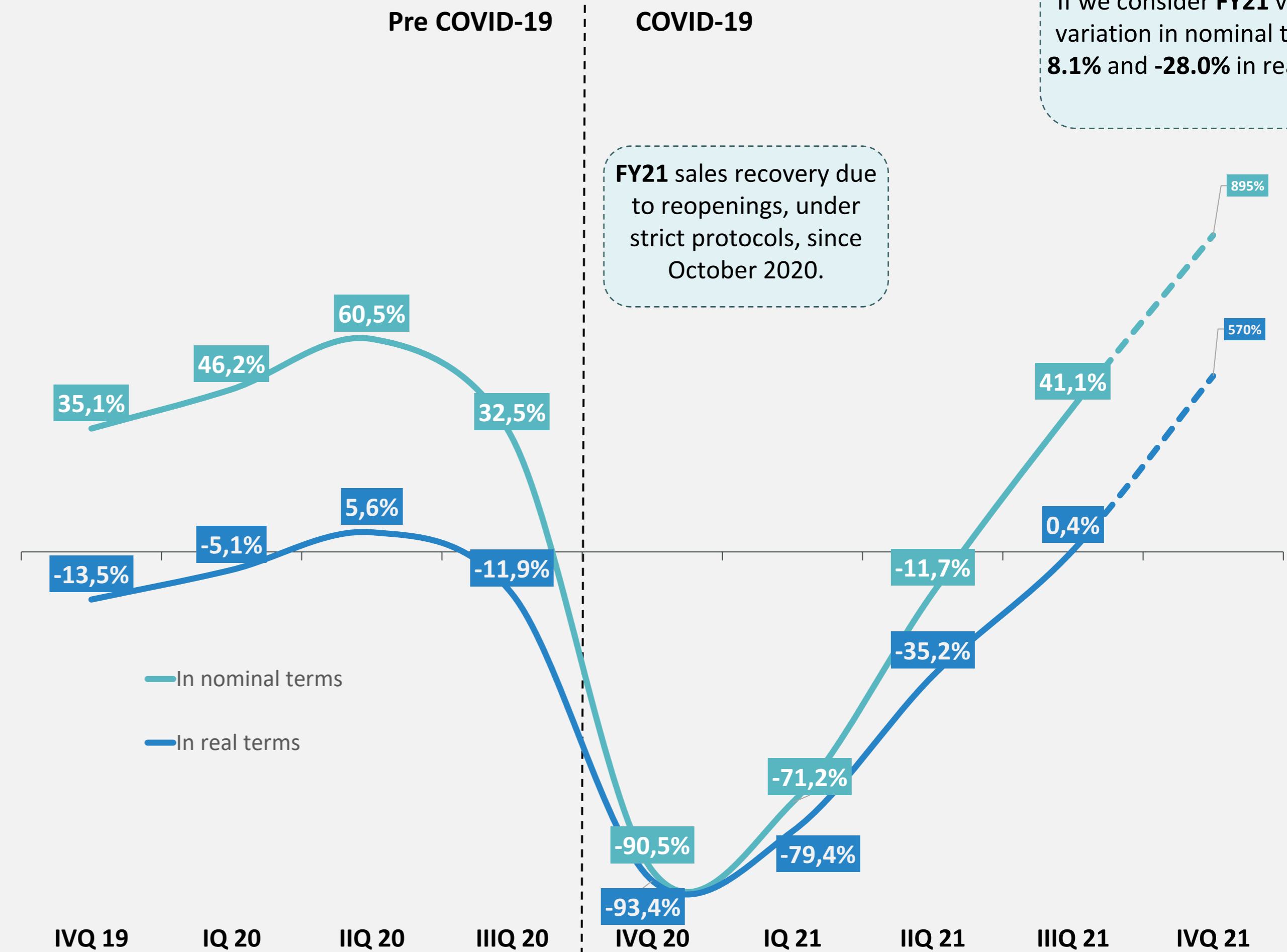
(GLA: sqm)

Mainly explained by Falabella exit from DOT Baires & Alto Avellaneda. Excluding that effect, occupancy would have been **93.4%**



## SAME SHOPPING MALLS SALES

(% Var i.a.)



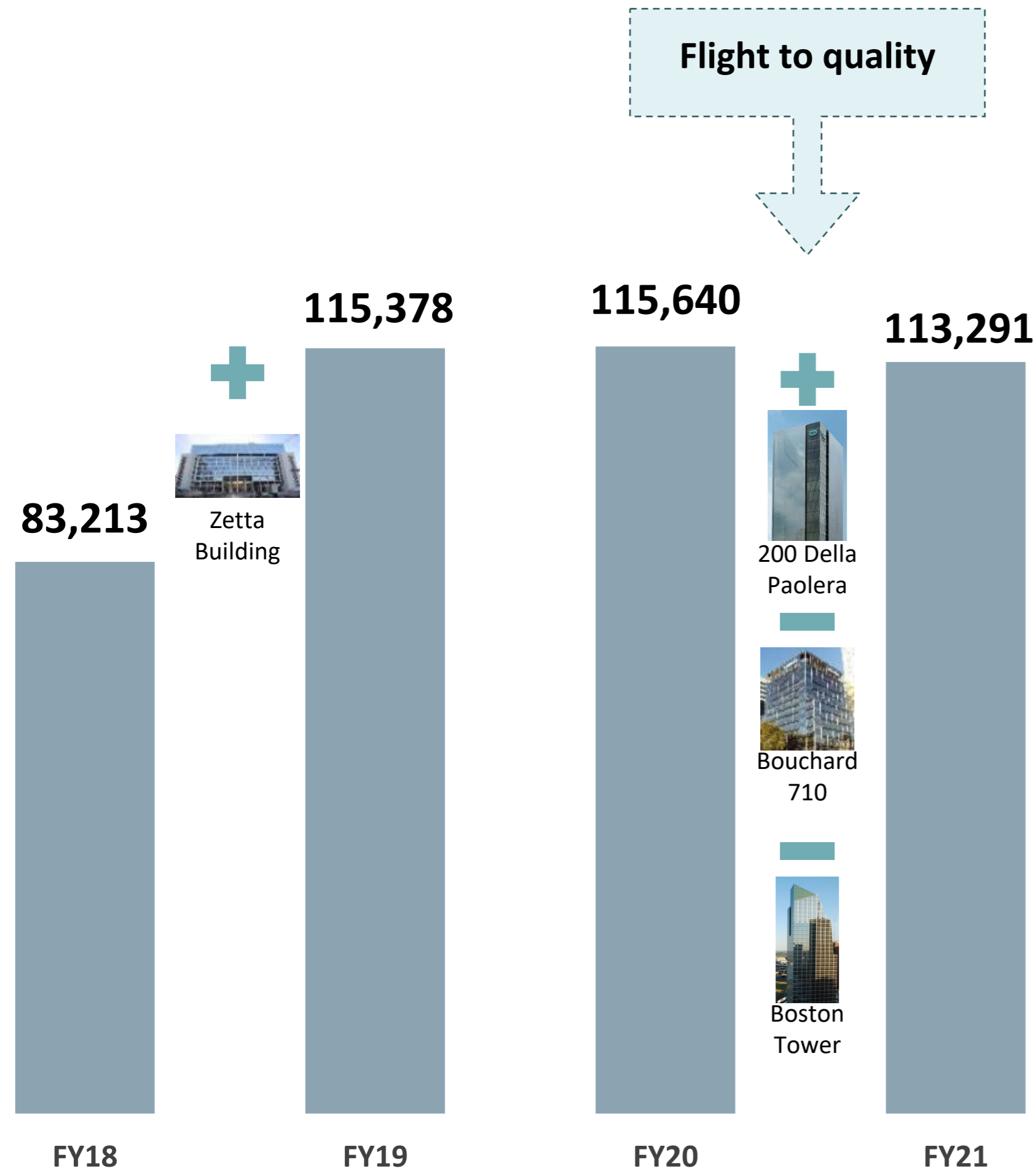
FY21 sales recovery due to reopenings, under strict protocols, since October 2020.

Operations were totally closed during IVQ20. If we consider **FY21** vs **FY20**, variation in nominal terms is **8.1%** and **-28.0%** in real terms

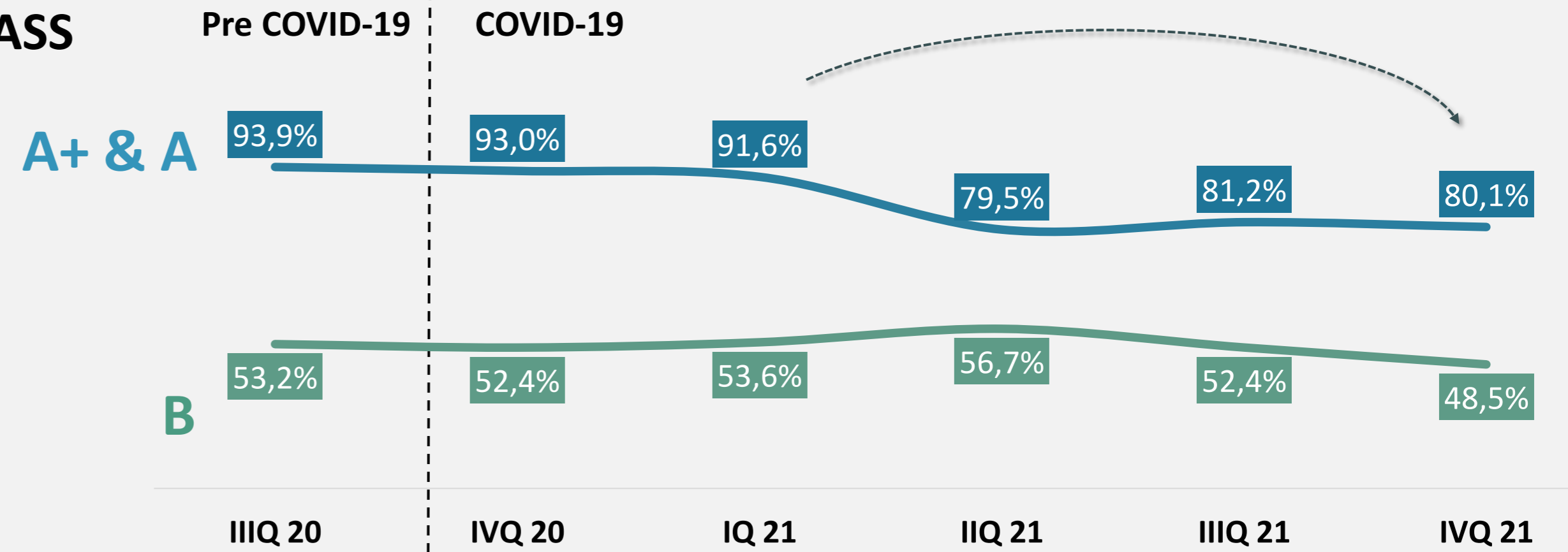


# OFFICE BUILDINGS OPERATING FIGURES

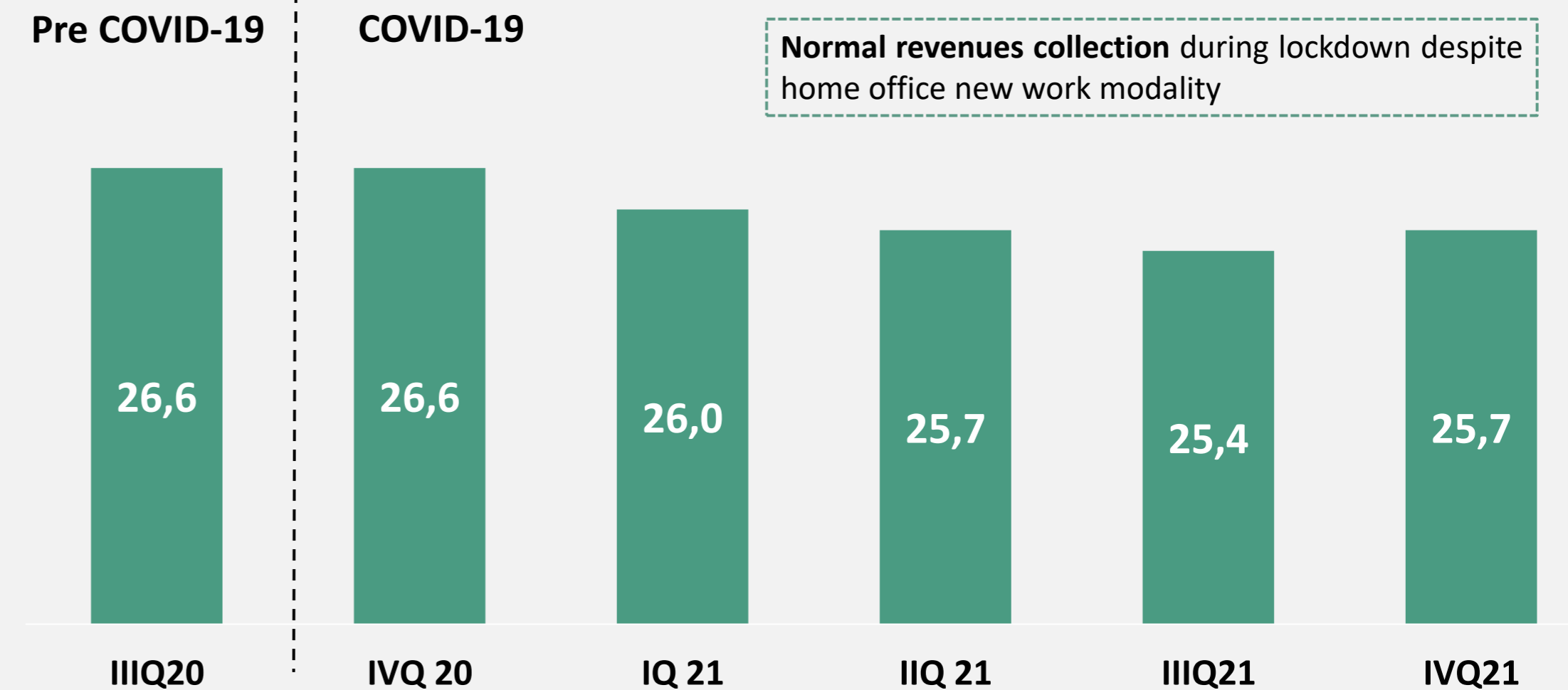
## STOCK (GLA: sqm)



## OCCUPANCY BY CLASS



## LEASES (USD/sqm/month)





# FY 2021 SALES OFFICE BUILDINGS

## BOUCHARD 710



**IQ 2021**  
July 2020

**12 floors**  
Entire building

**15,014**  
GLA sqm

**USD 87.2 mm**  
Price

**5,800**  
USD/sqm

**16%**  
USD IRR

## BOSTON TOWER



**IQ 2021**  
July and August 2020

**6 floors**

**7,482**  
GLA sqm

**USD 41.4 mm**  
Price

**5,530**  
USD/sqm

**IIQ 2021**  
November 2020

**7 floors**

**7,158**  
GLA sqm

**USD 42.0 mm**  
Price (including retail store)

**5,710**  
USD/sqm

**IRCP has no remaining floors  
in the building**

**AVERAGE CAP RATE ~6.0%**



# 200 DELLA PAOLERA

New headquarters  
Opened on Dec-20



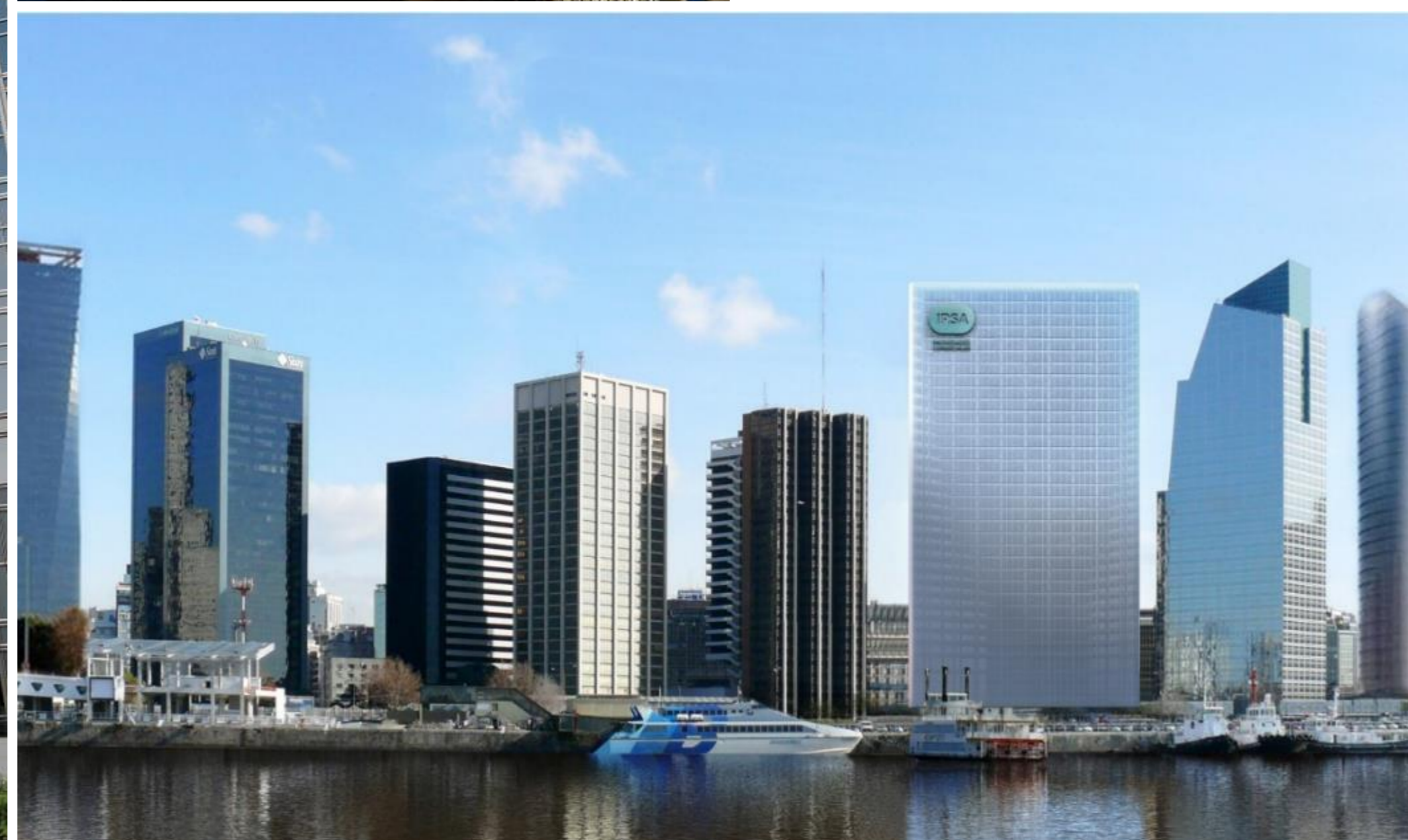
**30**  
Floors' building

**35,000**  
sqm GLA

**316**  
Parking lots

**27,500**  
IRCP sqm GLA

**80%**  
Occupancy

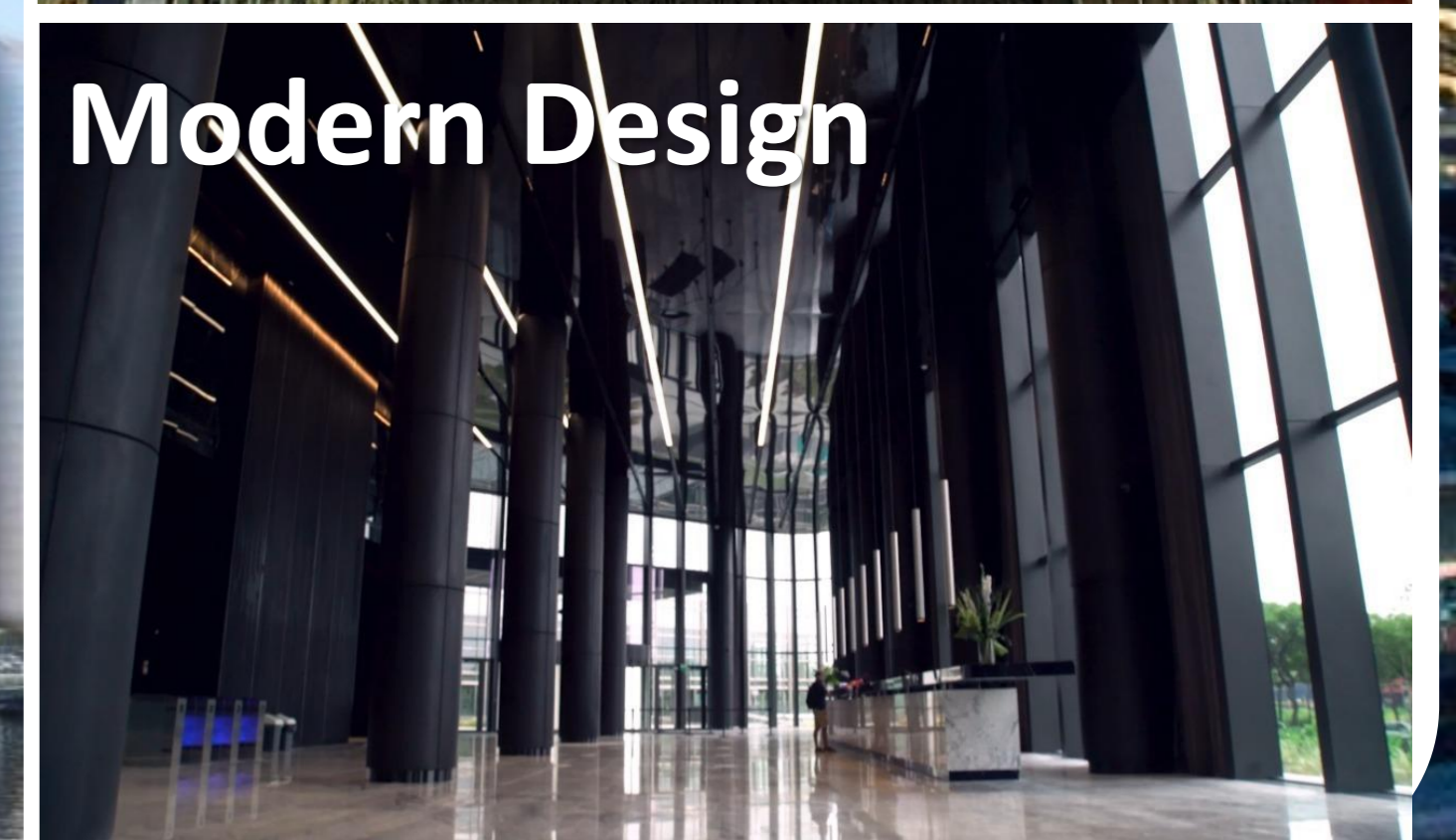


**IRSA**  
COMMERCIAL  
PROPERTIES

**Premium Location**  
Catalinas – BA City

**Sustainable**  
Potentially LEED

**Technological**  
Services



**Modern Design**



# RESIDENTIAL BARTER AGREEMENTS

APARTMENTS TO RECEIVE AS PART OF  
PAYMENT OF THE LAND

~6,700 sqm  
~ USD 15MM

*Coto Abasto Airspace – Tower 1*



*La Plata Plot*



**FUTURE**

*Córdoba Adjoining Plot*



7AD

*Caballito – Plot 1*



*San Martín Plot*





# TECHNOLOGICAL TRANSFORMATION

## 100% DIGITAL LOYALTY APP

### OFFERING BENEFITS AND DISCOUNTS IN BRANDS AND MALLS



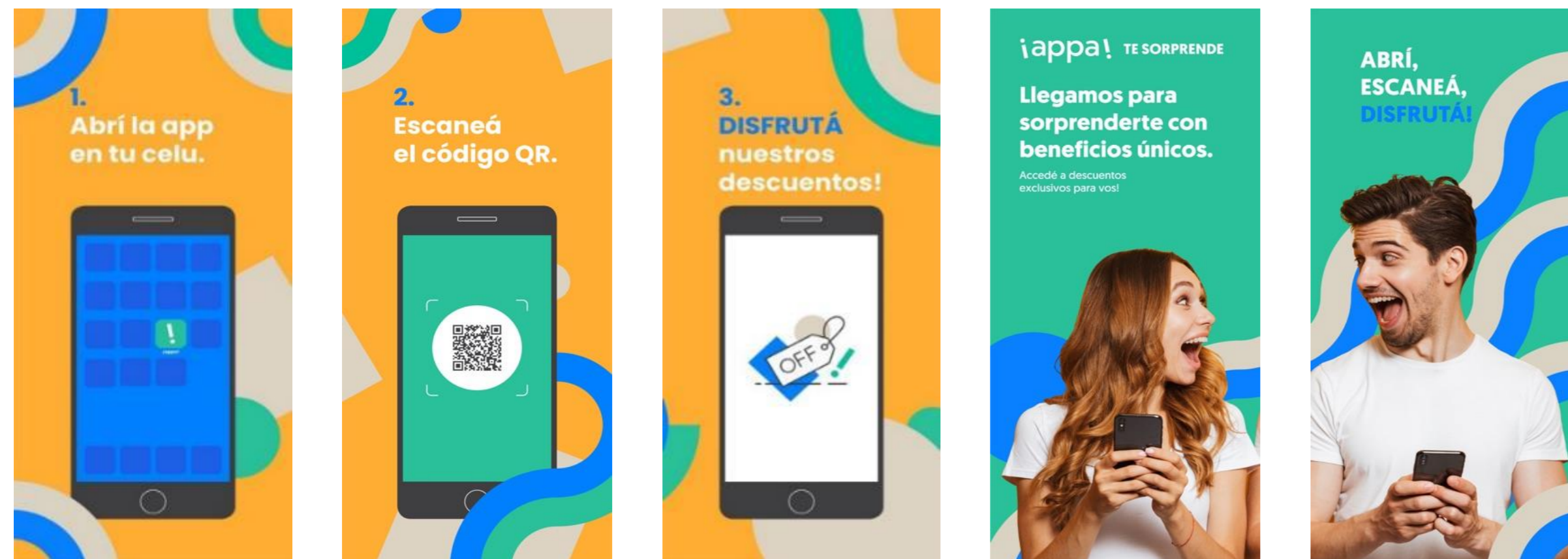
+1 MM      1,400      127,000      +2,000,000

Downloads

Corporate users

Parking users

Approved transactions



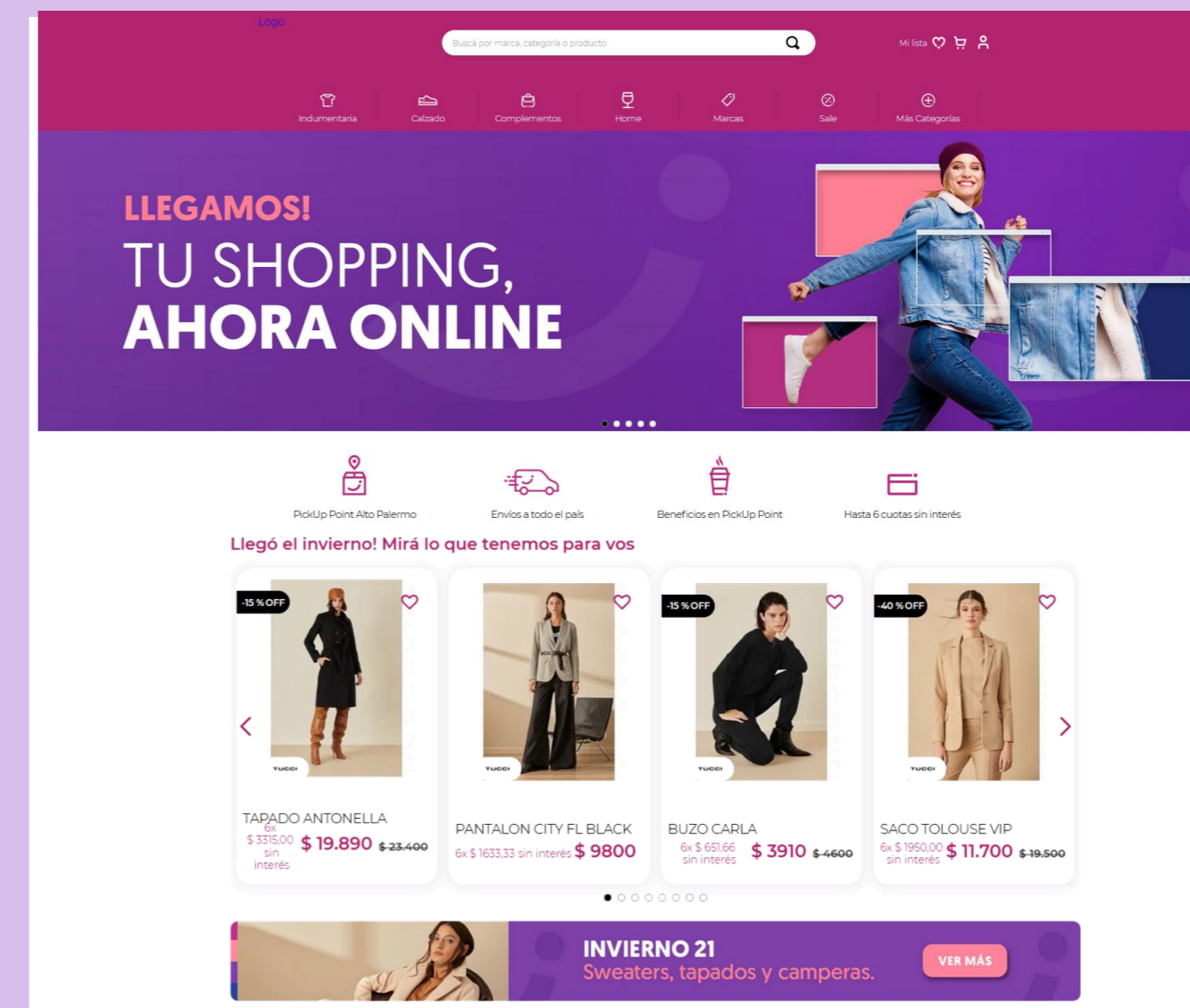
Coming soon:

iappa!pay

iappa!gift

## LAUNCH OF THE SHOPPING MALL MARKETPLACE

appashops



Pick Up point in Alto Palermo



Shipping all over the country

69% of the orders

Withdrawn by Pick Up

82% of the clients also use iappa!



# ESG MAIN INDICATORS AND WORK IN PROGRESS



COMMERCIAL  
PROPERTIES

## E

ENVIRONMENTAL

30%

ISO certified Malls

50%

LEED or potentially certifiable Offices

82%

LED lighting in Shopping Malls

44%

Malls' escalators with energy saving system

Annual waste management

15 tn

Plastic & other materials recovery

400 tn

Cardboard recovery

## S

SOCIAL

40

Group Social Actions

140

Active Volunteers  
14,000 food and cleaning kits in COVID emergency

SeamosUno campaign



Fundación  
**IRSA**  
1996

127

Social Investment  
ARS MM - FY 2021

78

NGOs relationships

26%

Women

590

Employees

74%

Men

21%

>50 years of age

20%

<30 years of age

## G

GOVERNANCE

9

Directors

3

Independent

2

Women

22%

Women

45

Managers

78%

Men





COMMERCIAL  
PROPERTIES

# FINANCIAL INFORMATION

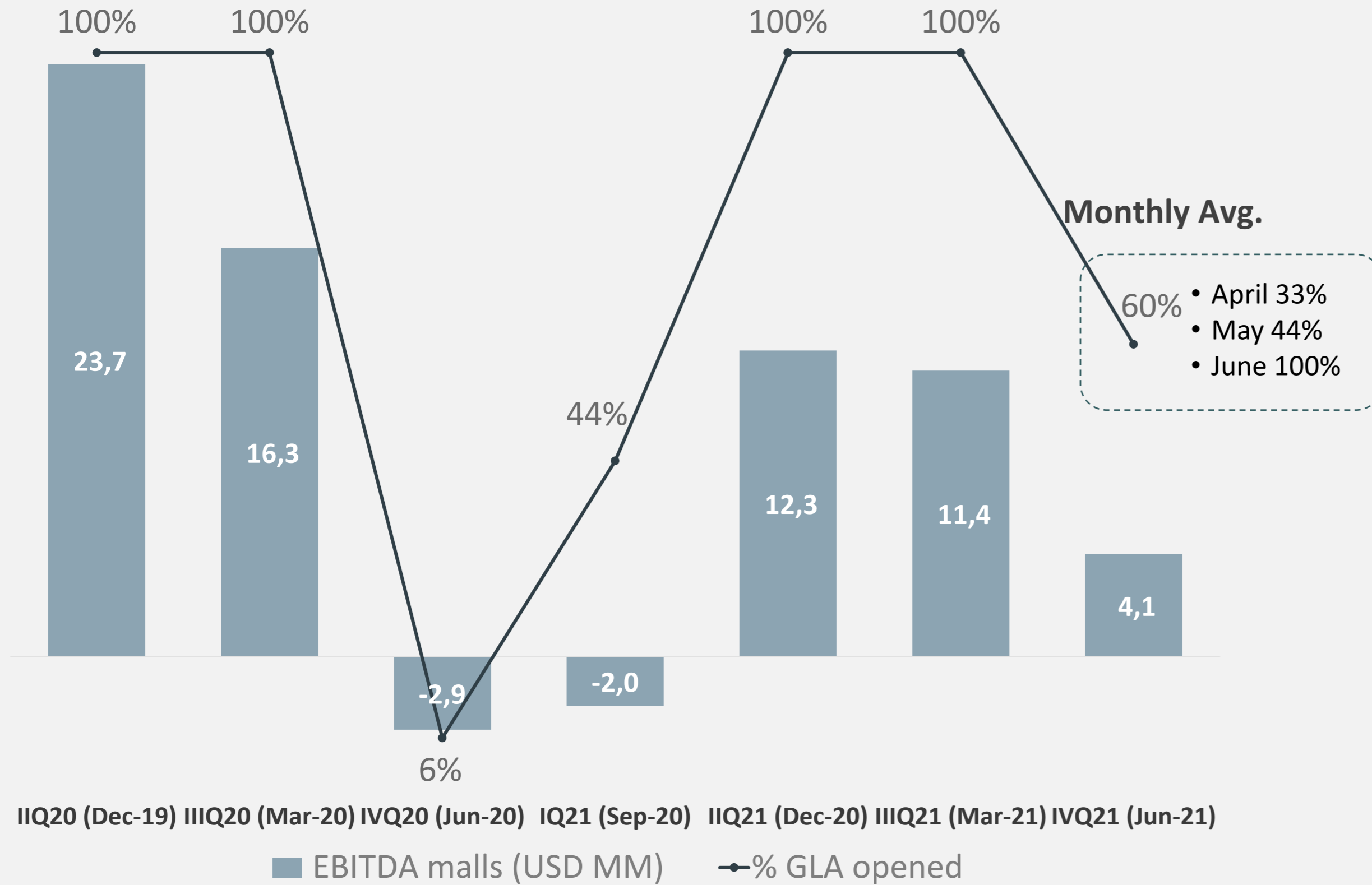


# RENTAL SEGMENT

## COVID IMPACT

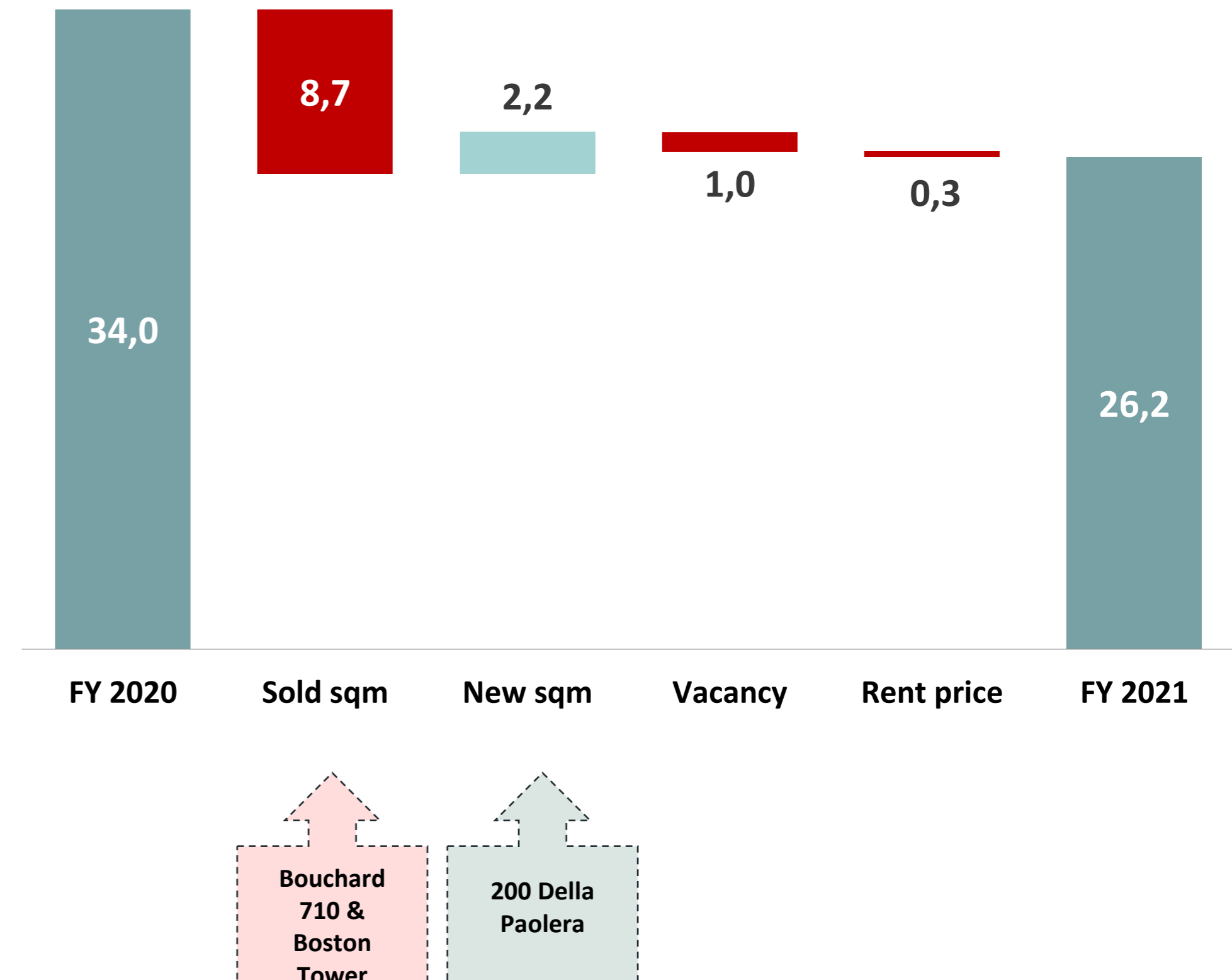
### MALLS EBITDA & OPENED PORTFOLIO (GLA)

QUARTERLY EVOLUTION – USD MILLION



### OFFICES REVENUES EVOLUTION

USD MILLION

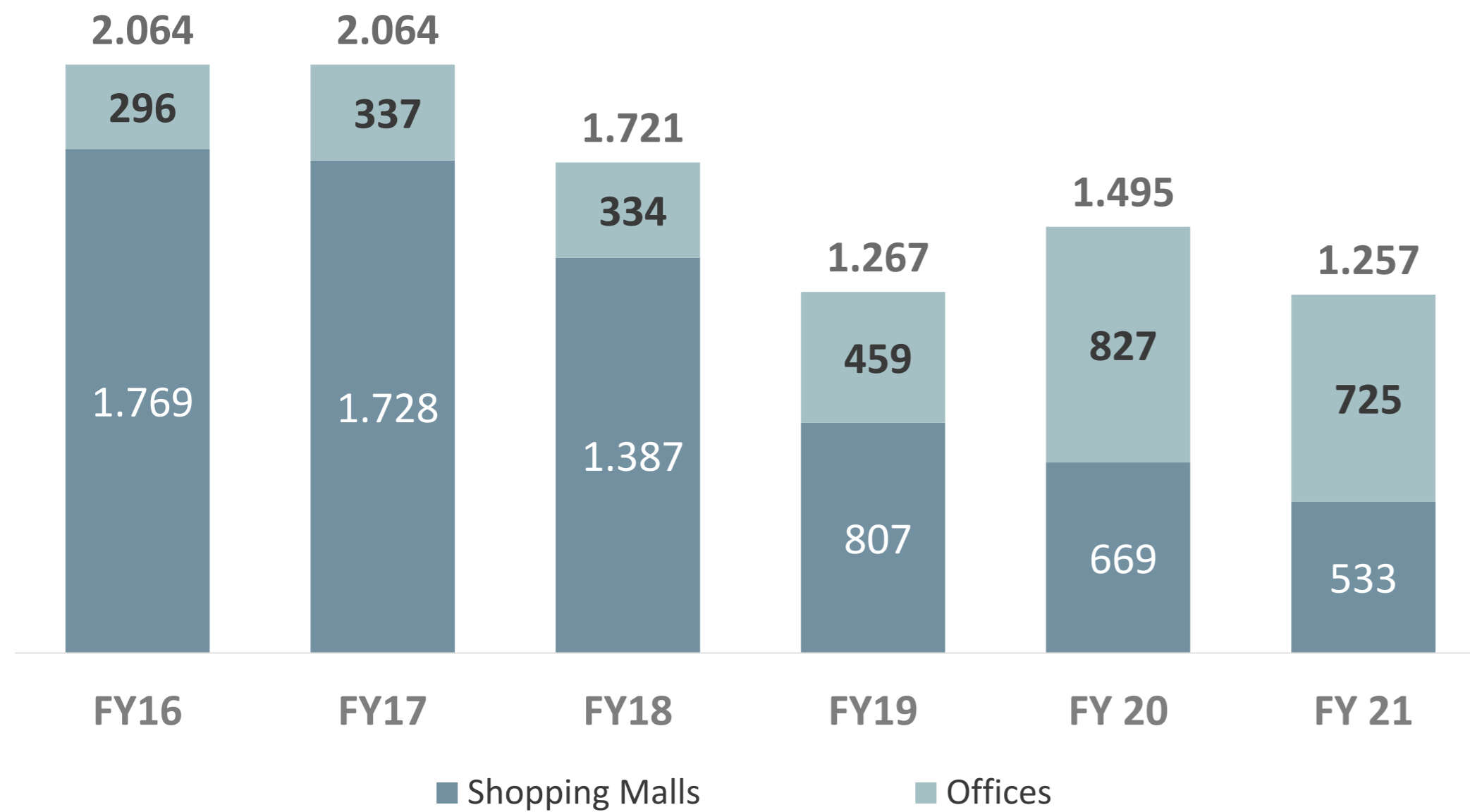




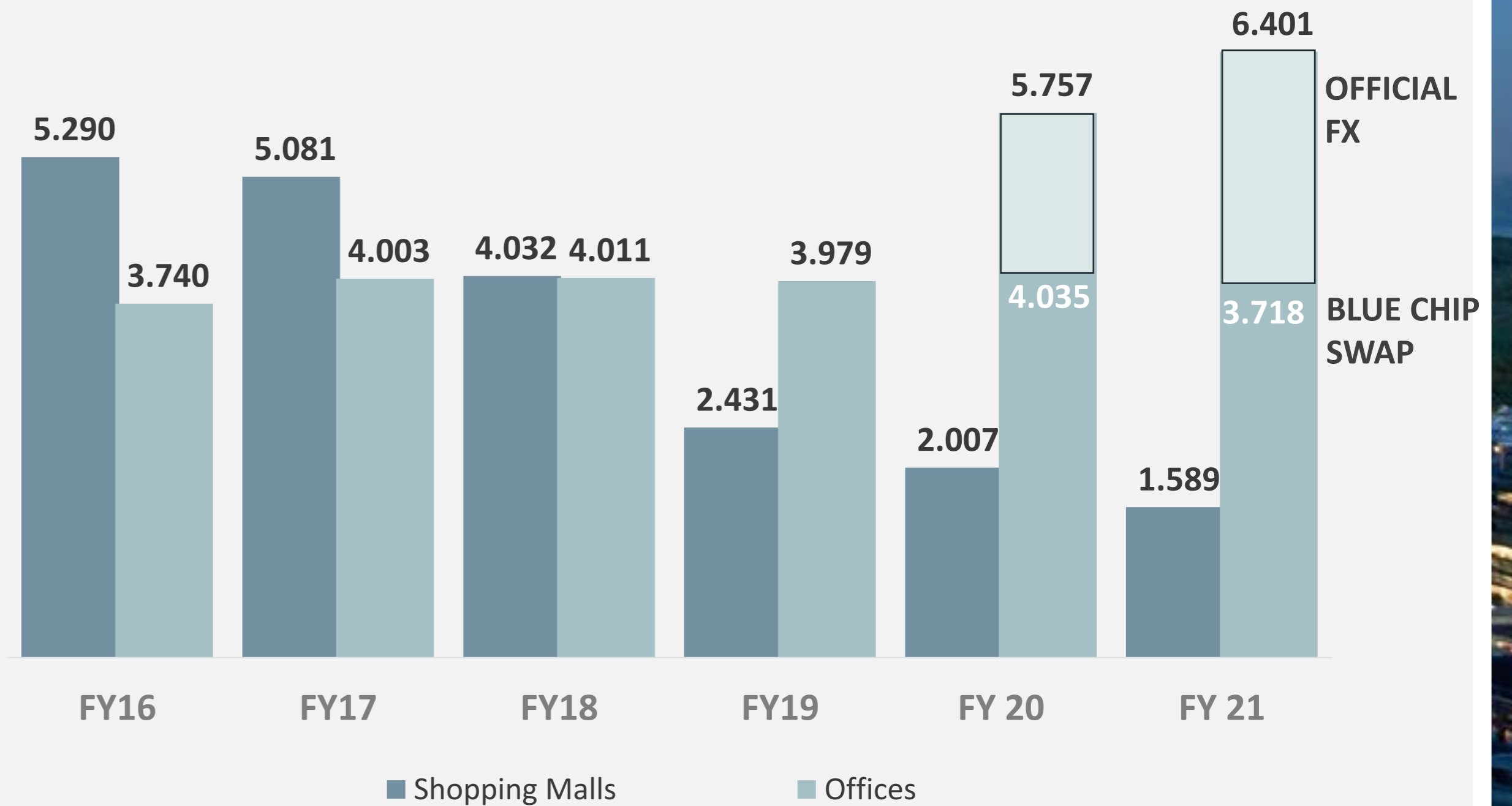
# RENTAL ASSETS VALUATION

## ANNUAL EVOLUTION

**EVOLUTION BY TYPE OF ASSETS**  
(USD MILLION)



**EVOLUTION PER SQM**  
(USD)





# FINANCIAL METRICS

## JUNE 30, 2021 - ARS MILLION



**138.4**  
**44.7**

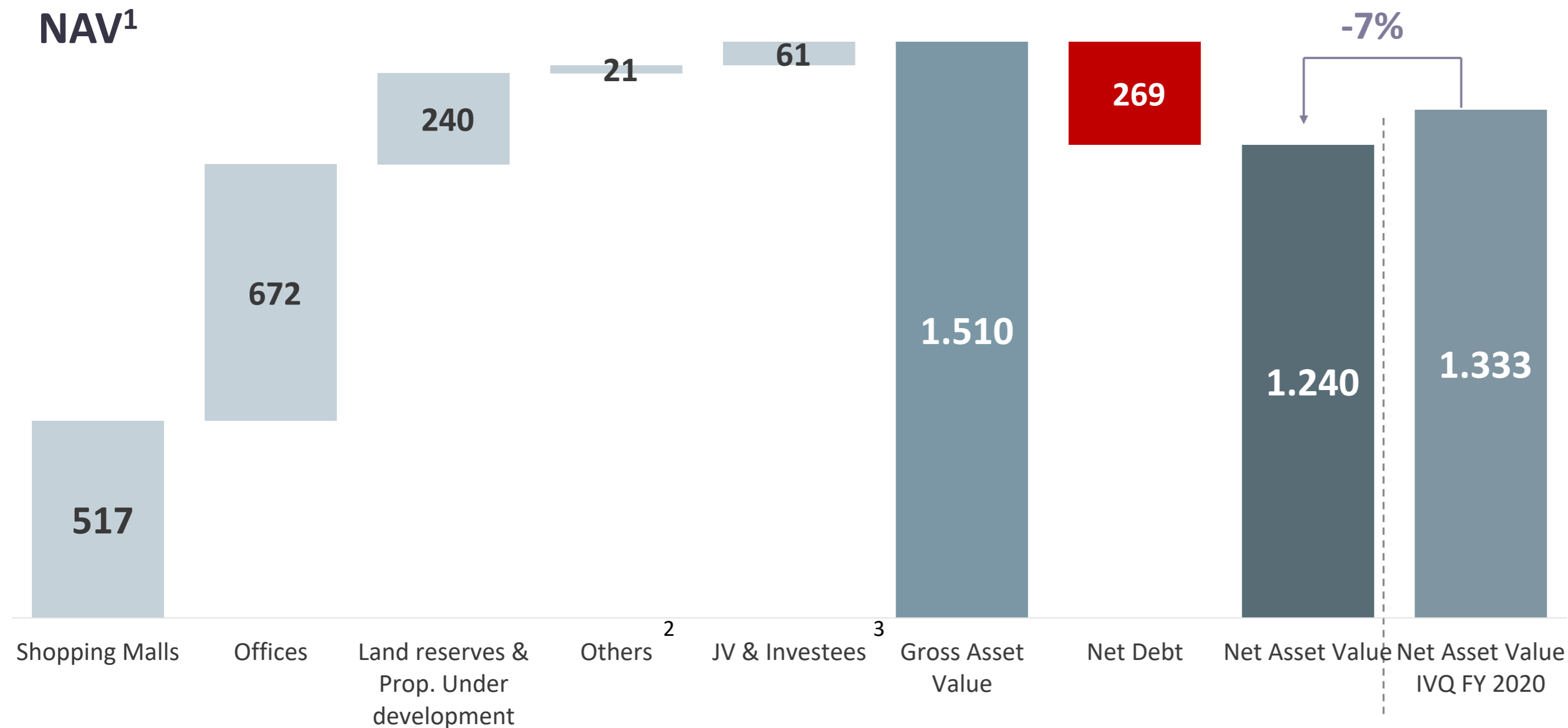
**Adj. Total EBITDA**  
FY 2021<sup>4</sup>  
**Adj. Rental EBITDA**  
FY 2021<sup>4</sup>

**157.6**

**Net Operating Income**  
FY 2021<sup>4</sup>

**94.2**

**Adjusted FFO**  
LTM<sup>4</sup>



VALUATION RATIOS	June 2021
CAP RATE (NOI/EV)	24.8%
EV/EBITDA	4.6x
P/FFO	3.5x
P/NAV	0.3x

1- Assets and liabilities adjusted by IRCP ownership  
 2- Includes trading properties and barbers registered under intangible assets. These two items are recorded at historical cost in the financial statements  
 3- Includes Quality and Nuevo Puerto Santa Fe as JV and La Rural, Convention Center & TGLT as Investees.  
 4- LTM as of June 30, 2021 Adjusted Avg. FX: ARS 104.58



# DEBT PROFILE

JUNE 30, 2021 - USD MILLION



**273.3**

Consolidated Net Debt<sup>2</sup>

**1.96x**

Net Debt/ EBITDA

**6.12x**

Net Debt/ Rental EBITDA

**17.8%**

From A to AA

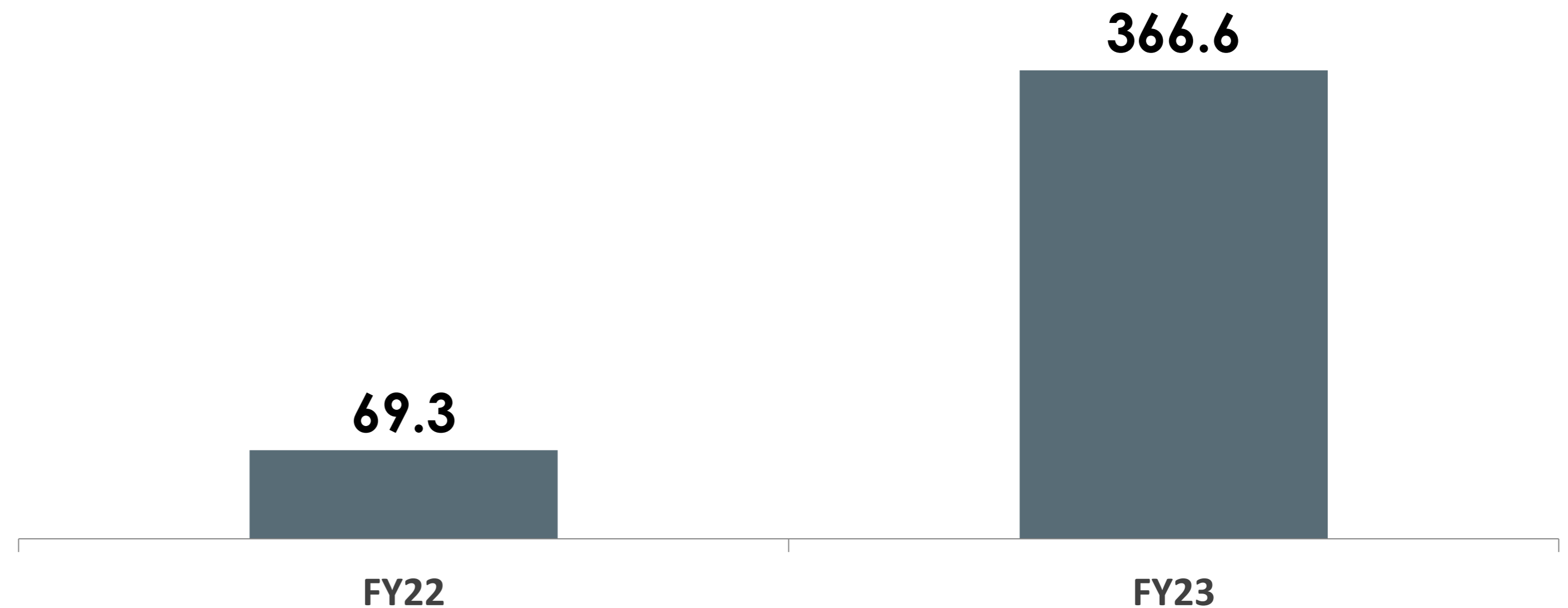
Loan to Value<sup>3</sup>

Credit Rating upgrade

By FIX (affiliate of Fitch Ratings)

Description	Amount	Maturity
Short-term debt	58.5	<360 days
PAMSA loan	18.9	Feb 2023
2023 Series II (international)	358.5	Mar 2023
<b>GROSS DEBT</b>	<b>435.9</b>	
Cash & Equivalents <sup>1</sup>	92.8	
Intercompany Credit	69.9	
<b>NET DEBT<sup>2</sup></b>	<b>273.2</b>	

## AMORTIZATION SCHEDULE



1. Cash & Cash Equivalents + Investments in Financial Currents Assets + Intercompany Notes Holdings  
 2. Gross Financial Debt less cash & equivalents, short-term financial current investments & Intercompany Credit with parent IRSA  
 3. Net Financial Debt over Gross Assets Value



# GROUP CAPITAL MARKETS TRACK RECORD



NUMBER OF TRANSACTIONS

**+200**



AMOUNT ISSUED

**+USD 18bn**



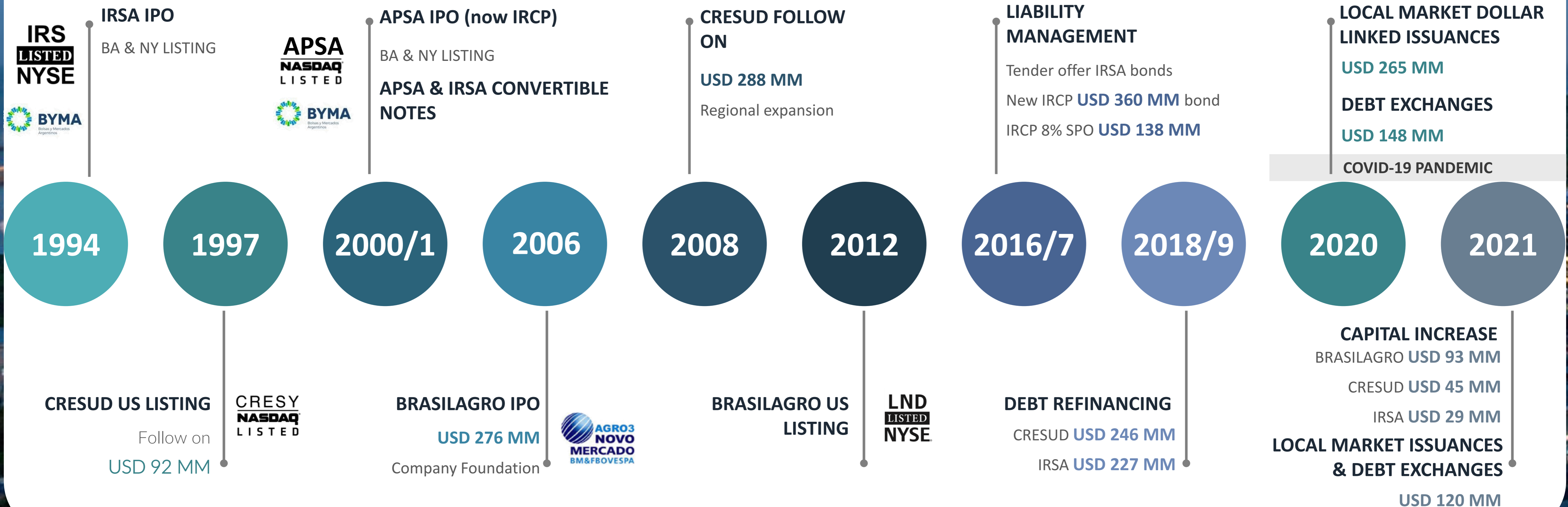
GROUP LISTED VEHICLES

**5** New York, Buenos Aires, & Sao Paulo



NON-DEFAULT HISTORY

Even in the worst Argentinean crisis (2001)





# CONTACT US



## OUR ADDRESS

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## TWITTER

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