

IRSA Propiedades Comerciales S.A.

**Unaudited Condensed Interim Consolidated Financial Statements for the
nine-month period ended March 31, 2020, presented comparatively**

Legal Information

Denomination: IRSA PROPIEDADES COMERCIALES S.A.

Fiscal year N°: 130, beginning July 1, 2019.

Legal address: Moreno 877, 22nd floor, Autonomous City of Buenos Aires, Argentina.

Main business: Real estate investment and development.

Date of registration with the Public Registry of Commerce of the By-laws: August 29, 1889.

Date of registration of last amendment: October 29, 2018.

Expiration of company charter: August 28, 2087.

Registration number with the Supervisory Board of Companies: 801,047.

Capital stock: 126,014,050 common shares.

Subscribed, issued and paid up (in thousands of Ps.): 126,014.

Direct Majority Shareholder: IRSA Inversiones y Representaciones Sociedad Anónima (IRSA).

Majority Shareholder of the Group: Inversiones Financieras del Sur S.A.

Legal Address: Bolívar 108, 1st floor, Autonomous City of Buenos Aires, Argentina.

Main business: Real estate investment.

Direct and indirect ownership interest: 101,624,666 common shares.

Voting stock (direct and indirect equity interest): 80.65%.

Type of shares	CAPITAL STRUCTURE		
	Outstanding shares	Shares authorized for public offering	Subscribed, issued and paid-in (in thousands of Ps.)
Registered, common shares with a nominal value of Ps. 1 each, 1 vote per share	126,014,050	126,014,050	126,014

IRSA Propiedades Comerciales S.A.

Unaudited Condensed Interim Consolidated Statements of Financial Position as of March 31, 2020 and June 30, 2019

(All amounts in thousands of Argentine Pesos, except otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

	Note	<u>03.31.20</u>	<u>06.30.19</u>
ASSETS			
Non-current assets			
Investment properties	8	81,305,401	81,822,341
Property, plant and equipment	9	467,479	450,709
Trading properties	10	166,169	168,214
Intangible assets	11	1,060,003	550,364
Rights of use assets	12	561,745	-
Investments in associates and joint ventures	7	4,470,351	2,179,251
Deferred income tax assets	19	79,499	97,617
Income tax and minimum presumed income tax credits		2,383	12,246
Trade and other receivables	14	4,187,525	661,123
Investments in financial assets	13	-	610,335
Total non-current assets		<u>92,300,555</u>	<u>86,552,200</u>
Current Assets			
Trading properties	10	-	1,506
Inventories		36,707	39,231
Income tax and minimum presumed income tax credits		93,423	86,436
Trade and other receivables	14	10,348,976	9,243,052
Derivative financial instruments	13	5,961	7,613
Investments in financial assets	13	5,379,232	8,236,647
Cash and cash equivalents	13	2,633,311	5,695,217
Total current assets		<u>18,497,610</u>	<u>23,309,702</u>
TOTAL ASSETS		<u>110,798,165</u>	<u>109,861,902</u>
SHAREHOLDERS' EQUITY			
Total capital and reserves attributable to equity holders of the parent		49,609,951	52,130,781
Non-controlling interest		2,962,708	2,954,442
TOTAL SHAREHOLDERS' EQUITY		<u>52,572,659</u>	<u>55,085,223</u>
LIABILITIES			
Non-current liabilities			
Trade and other payables	16	1,278,767	1,166,463
Borrowings	17	24,599,449	30,207,616
Leases liabilities		592,418	-
Deferred income tax liabilities	19	18,483,188	17,823,382
Provisions	18	71,409	59,514
Derivative financial instruments	13	22,588	18,723
Total non-current liabilities		<u>45,047,819</u>	<u>49,275,698</u>
Current liabilities			
Trade and other payables	16	2,559,941	3,410,259
Income tax liabilities		11,407	20,291
Payroll and social security liabilities		172,276	294,948
Borrowings	17	10,355,093	1,708,251
Leases liabilities		10,326	-
Derivative financial instruments	13	33,659	18,381
Provisions	18	34,985	48,851
Total current liabilities		<u>13,177,687</u>	<u>5,500,981</u>
TOTAL LIABILITIES		<u>58,225,506</u>	<u>54,776,679</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>110,798,165</u>	<u>109,861,902</u>

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

IRSA Propiedades Comerciales S.A.

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income for the nine and three-month periods ended March 31, 2020 and 2019

(All amounts in thousands of Argentine Pesos, except otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

	Note	Nine months		Three months	
		03.31.20	03.31.19	03.31.20	03.31.19
Income from sales, rentals and services	20	7,340,615	7,857,721	1,944,356	2,401,038
Income from expenses and collective promotion fund	20	2,489,000	2,675,854	827,265	784,003
Operating costs	21	<u>(3,222,911)</u>	<u>(3,477,214)</u>	<u>(1,042,185)</u>	<u>(1,029,688)</u>
Gross profit		6,606,704	7,056,361	1,729,436	2,155,353
Net gain / (loss) from fair value adjustments of investment properties	8	373,681	(10,478,732)	(1,855,978)	93,786
General and administrative expenses	21	(929,976)	(974,891)	(229,248)	(311,708)
Selling expenses	21	(500,084)	(503,464)	(113,624)	(155,929)
Other operating results, net	22	31,874	(401,432)	7,760	(356,734)
Profit/ (loss) from operations		5,582,199	(5,302,158)	(461,654)	1,424,768
Share of profit of associates and joint ventures	7	233,458	238,002	(62,956)	85,912
Profit/ (loss) from operations before financing and taxation		5,815,657	(5,064,156)	(524,610)	1,510,680
Finance income	23	377,665	100,591	167,990	18,878
Finance cost	23	(2,433,638)	(2,571,457)	(694,297)	(910,972)
Other financial results	23	(4,482,660)	(1,079,314)	(799,586)	(320,484)
Inflation adjustment	23	97,259	(74,378)	188,895	56,473
Financial results, net		(6,441,374)	(3,624,558)	(1,136,998)	(1,156,105)
Loss profit before income tax		(625,717)	(8,688,714)	(1,661,608)	354,575
Income tax expense	19	(1,045,302)	2,054,893	260,476	(60,970)
Loss profit for the period		(1,671,019)	(6,633,821)	(1,401,132)	293,605
Other comprehensive loss:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation adjustment		(9,069)	-	(9,069)	-
Other comprehensive loss for the period		(9,069)	-	(9,069)	-
Total comprehensive loss for the period		(1,680,088)	(6,633,821)	(1,410,201)	293,605
Total comprehensive loss attributable to:					
Equity holders of the parent		(1,762,294)	(6,837,351)	(1,351,121)	379,056
Non-controlling interest		91,275	203,530	(50,011)	(85,451)
Attributable to:					
Equity holders of the parent		(9,069)	-	(9,069)	-
Loss per share attributable to equity holders of the parent for the period:					
Basic		(13.98)	(54.26)	(10.72)	3.01
Diluted		(13.98)	(54.26)	(10.72)	3.01

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

IRSA Propiedades Comerciales S.A.

Unaudited Condensed Interim Consolidated Statement of Changes in Shareholders' Equity for the nine-month period ended March 31, 2020

(All amounts in thousands of Argentine Pesos, except otherwise indicated)
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	Share capital	Inflation adjustment of share capital	Share premium	Legal reserve	Special reserve CNV 609/12 (1)	Other reserves	Retained earnings	Subtotal	Non-controlling interest	Total shareholder's equity
Balance as of June 30, 2019	126,014	3,211,192	9,167,337	126,729	8,760,914	70,566,481	(39,827,886)	52,130,781	2,954,442	55,085,223
(Loss) / profit for the period	-	-	-	-	-	-	(1,762,294)	(1,762,294)	91,275	(1,671,019)
Other comprehensive loss for the period	-	-	-	-	-	(9,069)	-	(9,069)	-	(9,069)
Dividend distribution - Shareholders' meeting as of October 29, 2019	-	-	-	-	-	(693,730)	-	(693,730)	(138,746)	(832,476)
Assignment of results - Shareholders' meeting as of October 29, 2019	-	-	-	-	-	(39,827,886)	39,827,886	-	-	-
Changes in non-controlling interest	-	-	-	-	-	(55,737)	-	(55,737)	55,737	-
Balance as of March 31, 2020	126,014	3,211,192	9,167,337	126,729	8,760,914	29,980,059	(1,762,294)	49,609,951	2,962,708	52,572,659

	Reserve for future dividends	Special reserve	Currency translation adjustment	Changes in non-controlling interest	Total other reserves
Balance as of June 30, 2019	30,712,156	39,970,569	-	(116,244)	70,566,481
Other comprehensive loss for the period	-	-	(9,069)	-	(9,069)
Assignment of results - Shareholders' meeting as of October 29, 2019	(693,730)	(39,827,886)	-	-	(40,521,616)
Changes in non-controlling interest	-	-	-	(55,737)	(55,737)
Balance as of March 31, 2020	30,018,426	142,683	(9,069)	(171,981)	29,980,059

(1) Corresponds to General Resolution 609/12 of National Securities Commission ("CNV"). Furthermore includes the effect for the standard change in investment properties as of June 1, 2011.

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

IRSA Propiedades Comerciales S.A.

Unaudited Condensed Interim Consolidated Statement of Changes in Shareholders' Equity for the nine-month period ended March 31, 2019

(All amounts in thousands of Argentine Pesos, except otherwise indicated)
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	Share capital	Inflation adjustment of share capital	Share premium	Legal reserve	Special reserve CNV 609/12 (1)	Other reserves	Retained earnings	Subtotal	Non-controlling interest	Total shareholder's equity
Balance as of June 30, 2018	126,014	3,211,192	9,167,337	126,729	8,760,914	7,248,892	48,950,947	77,592,025	3,044,297	80,636,322
Adjustments previous periods (IFRS 9)(2)	-	-	-	-	-	-	(39,077)	(39,077)	-	(39,077)
Balance as of June 30, 2018 - Adjusted	126,014	3,211,192	9,167,337	126,729	8,760,914	7,248,892	48,911,870	77,552,948	3,044,297	80,597,245
(Loss) / profit for the period	-	-	-	-	-	-	(6,837,351)	(6,837,351)	203,530	(6,633,821)
Dividend distribution - Shareholders' meeting as of October 29, 2018	-	-	-	-	-	-	(956,158)	(956,158)	-	(956,158)
Assignment of results - Shareholders' meeting as of October 29, 2018	-	-	-	-	-	63,369,724	(63,369,724)	-	-	-
Changes in non-controlling interest	-	-	-	-	-	(54,414)	-	(54,414)	54,414	-
Balance as of March 31, 2019	126,014	3,211,192	9,167,337	126,729	8,760,914	70,564,202	(22,251,363)	69,705,025	3,302,241	73,007,266

	Reserve for future dividends	Special reserve	Changes in non-controlling interest	Total other reserves
Balance as of June 30, 2018	-	7,313,002	(64,110)	7,248,892
Assignment of results - Shareholders' meeting as of October 29, 2018	30,712,156	32,657,568	-	63,369,724
Changes in non-controlling interest	-	-	(54,414)	(54,414)
Balance as of March 31, 2019	30,712,156	39,970,570	(118,524)	70,564,202

(1) Corresponds to General Resolution 609/12 of National Securities Commission ("CNV"). Furthermore includes the effect for the standard change in investment properties as of June 1, 2011.

(2) See Note 2.2.

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

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Unaudited Condensed Interim Consolidated Statements of Cash Flows for the nine-month periods ended March 31, 2020 and 2019

(All amounts in thousands of Argentine Pesos, except otherwise indicated)
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	Note	<u>03.31.20</u>	<u>03.31.19</u>
Operating activities:			
Cash generated from operations	15	4,409,905	3,745,860
Income tax paid		(102,029)	(146,685)
Net cash generated by operating activities		<u>4,807,876</u>	<u>3,599,175</u>
Investing activities:			
Capital contributions in associates and joint ventures		(38,900)	(37,150)
Acquisition of investment properties		(1,023,993)	(2,066,586)
Acquisition of property, plant and equipment		(101,086)	(75,220)
Advance payments		(928,945)	(3,504,050)
Acquisition of intangible assets		(22,291)	(120,918)
Acquisitions of investments in financial assets		(9,307,931)	(17,807,510)
Proceeds from investments in financial assets		10,642,850	18,375,171
Loans granted, net		(901,538)	8,172
Loans granted to related parties		(4,177,974)	-
Proceeds from sales of interest held in associates and joint ventures		-	5,652
Loans payment received from related parties		632,066	-
Proceeds from sales of investment properties		16,708	-
Collection of financial assets interests		428,894	461,255
Acquisition of subsidiaries, net of cash acquired		-	(34,000)
Dividends received		151,502	6,213
Net cash used in investing activities		<u>(4,630,638)</u>	<u>(4,788,971)</u>
Financing activities:			
Repurchase of non-convertible notes		(484,192)	(58,612)
Borrowings obtained		9,556,355	457,622
Borrowings obtained from related parties		-	24,951
Payment of borrowings		(9,696,789)	(370,360)
Payments of financial leasing		-	(12,006)
Payment of derivative financial instruments		-	(759,321)
Pay of leases liabilities		(31,728)	-
Proceeds from derivative financial instruments		426,776	1,299,387
Payment of derivative financial instruments		(427,109)	-
Payment of interest		(2,714,054)	(2,582,101)
Dividends paid		(693,021)	(956,158)
Contribution of the non-controlling shareholders		(86,626)	-
Short-term loans, net		678,048	200,992
Net cash used in financing activities		<u>(3,472,340)</u>	<u>(2,755,606)</u>
Net decrease in cash and cash equivalents		<u>(3,295,102)</u>	<u>(3,945,402)</u>
Cash and cash equivalents at beginning of period	13	5,695,217	7,687,315
Financial result of cash and cash equivalents		268,545	196,788
Inflation adjustment		(35,349)	(35,158)
Cash and cash equivalents at end of period	13	<u>2,633,311</u>	<u>3,903,543</u>

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

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Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(All amounts in thousands of Argentine Pesos, except otherwise indicated)
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1. Group's business and general information

IRSA PROPIEDADES COMERCIALES S.A. ("IRSA Propiedades Comerciales" or "the Company") is an Argentine real estate company mainly engaged in holding, leasing, managing, developing, operating and acquiring shopping malls and office buildings and holds a predominant position within the Argentine market. IRSA Propiedades Comerciales was incorporated in 1889 under the name Sociedad Anonima Mercado de Abasto Proveedores (SAMAP) and until 1984 operated the main fresh product market in the Autonomous City of Buenos Aires. SAMAP's core asset was the historical building of Mercado de Abasto, which served as site of the market from 1889 until 1984, when a sizable part of its operations was interrupted.

Since the Company was acquired by IRSA Inversiones y Representaciones Sociedad Anónima (hereinafter, IRSA) in 1994, it has grown through a series of acquisitions and development projects that resulted in a corporate reorganization pursuant to which the company was renamed Alto Palermo S.A. which was subsequently changed to our current denomination.

As of the end of these unaudited condensed interim consolidated financial statements (hereinafter, financial statements), the Company operates 332,642 square meters (sqm) in 14 shopping malls, 115,640 sqm in 8 premium offices and an extensive land reserve for future commercial developments; operates and holds a majority interest in a portfolio of 14 shopping malls in Argentina, six of which are located in the Autonomous City of Buenos Aires (Abasto Shopping, Alcorta Shopping, Alto Palermo, Patio Bullrich, Dot Baires Shopping and Distrito Arcos), two in Buenos Aires province (Alto Avellaneda and Soleil Premium Outlet) and the rest are situated in different provinces (Alto Noa in the City of Salta, Alto Rosario in the City of Rosario, Mendoza Plaza in the City of Mendoza, Córdoba Shopping Villa Cabrera in the City of Córdoba, Alto Comahue in the City of Neuquén and La Ribera Shopping in the City of Santa Fe). The Company also owns the historic building where the Patio Olmos Shopping Mall is located, operated by a third party.

The Company's shares are traded on the Buenos Aires Stock Exchange (MERVAL: IRCP) and in United States of America on the NASDAQ (NASDAQ: IRCP).

IRSA Propiedades Comerciales and its subsidiaries are hereinafter referred to jointly as "the Group". Our main shareholder and parent Company is IRSA and Inversiones Financieras del Sur S.A. is our ultimate parent Company.

These financial statements have been approved by the Board of Directors to be issued on June 4, 2020.

2. Summary of significant accounting policies

2.1. Basis of preparation

The National Securities Commission (CNV), in Title IV "Periodic Information Regime" - Chapter III "Rules relating to the presentation and valuation of financial statements" - Article 1, of its standards, has established the application of the Technical Resolution No. 26 (RT 26) of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and its amendments, which adopt IFRS, issued by the IASB, for certain companies included in the public offering regime of Law No. 26,831, either because of its share capital or its non-convertible notes, or that have requested authorization to be included in the aforementioned regime.

These financial statements for the interim periods of nine months ended March 31, 2020 and 2019 have not been audited. Management considers that they include all the necessary adjustments to fairly present the results of each period. Intermediate period results do not necessarily reflect the proportion of the Group's results for the entire fiscal years.

IAS 29 "Financial Reporting in Hyperinflationary Economies" requires that the financial statements of an entity whose functional currency is one of a hyperinflationary economy be expressed in terms of the current unit of measurement at the closing date of the reporting period, regardless of whether they are based on the historical cost method or the current cost method. To do so, in general terms, the inflation produced from the date of acquisition or from the revaluation date, as applicable, must be calculated for non-monetary items. This requirement also includes the comparative information of the financial statements.

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In order to conclude on whether an economy is categorized as a high inflation one, in the terms of IAS 29, the standard details a series of factors to be considered, including the existence of an accumulated inflation rate in three years that approximates to or exceeds 100%. Accumulated inflation in Argentina in three years has been over 100%. For this reason, in accordance with IAS 29, the Argentine economy must be considered as a high inflation economy starting July 1, 2018.

Regarding the inflation index to be used and in accordance with FACPCE Resolution No. 539/18, it will be determined based on the Wholesale Price Index (IPIM) until 2016, considering the average variation of Consumer Price indices (CPI) of the Autonomous City of Buenos Aires for the months of November and December 2015, because during those two months there were no national IPIM measurements. Then, from January 2017, the National Consumer Price Index (National CPI) will be considered. The table below shows the evolution of this index during the period ended March 31, 2020, according to official statistics by Argentine Institute of Statistics and Census (INDEC) and following the guidelines described in Resolution 539/18:

<u>Price variation:</u>	<u>03.31.20 (accumulated of nine month)</u>
	36%

As a consequence of the aforementioned, these Unaudited Consolidated Financial Statements as of March 31, 2020 were restated in accordance with IAS 29.

2.2. Significant accounting policies

The accounting policies applied in the presentation of these financial statements are consistent with those applied in the preparation of the information are described in Note 2 to the Annual Consolidated Financial Statements from June 30, 2019 and implementing the IFRS 16: leases, from July 1, 2019.

IFRS 16: Leases

The standard establishes the criteria for recognition and valuation of leases for lessees and lessors. The changes incorporated mainly impact the tenant's accounting. IFRS 16 provides that the lessee recognize an asset for the right of use and a liability at present value with respect to those contracts that meet the definition of lease agreements according to IFRS 16. In accordance with the standard, a lease agreement is one that provides the right to control the use of an identified asset for a specific period. In order for a company to have control over the use of an identified asset: a) it must have the right to obtain substantially all the economic benefits of the identified asset and b) it must have the right to direct the use of the identified asset.

The standard allows an entity to exclude the short-term contracts (under 12 months) and those in which the underlying asset has low value.

The application of IFRS 16 generates an increase in assets and liabilities and a decrease in operating costs. Furthermore, amortizations and financial results generated by the update of the lease liabilities are increase.

2.3. Comparability of information

The amounts as of June 30, 2019 and March 31, 2019, which are disclosed for comparative purposes, arise from the financial statements at said dates restated in accordance with IAS 29. Certain figures have been reclassified for comparison purposes in these Financial Statements.

2.4. Use of estimates

The preparation of Financial Statements at a certain date requires the Group's Management to make estimations and evaluations affecting the amount of assets and liabilities recorded and contingent assets and liabilities disclosed at such date, as well as income and expenses recorded during the period. Actual results might differ from the estimates and evaluations made at the date of preparation of these financial statements. In the preparation of these financial statements, the significant judgments made by Management in applying the Group's accounting policies and the main sources of uncertainty were the same applied by the Group in the preparation of the Annual Consolidated Financial Statements of the information are described in Note 3 as of June 30, 2019.

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3. Seasonal effects on operations

The operations of the Group's shopping mall are subject to seasonal effects, which affect the level of sales recorded by tenants. During summertime (January and February), the tenants of shopping mall experience the lowest sales levels in comparison with the winter holidays (July) and during the period of Christmas' Seasons (December) when they tend to record peaks of sales. Apparel stores generally change their collections during the spring and the fall, which impacts positively on shopping mall sales. Sale discounts at the end of each season also impact the business. Consequently, a higher level of revenues is generally expected in shopping mall operations during the second half of the year.

4. Acquisitions and disposals

Barter transaction airspace

On October 25, 2019, the Company has transferred in a barter transaction the rights to construct an apartment building ("Torre 1") to an unrelated third party on the airspace of the COTO Supermarket located in the Abasto neighborhood of the Autonomous City from Buenos Aires. Torre 1 will have 22 apartments of 1 to 3 rooms totaling an area of 8,400 square meters. The amount of the operation was set at USD 4.5 millions: USD 1 million will be pay in cash and remaining balance in at least 35 functional units of departments, representing the equivalent of 24.20% of the own square meters, with a minimum insured of 1,982 square meters.

Within 30 months of the signing of the contract, when certain conditions have been met, IRSA CP must transfer to the same unrelated third party the rights to build a second apartment building.

As of March 31, 2020 the results of this transaction amounts to ARS 274 million that are included in the line "Income from sales, rentals and services" and "Operating costs" of the Statements of Comprehensive Income.

Barter agreement Plot 1 - Caballito Tower

On December 23, 2019, the Company has transferred in a barter transaction the Plot 1 of the land located in Av. Avellaneda and Olegario Andrade 367, in the Caballito neighborhood of the Autonomous City of Buenos Aires, to an unrelated third party.

Plot 1 has an estimated surface area of 3,221 square meters in which a 10-story apartment building will be developed for a total of 11,400 square meters, a commercial ground floor for 1,216 square meters and a basement of 138 parking spaces ("Building 1").

The amount of the operation was set at the sum of USD 5.5 million to be paid in future functional units of Building 1, which represent the equivalent of 23.53% of the own square meters, with a minimum footage insured of 2,735 square meters composed by 1,215.62 square meters of commercial destination, 1,519.68 square meters of residential destination and a certain number of parking spaces that represent 22.50% of the own square meters with that destination and never less than 31 units. The consideration is granted by a mortgage on Plot 1 and Building 1. The buyer has an option to acquire Plot 2 of the same property until August 31, 2020 and Plots 3 and 4 until March 31, 2021, subject to certain suspensive conditions. As of March 31, 2020 this transaction has not had impact on the profit and loss statement of the Company.

TGLT – Recapitalization agreement

On August 8, 2019, we entered into certain arrangements with TGLT S.A. ("TGLT") providing for collaboration in TGLT's financial restructuring and recapitalization. We participated in the recapitalization agreement whereby TGLT committed: (i) to make a public offer to subscribe Class A preferred shares at a subscription price of US\$1.00 per TGLT share; (ii) to make a public offering of new Class B preferred shares which may be subscribed by (a) the exchange for ordinary shares of TGLT, at an exchange ratio of one Class B preferred share for every 6.94 ordinary shares of the Company and / or (b) the exchange for convertible notes, at an exchange ratio of a Class B preferred share for each US\$1.00 of convertible notes (including accumulated and unpaid interests under the existing convertible notes); and (iii) to grant an option to subscribe new Class C preferred shares in a public offer for cash to be carried out if: (a) the public offer of Class A and Class B preferred shares are consummated and (b) a minimum number of option holders have exercised that option at a subscription price per Class C preferred share of US\$1.00 (or its equivalent in pesos).

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Likewise, IRSA Propiedades Comerciales signed as a holder of convertible notes of TGLT an agreement for deferment of payment of interest payable as of February 15, 2019 and August 15, 2019 until November 8, 2019 and an option agreement which may be subscribed Class C preferred shares.

Finally, supporting the recapitalization plan, IRSA Propiedades Comerciales signed with TGLT a subscription commitment for Class A preferred shares under Class A Public Offer to make a contribution in kind of shares of the company La Maltería SA, 100% of its ownership, for an amount up to US\$ 24 million and promised to exchange its convertible negotiable obligations into preferred Class B shares.

In turn, on November 22, 2019, TGLT held a bondholders of convertible negotiable obligations meeting in order to consider the modification of different clauses of the indenture in force at that date, and in line with what was agreed in the recapitalization agreement, IRSA Propiedades Comerciales voted in favor of the modifications.

Under the agreements described above, the successful consummation of the offer by TGLT, and having reached the thresholds of consent of the holders of convertible notes of TGLT, on December 11, 2019, the Company concluded the envisaged process in the recapitalization agreement and related documents through the subscription of preferred Class A shares, integrating them in kind through the contribution of the shares of the company La Maltería SA, 100% of their ownership and, likewise, proceeded to the exchange of the convertible note - including deferred interest and accrued interest from August 15, 2019 to December 11, 2019 - in preferred Class B shares.

In the last quarter, preferred shares were converted into ordinary shares, which is why IRSA Propiedades Comerciales begin to have significant influence, considering TGLT S.A. as an associated company.

5. Financial risk management and fair value estimates

These Financial Statements do not include all the information and disclosures on financial risk management; therefore, they should be read along with Note 5 to the Consolidated Financial Statements as of June 30, 2019. There have been no changes in risk management or risk management policies applied by the Group since year-end.

Since June 30, 2019 as of the date of this Financial Statements, there have been no significant changes in business or economic circumstances affecting the fair value of the Group's assets or liabilities of the Group except for that the indicated in Note 27. Furthermore, there have been no transfers between the different hierarchies used to assess the fair value of the Group's financial instruments.

6. Segment reporting

The following is a summary analysis of the Group's business segments, corresponding to the periods ended March 31, 2020 and 2019. Additionally, a reconciliation between results of operations corresponding to segment information and the results of operations as per the statements of comprehensive income and total assets by segment and total assets according to the statement of financial position. The information by segments has been prepared and classified according to the businesses in which the Group carries out its activities, which are described in Note 6 of the Annual Consolidated Financial Statements as of June 30, 2019, with the exception of the incorporation of TGLT S.A. to the "Others" segment (Note 4).

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03.31.20								
	Shopping Malls	Offices	Sales and developments	Others	Total segmet reporting	Adjustment for expenses and collective promotion funds	Adjustment for share in profit/ (loss) of joint ventures	Total as per statement of comprehensive income
Revenues	5,345,191	1,697,952	294,601	57,981	7,395,725	2,489,000	(55,110)	9,829,615
Operating costs	(433,928)	(99,375)	(76,766)	(64,121)	(674,190)	(2,579,913)	31,192	(3,222,911)
Gross profit / (loss)	4,911,263	1,598,577	217,835	(6,140)	6,721,535	(90,913)	(23,918)	6,606,704
Net (loss) / gain from fair value changes in investment properties	(3,711,267)	3,330,544	955,439	53,976	628,692	-	(255,011)	373,681
General and administrative expenses	(620,150)	(194,005)	(35,079)	(87,177)	(936,411)	-	6,435	(929,976)
Selling expenses	(404,700)	(58,911)	(45,054)	(5,806)	(514,471)	-	14,387	(500,084)
Other operating results, net	(47,038)	(25,473)	(2,369)	67,360	(7,520)	22,894	16,500	31,874
Profit / (Loss) from operations	128,108	4,650,732	1,090,772	22,213	5,891,825	(68,019)	(241,607)	5,582,199
Share of profit of associates and joint ventures	-	-	-	64,486	64,486	-	168,972	233,458
Profit / (Loss) before financing and taxation	128,108	4,650,732	1,090,772	86,699	5,956,311	(68,019)	(72,635)	5,815,657
Investment properties	44,747,017	32,432,160	6,763,533	255,339	84,198,049	-	(2,892,648)	81,305,401
Property, plant and equipment	222,869	246,699	-	-	469,568	-	(2,089)	467,479
Trading properties	-	-	166,169	-	166,169	-	-	166,169
Goodwill	9,976	29,489	-	85,547	125,012	-	(39,465)	85,547
Right to receive units under (barter transactions)	-	-	716,341	-	716,341	-	-	716,341
Inventories	37,423	-	-	-	37,423	-	(716)	36,707
Investments in associates and joint ventures	-	-	-	2,229,918	2,229,918	-	2,240,110	4,470,028
Operating assets	45,017,285	32,708,348	7,646,043	2,570,804	87,942,480	-	(694,808)	87,247,672
03.31.19								
	Shopping Malls	Offices	Sales and developments	Others	Total segmet reporting	Adjustment for expenses and collective promotion funds	Adjustment for share in profit/ (loss) of joint ventures	Total as per statement of comprehensive income
Revenues	6,310,677	1,470,150	53,056	89,637	7,923,520	2,675,854	(65,799)	10,533,575
Operating costs	(516,945)	(72,727)	(37,430)	(102,493)	(729,595)	(2,788,449)	40,830	(3,477,214)
Gross profit / (loss)	5,793,732	1,397,423	15,626	(12,856)	7,193,925	(112,595)	(24,969)	7,056,361
Net (loss) / gain from fair value changes in investment properties	(15,129,847)	4,668,179	281,589	(206,241)	(10,386,320)	-	(92,412)	(10,478,732)
General and administrative expenses	(688,137)	(143,434)	(65,260)	(80,137)	(976,968)	-	2,077	(974,891)
Selling expenses	(425,482)	(61,183)	(9,600)	(12,691)	(508,956)	-	5,492	(503,464)
Other operating results, net	(60,038)	(11,697)	(9,625)	(333,990)	(415,350)	12,676	1,242	(401,432)
(Loss) / Profit from operations	(10,509,772)	5,849,288	212,730	(645,915)	(5,093,669)	(99,919)	(108,570)	(5,302,158)
Share of profit of associates and joint ventures	-	-	-	85,149	85,149	-	152,853	238,002
(Loss) / Profit before financing and taxation	(10,509,772)	5,849,288	212,730	(560,766)	(5,008,520)	(99,919)	44,283	(5,064,156)
Investment properties	70,919,880	32,819,654	5,786,237	148,254	109,674,025	-	(3,743,125)	105,930,900
Property, plant and equipment	244,403	212,906	-	-	457,309	-	(2,573)	454,736
Trading properties	-	-	294,688	-	294,688	-	-	294,688
Goodwill	9,976	29,490	-	85,265	124,731	-	(39,466)	85,265
Right to receive units under (barter transactions)	42,211	-	-	-	42,211	-	(927)	41,284
Inventories	-	-	-	47,738	47,738	-	2,891,776	2,939,514
Investments in associates and joint ventures	71,216,470	33,062,050	6,080,925	281,257	110,640,702	-	(894,315)	109,746,387
Operating assets	142,432,940	66,124,100	12,161,850	562,514	221,281,404	-	(1,788,630)	219,492,774

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7. Investments in associates and joint ventures

The table below lists information about the Group's investments in associates and joint ventures:

Name of the entity	% of ownership interest held by non-controlling interests		Value of Company's interest in equity		Company's interest in comprehensive income	
	03.31.20	06.30.19	03.31.20	06.30.19	03.31.20	03.31.19
Joint ventures						
Quality Invest S.A.	50.00%	50.00%	1,995,613	1,773,832	182,880	89,740
Nuevo Puerto Santa Fe S.A.	50.00%	50.00%	244,497	294,769	(13,908)	63,113
La Rural S.A.	50.00%	50.00%	178,623	96,034	82,588	77,944
Associates						
TGLT S.A.(5)	30.20%	-	2,046,957	-	(17,207)	-
Tarshop S.A.	-	-	-	-	-	2,417
Others associates (3)(4)	-	-	4,338	14,309	(9,964)	4,788
Total interests in associates and joint ventures			4,470,028	2,178,944	224,389	238,002

The table below lists information of the latest financial statements issued by associates and joint ventures:

Name of the entity	Place of business / Country of incorporation	Main activity	Common shares	Last financial statements issued		
				Share capital (nominal value)	Income for the period	Equity
Joint ventures						
Quality Invest S.A. (2)	Argentina	Real estate	163,039,244	326,078	365,758	3,932,249
Nuevo Puerto Santa Fe S.A. (1)(2)	Argentina	Real estate	138,750	27,750	(27,816)	469,042
La Rural S.A. (2)	Argentina	Event organization and others	714,498	1,430	175,236	272,642
Associates						
TGLT S.A. (5)(6)	Argentina	Real estate	279,502,813	924,991	(26,932)	5,957,545

(1) Nominal value per share Ps. 100.

(2) Correspond to profit for the nine-month period ended at March 31, 2020 and 2019, respectively.

(3) Represents other individually non-significant associates.

(4) Includes Ps. 323 as of March 31, 2020 and Ps. 307 as of June 30, 2019, in relation to the equity interest in Avenida Compras disclosed in Provisions.

(5) See Note 4 in these Financial Statements.

(6) Correspond to loss for the three-month period ended at March 31, 2020.

Changes in the Group's investments in associates and joint ventures for the period ended March 31, 2020 and for the year ended June 30, 2019 were as follows:

	03.31.20	06.30.19
Beginning of the period / year	2,178,944	3,288,345
Adjustment previous periods (i)	-	(39,077)
Share of profit / (loss)	233,458	(548,475)
Dividends	(36,364)	(422,694)
Other comprehensive loss	(9,069)	-
Sale of interest in associates (i)	-	(168,101)
Acquisition of interest in associates (ii)(Note 24)	2,064,159	-
Irrevocable contributions (Note 24)	38,900	68,946
End of the period / year (4)	4,470,028	2,178,944

(i) See Note 2.2 to the Annual Financial Statements as of June 30, 2019.

(ii) Corresponds to the acquisition of TGLT S.A. See Note 4 to these Financial Statements.

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8. Investment properties

Changes in the Group's investment properties for the nine-month period ended March 31, 2020 and for the year ended June 30, 2019 were as follows:

	Shopping Malls	Office and Other rental properties	Undeveloped parcels of land	Properties under development	Others	03.31.20	06.30.19
Fair value at beginning of the period / year	46,286,752	26,441,054	7,747,441	1,146,824	200,270	81,822,341	114,370,343
Additions	380,881	89,466	672	576,391	1,093	1,048,503	2,363,366
Capitalization of financial costs	-	-	-	284	-	284	91,411
Capitalized lease costs	13,447	5,649	-	-	-	19,096	14,859
Depreciation of capitalized lease costs (i)	(6,957)	(4,822)	-	-	-	(11,779)	(12,072)
Transfers	(6,397)	(309)	-	-	-	(6,706)	73,322
Disposals (iii)	-	-	(369,239)	-	-	(369,239)	-
Net (loss) / gain from fair value adjustment on investment properties (ii)	(3,743,520)	3,052,822	955,439	54,964	53,976	373,681	(35,078,888)
Decrease due to loss of control (Note 4)	-	-	(1,570,780)	-	-	(1,570,780)	-
Fair value at end of the period / year	42,924,206	29,583,860	6,763,533	1,778,463	255,339	81,305,401	81,822,341

- (i) As of March 31, 2020 the depreciation charge was included in "Costs" in the amount of Ps 11,475, in "General and administrative expenses" in the amount of Ps. 285 and in and in "Selling expenses" in the amount of Ps. 19 in the Statement of Comprehensive Income (Note 21).
- (ii) For the nine-month period ended March 31, 2020, the net gain from fair value adjustment on investment properties was Ps. 373.7 millions. The net impact of the values in Argentine pesos of our properties was mainly a consequence of the change in macroeconomic conditions:
- Net gain of Ps. 19,713.7 millions as a result of an increase in the projected inflation rate plus GDP, with the consequent increase in the cash flow of shopping malls revenues;
 - Net loss of Ps. 22,963.3 millions due to the conversion to dollars of the projected cash flow in Argentine pesos according to the exchange rate estimates used in the cash flow;
 - An increase of 72 basis points in the discount rate, mainly due to a rise in the country risk component of the WACC discount rate used to discount the flow of funds, which generated a decrease in the value of the shopping malls of Ps. 2,244.05 millions.
 - Net gain of Ps. 14,539.7 millions as a result of the conversion to Argentine pesos of the value of the shopping malls in dollars based on the exchange rate at the end of the period.
 - In addition, for the impact of the inflation adjustment the Group reclassified by shopping malls Ps. 12,160.3 millions to Inflation adjustment.
 - The value of our office buildings and other rental properties measured in real terms increased by 11.9% during the nine-month period as of March 31, 2020, due to a devaluation of the Argentine peso exceeding the inflation rate of the period.
- (iii) Barter disposal of "Land Plot 1" of Caballito Ferro Land (Note 4).

The following amounts have been recognized in the statements of comprehensive income:

	03.31.20	06.30.19
Revenues from rental and services (Note 20)	7,048,800	7,834,855
Expenses and collective promotion fund (Note 20)	2,489,000	2,675,854
Rental and services costs (Note 21)	(3,145,569)	(3,439,723)
Net unrealized loss from fair value adjustment on investment properties	(159,162)	(10,478,732)
Net realized gain from fair value adjustment on investment properties (i)	532,843	-

- (i) Includes Ps. 3,648 and Ps. 341,580 for the monetary and non-monetary benefit, respectively, corresponding to the barter transaction of the Caballito Ferro land and Ps. 186,615 due to loss of control of La Matería S.A.

Valuation techniques are described in Note 9 to the Financial Statements as of June 30, 2019. There were no changes to the valuation techniques. The Group has reassessed the assumptions at the end of the period, incorporating the effect of the changes in macroeconomics conditions.

9. Property, plant and equipment

Changes in the Group's property, plant and equipment for the nine-month period ended March 31, 2020 and for the year ended June 30, 2019 were as follows:

	Other buildings and facilities	Furniture and fixtures	Machinery and equipment	Vehicles	Others	03.31.20	06.30.19
Costs	443,134	247,534	1,354,113	18,569	789	2,064,139	1,955,150
Accumulated depreciation	(234,409)	(160,819)	(1,200,320)	(17,882)	-	(1,613,430)	(1,528,369)
Net book amount at beginning of the period / year	208,725	86,715	153,793	687	789	450,709	426,781
Additions	48,683	11,422	40,981	-	-	101,086	90,933
Disposals	-	(2,030)	(4,893)	-	-	(6,923)	(1,731)
Transfers to right to use assets	-	-	(13,559)	-	-	(13,559)	19,233
Depreciation charges (i)	(11,793)	(10,155)	(40,686)	(517)	-	(63,151)	(85,061)
Net (loss) / gain from fair value adjustment	-	(129)	(554)	-	-	(683)	554
Net book amount at end of the period / year	245,615	85,823	135,082	170	789	467,479	450,709
Costs	491,817	256,797	1,376,088	18,569	789	2,144,060	2,064,139
Accumulated depreciation	(246,202)	(170,974)	(1,241,006)	(18,399)	-	(1,676,581)	(1,613,430)
Net book amount at end of the period / year	245,615	85,823	135,082	170	789	467,479	450,709

- (i) On March 31, 2020 depreciation charges were included in "Costs" in the amount of Ps. 50,343, in "General and administrative expenses" in the amount of Ps. 12,322 and in "Selling expenses" in the amount of Ps. 486 in the Statement of Comprehensive Income (Note 21).

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10. Trading properties

Changes in the Group's trading properties for the nine-month period ended March 31, 2020 and for the year ended June 30, 2019 were as follows:

	Completed properties	Undeveloped sites	03.31.20	06.30.19
Net book amount at beginning of the period / year	2,257	167,463	169,720	290,675
Additions	-	14,484	14,484	15,162
Disposals	(64)	(17,971)	(18,035)	(1,191)
Transfers	-	-	-	(91,458)
Impairment	-	-	-	(43,468)
Net book amount at end of the period / year	2,193	163,976	166,169	169,720
Non - current			166,169	168,214
Current			-	1,506
Total			166,169	169,720

11. Intangible assets

Changes in the Group's intangible assets for the nine-month period ended March 31, 2020 and for the year ended June 30, 2019 were as follows:

	Goodwill	Software	Rights of use (ii)	Right to receive units (Barbers) (iii)	Others	03.31.20	06.30.19
Costs	85,547	398,496	258,698	122,420	59,917	925,078	924,768
Accumulated amortization	-	(136,108)	(178,689)	-	(59,917)	(374,714)	(287,482)
Net book amount at beginning of the period / year	85,547	262,388	80,009	122,420	-	550,364	637,286
Additions	-	15,240	-	593,921	-	609,161	176,395
Disposals	-	(4,424)	-	-	-	(4,424)	-
Transfers	-	-	-	-	-	-	(1,097)
Amortization charge (i)	-	(93,331)	(1,767)	-	-	(95,098)	(87,232)
Impairment (iv)	-	-	-	-	-	-	(174,988)
Net book amount at end of the period / year	85,547	179,873	78,242	716,341	-	1,060,003	550,364
Costs	85,547	409,312	258,698	716,341	59,917	1,529,815	925,078
Accumulated amortization	-	(229,439)	(180,456)	-	(59,917)	(469,812)	(374,714)
Net book amount at end of the period / year	85,547	179,873	78,242	716,341	-	1,060,003	550,364

(i) On March 31, 2020 amortization charges were included in "Costs" in the amount of Ps. 48,366, in "General and administrative expenses" in the amount of Ps. 45,826 and in "Selling expenses" in the amount of Ps. 906 in the Statement of Comprehensive Income (Note 21).

(ii) Corresponds to Distrito Arcos.

(iii) Corresponds to in kind receivables representing the right to receive residential apartments in the future under barter transactions (Note 14).

(iv) Corresponds to impaired goodwill of La Arena S.A..

12. Rights of use assets

	03.31.20
Convention center	142,967
Stadium DirecTV Arena	397,082
Machinery and equipment	14,307
Shopping malls	7,389
Total rights of use assets	561,745
Non-current	561,745
Total	561,745

	03.31.20
Convention center	(7,131)
Stadium DirecTV Arena	(11,048)
Machinery and equipment	(5,959)
Shopping malls	(9)
Total depreciation of rights of use (i)	(24,147)

(i) As of March 31, 2020 the depreciation charge was included in "Costs", in the Statement of Comprehensive Income (Note 21).

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13. Financial instruments by category

The present note shows the financial assets and financial liabilities by category of financial instrument and a reconciliation to the corresponding line in the Consolidated Statements of Financial Position, as appropriate. Financial assets and liabilities measured at fair value are assigned based on their different levels in the fair value hierarchy. For further information, related to fair value hierarchy see Note 13 to the Financial Statements as of June 30, 2019.

Financial assets and financial liabilities as of March 31, 2020 are as follows:

	Financial assets at amortized cost (i)	Financial assets at fair value through profit or loss		Subtotal financial assets	Non-financial assets	Total
		Level 1	Level 2			
March 31, 2020						
Assets as per Statement of Financial Position						
Trade and other receivables (excluding allowance for doubtful accounts) (Note 14)	7,366,571	-	-	7,366,571	7,571,669	14,938,240
Investments in financial assets:						
- Public companies' securities	-	75,699	-	75,699	-	75,699
- Mutual funds	-	293,197	611,637	904,834	-	904,834
- Bonds	-	4,398,699	-	4,398,699	-	4,398,699
Derivative financial instruments						
- Foreign-currency future contracts	-	-	5,961	5,961	-	5,961
Cash and cash equivalents:						
- Cash at banks and on hand	1,410,381	-	-	1,410,381	-	1,410,381
- Short-term investments	-	1,222,930	-	1,222,930	-	1,222,930
Total	8,776,952	5,990,525	617,598	15,385,075	7,571,669	22,956,744

	Financial liabilities at amortized cost (i)	Financial liabilities at fair value through profit or loss		Subtotal financial liabilities	Non-financial liabilities	Total
		Level 2				
Liabilities as per Statement of Financial Position						
Trade and other payables (Note 16)	1,092,160	-	-	1,092,160	2,746,548	3,838,708
Derivative financial instruments						
- Swaps of interest rate (ii)	-	56,247	-	56,247	-	56,247
Borrowings (Note 17)	34,954,542	-	-	34,954,542	-	34,954,542
Total	36,046,702	56,247		36,102,949	2,746,548	38,849,497

Group's financial assets and financial liabilities as of June 30, 2019 were as follows:

	Financial assets at amortized cost (i)	Financial assets at fair value through profit or loss			Subtotal financial assets	Non-financial assets	Total
		Level 1	Level 2	Level 3			
June 30, 2019							
Assets as per Statement of Financial Position							
Trade and other receivables (excluding allowance for doubtful accounts) (Note 14)	3,449,434	-	-	-	3,449,434	6,817,690	10,267,124
Investments in financial assets:							
- Public companies' securities	-	530,563	-	-	530,563	-	530,563
- Mutual funds	-	1,970,189	591,469	-	2,561,658	-	2,561,658
- Bonds	-	4,838,086	-	916,675	5,754,761	-	5,754,761
Derivative financial instruments							
- Foreign-currency future contracts	-	-	7,613	-	7,613	-	7,613
Cash and cash equivalents:							
- Cash at banks and on hand	4,118,064	-	-	-	4,118,064	-	4,118,064
- Short-term investments	-	1,577,153	-	-	1,577,153	-	1,577,153
Total	7,567,498	8,915,991	599,082	916,675	17,999,246	6,817,690	24,816,936

	Financial liabilities at amortized cost (i)	Financial liabilities at fair value through profit or loss		Subtotal financial liabilities	Non-financial liabilities	Total
		Level 2				
Liabilities as per Statement of Financial Position						
Trade and other payables (Note 16)	1,303,043	-	-	1,303,043	3,273,679	4,576,722
Derivative financial instruments						
- Bonds	-	544	-	544	-	544
- Swaps of interest rate (ii)	-	36,560	-	36,560	-	36,560
Borrowings (excluding finance leases liabilities) (Note 17)	31,895,244	-	-	31,895,244	-	31,895,244
Total	33,198,287	37,104		33,235,391	3,273,679	36,509,070

(i) The fair value of financial assets and liabilities at their amortized cost does not differ significantly from their book value, except for borrowings (Note 17).

(ii) The maturity date is February 16, 2023 and it is associated with the loan obtained through its subsidiary, Panamericana Mall S.A, with the purpose of paying for the work that is being carried out at the Polo Dot.

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The valuation models used by the Group for the measurement at different levels of hierarchy are no different from those used as of June 30, 2019.

The Group uses a range of valuation models for the measurement of Level 2 and Level 3 instruments, details of which may be obtained from the following table. When no quoted prices in an active market are available, fair values (particularly with derivatives) are based on recognized valuation methods.

Description	Pricing model	Parameters	Fair value hierarchy	Range
Foreign-currency contracts	Present value method - Theoretical price	Underlying asset price (Money market curve); Interest curve	Level 2	-
Swaps of interest rate	Discounted cash flow	Foreign exchange curve	Level 2	-
Investments in financial assets	NAV	Interest rate futures	Level 2	-
	Black & Scholes	Theoretical price		
TGLT Convertible Notes	Theoretical price	Underlying asset price (Market price) - share price volatility and market Interest rate	Level 3	Underlying asset price 10 to 13, share price volatility 55% to 75%, market interest-rate 8% to 9%

As of March 31, 2020, there have been no changes to the economic or business circumstances affecting the fair value of the financial assets and liabilities of the Group, that is indicated in Note 27.

14. Trade and other receivables

The following table shows the amounts of Group's trade and other receivables as of March 31, 2020 and June 30, 2019:

	03.31.20	06.30.19
Lease and services receivables	952,132	1,333,062
Post-dated checks	501,875	839,541
Averaging of scheduled rent escalation	629,130	723,272
Debtors under legal proceedings	328,393	308,321
Property sales receivables	19,591	40,826
Consumer financing receivables	16,441	22,299
Less: allowance for doubtful accounts	(401,574)	(362,725)
Total trade receivables	2,045,988	2,904,596
Loans	970,910	65,084
Advance payments	529,110	572,817
Others (*)	217,764	198,726
Prepayments	189,664	222,041
Other tax receivables	180,346	165,996
Expenses to be recovered	28,005	18,869
Guarantee deposit	1,823	1,742
Less: allowance for doubtful accounts	(165)	(224)
Total other receivables	2,117,457	1,245,051
Related parties (Note 24)	10,373,056	5,754,528
Total current trade and other receivables	14,536,501	9,904,175
Non-current	4,187,525	661,123
Current	10,348,976	9,243,052
Total	14,536,501	9,904,175

(*) Includes Ps. 171,202 and Ps. 174,306 as of March 31, 2020 and June 30, 2019, respectively, consistent with the assumption of debt with the State Assets Administration Agency (AABE). (Note 17)

Movements on the Group's allowance for doubtful accounts and other receivables are as follows:

	03.31.20	06.30.19
Beginning of the period/ year	362,949	424,290
Additions (i)	141,085	115,739
Unused amounts reversed (i)	(29,253)	(49,480)
Used during the period	(2,570)	(7,789)
Inflation adjustment	(70,472)	(119,811)
End of the period/ year	401,739	362,949

(i) As of March 31, 2020 additions and unused amount reversed charged were charged to "Selling expenses", in the amount of Ps 111,832 in the Statement of Comprehensive Income (Note 21).

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15. Cash flow and cash equivalent information

Following is a detailed description of cash flows generated by the Group's operations for the nine-month periods ended March 31, 2020 and 2019:

	Note	03.31.20	03.31.19
Net loss for the period		(1,671,019)	(6,633,821)
<i>Adjustments:</i>			
Income tax	19	1,045,302	(2,054,893)
Amortization and depreciation	21	194,175	140,152
Net gain / (loss) from fair value adjustment on investment properties		(373,681)	10,478,732
Gain from disposal of trading properties		(241,530)	(21,675)
Disposals by concession maturity		6,923	1,731
Averaging of schedule rent escalation	20	(127,070)	(276,693)
Directors' fees		73,065	189,976
Equity incentive plan		-	351
Financial results, net		6,226,660	3,101,220
Provisions and allowances		152,979	167,077
Share of profit of associates and joint ventures	7	(233,458)	(238,002)
Changes in operating assets and liabilities			
(Increase) / Decrease in trading properties		(14,485)	11,426
Decrease / (Increase) of Inventories		2,524	(4,109)
Decrease in trading properties		-	21,904
(Increase) / Decrease in trade and other receivables		885,600	466,620
Decrease in trade and other payables		(850,274)	(1,745,220)
Decrease in payroll and social security liabilities		(122,672)	(139,778)
Uses of provisions and inflation adjustment		(43,134)	(56,989)
Impaired goodwill		-	174,988
Loss for sale of associates and joint ventures		-	162,863
Net cash generated by operating activities before income tax paid		4,409,905	3,745,860
		03.31.20	03.31.19
Non-cash transactions			
Decrease in intangible assets through an increase in trading properties		-	1,097
Increase in properties plant and equipment through a decrease in investment properties		6,706	19,092
Increase in trade and other receivables through a decrease in trading properties		-	962
Increase in trade and other receivables through a decrease in investment in associates and joint ventures		-	410,487
Decrease in trade and other receivables through an increase in investment in associates and joint ventures		-	7,958
Decrease in investment in associates and joint ventures through a decrease in borrowings		-	7,977
Decrease in investment in associates and joint ventures through a decrease in equity		-	39,077
Increase in investment properties through an increase in trade and other payables		43,606	-
Increase in investment properties through an increase in borrowings		284	-
Decrease in equity through an increase in borrowings (dividends)		52,120	-
Increase in rights of use assets through a decrease in properties plant and equipment		20,265	-
Increase in investments in financial assets through a decrease in investment in associates and joint ventures (dividends)		27,063	-
Increase in investment in associates and joint ventures through a decrease in investments in financial assets		792,772	-
Decrease in equity through an increase in trade and other payables (dividends)		709	-
Decrease in investment properties through an increase in intangible assets		352,535	-
Decrease in intangible assets through an increase in trade and other payables		4,424	-
Currency translation adjustment		9,069	-
Decrease in trading properties through an increase in intangible assets		234,335	-

Increase in investment in associates through a decrease due to loss of control in subsidiaries

	03.31.20
Investment properties	1,570,780
Income tax and minimum presumed income tax credits	2,133
Trade and other receivables	48,655
Deferred income tax liabilities	(344,233)
Trade and other payables	(3,820)
Income tax and minimum presumed income tax liabilities	(2,133)
Decrease due to loss of control	1,271,382

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16. Trade and other payables

The following table shows the amounts of Group's trade and other payables as of March 31, 2020 and June 30, 2019:

	<u>03.31.20</u>	<u>06.30.19</u>
Rent and service payments received in advance	1,275,557	1,041,783
Admission rights	1,103,867	1,364,863
Accrued invoices	281,454	410,722
Trade payables	334,279	207,120
Tenant deposits	96,705	103,795
Payments received in advance	46,689	65,211
Total trade payables	<u>3,138,551</u>	<u>3,193,494</u>
Tax payable	243,969	340,458
Others	148,405	171,075
Other payments received in advance to be accrued	68,247	74,623
Tax amnesty plans	8,219	386,741
Dividends	125	170
Total other payables	<u>468,965</u>	<u>973,067</u>
Related parties (Note 24)	231,192	410,161
Total trade and other payables	<u>3,838,708</u>	<u>4,576,722</u>
Non-current	1,278,767	1,166,463
Current	2,559,941	3,410,259
Total	<u>3,838,708</u>	<u>4,576,722</u>

17. Borrowings

The following table shows the Group's borrowings as of March 31, 2020 and June 30, 2019:

	<u>Book Value at 03.31.20</u>	<u>Book Value at 06.30.19</u>	<u>Fair Value at 03.31.20</u>	<u>Fair Value at 06.30.19</u>
Non-Convertible notes	31,472,917	29,004,508	27,567,930	28,868,372
Bank loans	2,388,743	2,328,520	2,097,088	2,115,965
Bank overdrafts	778,433	298,619	778,433	298,619
AABE Debts	171,202	174,306	171,202	174,306
Loans with non-controlling interests	143,247	89,291	143,247	89,291
Finance leases	-	20,623	-	20,623
Total borrowings	<u>34,954,542</u>	<u>31,915,867</u>	<u>30,757,900</u>	<u>31,567,176</u>
Non-current	24,599,449	30,207,616		
Current	10,355,093	1,708,251		
Total	<u>34,954,542</u>	<u>31,915,867</u>		

18. Provisions

The following table shows the movements in the Group's provisions at March 31, 2020 and June 30, 2019 categorized by type of provision:

	<u>Labor, legal and other claims</u>	<u>Investments in associates (*)</u>	<u>03.31.20</u>	<u>06.30.19</u>
Balances at the beginning of the period / year	<u>108,058</u>	<u>307</u>	<u>108,365</u>	<u>118,340</u>
Inflation adjustment	(35,684)	-	(35,684)	(47,781)
Increases (i)	73,445	-	73,445	82,473
Recovery (i)	(32,298)	-	(32,298)	(20,600)
Used during the period	(7,450)	-	(7,450)	(23,935)
Others (*)	-	16	16	(132)
Balances at the end of the period / year	<u>106,071</u>	<u>323</u>	<u>106,394</u>	<u>108,365</u>
Non-current			71,409	59,514
Current			34,985	48,851
Total			<u>106,394</u>	<u>108,365</u>

(*) Corresponds to investments in associates with negative equity.

(i) Additions and unused amount reversed charged were charged to "Other operating results, net", in the Statement of Comprehensive Income (Note 22).

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19. Current and deferred income tax

The details of the Group's income tax expense are as follows:

	<u>03.31.20</u>	<u>03.31.19</u>
Current income tax	(23,145)	(65,754)
Deferred income tax	(1,022,157)	2,120,647
Income tax - (loss) / gain	<u>(1,045,302)</u>	<u>2,054,893</u>

Changes in the deferred tax account are as follows:

	<u>03.31.20</u>	<u>06.30.19</u>
Beginning of the period / year	<u>(17,725,765)</u>	<u>(24,050,187)</u>
Income tax	(1,022,157)	6,324,422
Decrease due to loss of control	344,233	-
Period / year end	<u>(18,403,689)</u>	<u>(17,725,765)</u>

Below there is a reconciliation between the income tax recognized and that which would result from applying the prevailing tax rate to the profit before income tax:

	<u>03.31.20</u>	<u>03.31.19</u>
Loss for period before income tax at the prevailing tax rate	187,715	2,606,614
Tax effects of:		
Rate change	1,216,491	1,254,831
Fiscal transparency	100,914	(274,543)
Share of profit of associates and joint ventures	70,037	71,401
Non-taxable profit, non-deductible items	9,089	-
Result from sale of subsidiaries	(385,693)	(337)
Difference between provisions and affidavits	48,333	-
Non-tax loss carry-forwards	(82,887)	-
Inflation adjustment	(512,121)	(1,554,694)
Tax inflation adjustment	(1,694,994)	-
Others	(2,186)	(48,379)
Income tax	<u>(1,045,302)</u>	<u>2,054,893</u>

Law No. 27,541 of social solidarity and productive revival in the framework of Argentine public emergency, published on December 23, 2019 introduced some modifications to different taxes and the creation of the tax for an Inclusive and Solidarity Argentina (PAIS).

The main modifications affecting the Group in relation to income tax are the following:

- In the first and second fiscal year beginning after January 1, 2019, the gain or loss from tax inflation adjustment will be charged one sixth in the determination exercise and the remaining five sixths in the following fiscal periods;
- The applicable rate to companies for the third year beginning after January 1, 2018 is increased from 25% to 30%.

20. Revenues

	<u>03.31.20</u>	<u>03.31.19</u>
Base rent	4,285,436	4,699,887
Contingent rent	1,397,451	1,243,805
Admission rights	684,697	753,911
Parking fees	279,142	351,174
Averaging of scheduled rent escalation	127,070	276,693
Commissions	142,437	179,278
Property management fees	83,730	98,791
Others	48,837	231,316
Total revenues from rentals and services	<u>7,048,800</u>	<u>7,834,855</u>
Sale of trading properties	291,815	22,866
Total revenues from sale of properties	<u>291,815</u>	<u>22,866</u>
Total revenues from sales, rentals and services	<u>7,340,615</u>	<u>7,857,721</u>
Expenses and collective promotion fund	2,489,000	2,675,854
Total revenues from expenses and collective promotion funds	<u>2,489,000</u>	<u>2,675,854</u>
Total revenues	<u>9,829,615</u>	<u>10,533,575</u>

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21. Expenses by nature

The Group disclosed expenses in the statements of income by function as part of the line items "Costs", "General and administrative expenses" and "Selling expenses". The following table provides additional disclosure regarding expenses by nature and their relationship to the function within the Group.

	Costs (ii)	General and administrative expenses	Selling expenses	03.31.20	03.31.19
Salaries, social security costs and other personnel administrative expenses (i)	1,012,053	319,279	52,377	1,383,709	1,538,589
Maintenance, security, cleaning, repairs and other	1,112,371	84,121	1,278	1,197,770	1,305,468
Taxes, rates and contributions	328,421	6,639	289,832	624,892	707,914
Advertising and other selling expenses	472,128	-	26,875	499,003	463,435
Directors' fees	-	278,424	-	278,424	284,270
Amortization and depreciation (Notes 8, 9, 10, 11 and 12)	134,331	58,433	1,411	194,175	140,152
Fees and payments for services	39,091	130,203	11,853	181,147	179,118
Allowance for doubtful accounts (additions and unused amounts reversed) (Note 14)	-	-	111,832	111,832	129,594
Leases and expenses	79,511	21,060	1,931	102,502	107,299
Traveling, transportation and stationery	20,810	14,731	2,691	38,232	51,585
Bank expenses	3,959	15,416	-	19,375	25,462
Cost of sale of properties	18,036	-	-	18,036	1,191
Other expenses	2,200	1,670	4	3,874	21,492
Total 03.31.20	3,222,911	929,976	500,084	4,652,971	-
Total 03.31.19	3,477,214	974,891	503,464	-	4,955,569

- (i) For the nine-month period ended March 31, 2020, includes Ps. 1,216,089 of Salaries, Bonuses and Social Security and Ps. 167,620 of other concepts. For the nine-month period ended March 31, 2019, includes Ps. 1,475,349 of Salaries, Bonuses and Social Security and Ps. 63,240 of other concepts.
- (ii) For the nine-month period ended March 31, 2020, includes Ps. 3,145,569 of Rental and services costs and Ps. 77,342 of Cost of sales and developments. For the nine-month period ended March 31, 2019, includes Ps. 3,439,723 of Rental and services costs and Ps. 37,491 of Cost of sales and developments.

22. Other operating results, net

	03.31.20	03.31.19
Canon	73,162	34,967
Interest generated by operating credits	44,758	47,853
Management fees	7,834	12,082
Loss resulting from disposals of property plant and equipment	(2,593)	(1,724)
Loss from sale of associates and joint ventures	(5,784)	(173,397)
Others	-	(26,581)
Donations	(44,356)	(82,161)
Lawsuits (Note 18)	(41,147)	(37,483)
Impaired goodwill (Note 11)	-	(174,988)
Total other operating results, net	31,874	(401,432)

23. Financial results, net

	03.31.20	03.31.19
- Interest income	377,665	100,591
Finance income	377,665	100,591
- Interest expense	(2,270,102)	(2,391,141)
- Others financial costs	(163,820)	(180,316)
Subtotal finance costs	(2,433,922)	(2,571,457)
Less: Capitalized finance costs	284	-
Finance costs	(2,433,638)	(2,571,457)
Foreing exchange, net	(3,503,690)	(2,964,211)
- Fair value (loss) / gains of financial assets at fair value through profit or loss	(1,030,480)	1,352,034
- (Loss) / Gain from derivative financial instruments	(36,112)	527,718
- Gain from repurchase of non-convertible notes	87,622	5,145
Other financial results	(4,482,660)	(1,079,314)
- Inflation adjustment	97,259	(74,378)
Total financial results, net	(6,441,374)	(3,624,558)

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24. Related parties transactions

The following is a summary of the balances with related parties:

Item	03.31.20	06.30.19	
Trade and other receivables	10,373,056	5,754,528	
Investments in financial assets	4,718,926	4,322,533	
Trade and other payables	(231,192)	(410,161)	
Total	14,860,790	9,666,900	

Related parties	03.31.20	06.30.19	Description of transaction
IRSA Inversiones y Representaciones Sociedad Anónima (IRSA)	6,043,419	5,133,564	Advances
	2,837,133	2,191,213	Non-convertible notes
	2,198,436	-	Loans granted
	128,938	115,188	Other credits
	98,949	76,709	Corporate services
	12,448	16,884	Equity incentive plan
	21,529	879	Leases and/or rights to use space
	865	-	Commissions
	-	6,462	Reimbursement of expenses
	(12,462)	(557)	Reimbursement of expenses to pay
	(14,609)	(19,815)	Equity incentive plan to pay
	-	(178)	Lease collections to pay
Total direct parent company	11,314,646	7,520,349	
Cresud S.A.C.I.F. y A.	1,270,157	1,539,852	Non-convertible notes
	(2,546)	(3,453)	Equity incentive plan to pay
	(562)	(36,452)	Reimbursement of expenses to pay
	(93,188)	(117,234)	Corporate services to pay
Total direct parent company of IRSA	1,173,861	1,382,713	
La Rural S.A.	203,993	346,194	Dividends
	73,349	36,549	Leases and/or rights to use space
	(9,931)	-	Leases and/or rights to use space to pay
	5,367	-	Reimbursement of expenses
	(847)	(3,757)	Reimbursement of expenses to pay
Other associates and joint ventures	-	579	Reimbursement of expenses
	(499)	-	Reimbursement of expenses to pay
	220	6,919	Leases and/or rights to use space
	4,006	3	Management fee
	(159)	(525)	Leases and/or rights to use space to pay
Total associates and joint ventures of IRSA Propiedades Comerciales	275,499	385,962	
Directors	(12)	(16)	Reimbursement of expenses to pay
	(73,065)	(180,175)	Fees
Total Directors	(73,077)	(180,191)	
IRSA International LLC	228,157	-	Loans granted
Epsilon Opportunities LP	611,636	591,468	Mutual funds
	955	-	Reimbursement of expenses
	8,093	-	Other credits
TGLT S.A.	1,331,302	-	Loans granted
Tyrus S.A.	-	791	Other receivables
OFC S.R.L.	(19,622)	(27,669)	Other payables
Others	(607)	(15,691)	Other payables
	2,390	-	Other receivables
	3,202	8,453	Reimbursement of expenses
	7,224	5,064	Leases and/or rights to use space
	(896)	(2,323)	Leases and/or rights to use space to pay
	214	290	Advertising space
	(49)	(32)	Reimbursement of expenses to pay
	(2,138)	(2,284)	Legal services
Total others	2,169,861	558,067	
Total at the end of the period/ year	14,860,790	9,666,900	

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The following is a summary of the results with related parties:

Related parties	03.31.20	03.31.19	Description of transaction
IRSA Inversiones y Representaciones Sociedad Anónima (IRSA)	(68,801)	446,931	Financial operations
	53,909	51,715	Corporate services
	746	6,275	Leases and/or rights to use space
	255	216	Commissions
Total direct parent company	(13,891)	505,137	
Cresud S.A.C.I.F. y A.	(44,405)	485,589	Financial operations
	8,004	6,501	Leases and/or rights to use space
	(288,161)	(291,163)	Corporate services
Total direct parent company of IRSA	(324,562)	200,927	
Tarshop S.A.	2,049	38,766	Leases and/or rights to use space
	51	1,002	Commissions
Nuevo Puerto Santa Fe	(1,937)	(657)	Leases and/or rights to use space
	-	(764)	Financial operations
	8,119	9,938	Fees
La Rural S.A.	-	34,967	Leases and/or rights to use space
Others associates and joint ventures	1,486	249	Fees
	-	(1,656)	Financial operations
Total associates and joint ventures of IRSA Propiedades Comerciales	9,768	81,845	
Directors	(278,424)	(284,270)	Fees
Senior Management	(20,451)	(12,226)	Fees
Total Directors	(298,875)	(296,496)	
IRSA International LLC	61,796	-	Financial operations
Banco de Crédito y Securitización	41,336	38,717	Leases and/or rights to use space
BHN Seguros Generales S.A.	8,313	7,899	Leases and/or rights to use space
BHN Vida S.A.	8,519	7,764	Leases and/or rights to use space
Estudio Zang, Bergel & Viñes	(17,631)	(13,619)	Fees
TGLT S.A.	33,407	-	Financial operations
Others	12,150	3,329	Leases and/or rights to use space
	3,322	-	Financial operations
Total others	151,212	44,090	
Total at the end of the period	(476,348)	535,503	

The following is a summary of the transactions with related parties:

Related parties	03.31.20	03.31.19	Description of transaction
Quality Invest S.A.	38,900	37,884	Irrevocable contributions
Total irrevocables contributions	38,900	37,884	
Quality Invest S.A.	-	7,224	Equity contributions
TGLT S.A.	(1,271,382)	-	Equity contributions
Total equity contributions	(1,271,382)	7,224	
Nuevo Puerto Santa Fe	36,364	14,190	Dividends received
La Rural S.A.	-	410,487	Dividends received
Total dividends received	36,364	424,677	
IRSA Inversiones y Representaciones S.A.	608,730	696,782	Dividends granted
Cresud S.A.	10,990	-	Dividends granted
E-commerce Latina S.A.	9,120	-	Dividends granted
Tyrus S.A.	124	133	Dividends granted
Total dividends granted	628,964	696,915	
Banco Hipotecario S.A.	-	168,101	Sale of shares
Total sale of shares	-	168,101	
TGLT S.A.	2,064,159	-	Shares purchase
Total shares purchase	2,064,159	-	

25. CNV General Resolution N° 622/13

As required by Section 1, Chapter III, Title IV of CNV General Resolution N° 622/13, below there is a detail of the notes to the financial statements that disclose the information required by the Resolution in Exhibits.

Exhibit A - Property, plant and equipment

Exhibit C - Equity investments
Exhibit B - Intangible assets
Exhibit D - Other investments
Exhibit E - Provisions

Exhibit F - Cost of sales and services provided

Exhibit G - Foreign currency assets and liabilities

Note 8 - Investment properties
Note 9 - Property, plant and equipment
Note 7 - Information about, associates and joint ventures
Note 11 - Intangible assets
Note 12 - Financial instruments by category
Note 13 - Trade and other receivables
Note 17 - Provisions
Note 20 - Expenses by nature
Note 10 - Trading properties
Note 25 - Foreign currency assets and liabilities

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26. Foreign currency assets and liabilities

Book amounts of foreign currency assets and liabilities are as follows:

Items (1)	Amount (2)	Exchange rate (3)	03.31.20	06.30.19
Assets				
<u>Trade and other receivables</u>				
Uruguayan Pesos	16	1.47	23	1,104
US Dollar	27,035	64.27	1,737,540	785,769
Euros	213	70.77	15,041	4,675
<u>Trade and other receivables with related parties</u>				
US Dollar	63,589	64.47	4,099,555	136,691
Total trade and other receivables			5,852,159	928,239
<u>Investments in financial assets</u>				
US Dollar	7,477	64.27	480,522	3,776,902
<u>Investment in financial assets with related parties</u>				
US Dollar	71,558	64.47	4,613,336	4,322,533
Total investments in financial assets			5,093,858	8,099,435
<u>Cash and cash equivalents</u>				
Uruguayan Pesos	1	1.47	2	3
US Dollar	36,368	64.27	2,337,351	4,045,503
Pound	2	79.50	120	110
Euros	1	66.85	81	75
Total cash and cash equivalents			2,337,554	4,045,691
Total Assets			13,283,571	13,073,365
Liabilities				
<u>Trade and other payables</u>				
Uruguayan Pesos	1	1.48	2	9
US Dollar	6,421	64.47	413,975	385,686
<u>Trade and other payables with related parties</u>				
US Dollar	47	64.47	3,014	-
Total trade and other payables			416,991	385,695
<u>Borrowings</u>				
US Dollar	522,972	64.47	33,716,012	31,218,508
<u>Borrowings with related parties</u>				
US Dollar	520	64.47	33,498	-
Total borrowings			33,749,510	31,218,508
<u>Derivate financial instruments</u>				
US Dollar	164	64.47	10,576	36,560
Total derivate financial instruments			10,576	36,560
<u>Provisions</u>				
US Dollar	872	64.47	56,247	288
Total Provisions			56,247	288
<u>Leases liabilities</u>				
US Dollar	5	64.47	322	-
Total leases liabilities			322	-
Total Liabilities			34,233,646	31,641,051

(1) Considering foreign currency those that differ from each one of the Group's companies at each period/year-end.

(2) Expressed in thousands of foreign currency.

(3) Exchange rate as of March 31, 2020 according to Banco Nación Argentina.

27. Economic context in which the company operates

The Company operates in a complex economic context, whose main economic variables have recently had strong volatility, both nationally and internationally.

The results of our operations may be affected by fluctuations in the inflation index and in the exchange rate of the Argentine peso against other currencies, specifically the dollar, changes in interest rates that have an impact on the cost of capital, changes in government policies, capital controls and other political or economic events both internationally and locally that affect the country.

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On December 2019, a new strain of coronavirus (COVID-19) appeared in Wuhan, China. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. On March 3, 2020, the first case of COVID-19 was registered in the country, which is why the National Executive Power (NEP) implemented a series of sanitary isolation measures, which affected the local economy. These measures include: the expansion of the public emergency in health matters, the total closure of international borders, the suspension of international and domestic flights, the suspension of medium and long-distance land transportation, the suspension of artistic and sports shows, closure of shopping malls and hotels and the social, preventive and mandatory isolation until June 7, 2020, inclusive (which could be extended for the duration of the epidemiological situation), by virtue of which all residents (with exceptions) must remain in their habitual residences and refrain from attending their work place. This series of measures forced most of the Argentine companies to suspend their commercial operations during this period, stressing their financial situation in the short and medium term, not only due to the fall in their income, but also for the increase to the increased risk that their debtors may not comply with the payments. In this context, the Argentine government announced different measures aimed to relieve the financial crisis of the companies affected by the COVID-19 pandemic. In addition, it is worth mentioning that the slowness of the Argentine economy it is accompanied by a context of international crisis as a consequence of the COVID-19 pandemic. In this scenario, a sharp drop in exports and less foreign exchange earnings are expected, which further complicates the possibility that the Argentine government will reactivate the economy during the current year.

Additionally, the government faces the challenge of successfully renegotiating the external debt with both the International Monetary Fund (IMF) and private holders of the external debt so as to avoid default in order to avoid default. As a result, for all the aforementioned, Argentina could/might find it difficult to access to the international capital market in the coming years. For this reason, the renegotiation of the external debt and its result will directly impact the Argentine economy. If renegotiations are extended over a long period of time, the uncertainty in the financial markets will increase and the country-risk indicators will continue to rise. If Argentina achieves a favorable result from the ongoing renegotiation with private holders of external debt and agrees to restructure its debt with the IMF, this could favorably impact the Argentine economy in the medium and long term. On the contrary, the lack of an agreement with external debt holders could lead to a default on the Argentine sovereign debt and, consequently, this situation could lead to limitations on the capacity of companies to access new financing.

At a local level, the following was observed:

- In January 2020, the indicador called Monthly Estimator of Economic Activity (“EMAE”) reported by the National Institute of Statistics and Censuses (“INDEC”), registered a variation of 1.8% compared to the same month of 2019, and from -0.1% compared to the previous month.
- The study on market expectations prepared by the Argentine Central Bank in March 2020, called the Compilation of Market Expectations (“REM”), estimates an inflation of 40.0% for 2020. REM analysts forecast a variation in real GDP for 2020 of (4.3%), that is, a drop of 3.1 percentage points compared to the forecast of the previous month. In turn, they foresee that in 2021 the economic activity will vary 3.0%, that is, 1.3 percentage points higher than predicted a month ago. Although a further contraction of GDP is expected in the first quarter of 2020, there is an expectation of growth for the third quarter of 2020, motivated by the fact that the effect of the pandemic is perceived as transitory and a recovery in economic activity will begin soon.
- Year-to-year inflation as of December 31, 2019 reached 53.8 %. According to the first four months of the year 2020, rates of 2.3%, 2.0%, 3.3% and 1.5% were registered in January, February, March and April, respectively.
- Throughout the period from July 2019 to March 2020, the Argentine peso depreciated 51.8% against the US dollar according to the average wholesale exchange rate quoted by Banco de la Nación Argentina. Given the exchange restrictions since August 2019, there is an exchange gap of approximately 70% between the official price of the dollar and its price in parallel markets, which has an impact on the level of activity of the economy and affects the level of reserves of the Argentine Central Bank. Additionally, these exchange restrictions, or those that may be issued in the future, could affect the Company's ability to access the Single Exchange Free Market (MULC) to acquire the necessary currencies to meet its financial obligations.
- The outflow of flows to emerging markets and the worldwide impact of the Coronavirus, have also affected Argentina causing a deterioration in its country risk indicator that reached 3,020 basis points as of May 12, 2020, according to J.P. Morgan EMBI + Index, deteriorating the ability to obtain new external financing.

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COVID-19 Pandemic

The COVID-19 pandemic, originated in China and subsequently spread to numerous countries, including Argentina, is adversely impacting the global economy, the Argentine economy and the Company's business. Although the COVID-19 pandemic has had a national impact on the activity carried out by the Company, it is still too early to assess its full extent.

On March 12, 2020, the NEP decreed a health emergency to handle the crisis caused by COVID-19, and later, on March 19, the NEP issued a decree ordering social, preventive and mandatory isolation, which originally applied from March 20 to March 31, 2020 inclusive, and has been extended since then, and recently, by the measures adopted until June 7, 2020. The measures adopted in Argentina include the deceleration or suspension of most of the non-essential activities carried out by individuals and, consequently, are significantly affecting the national and regional economy and economic uncertainty is increasing, evidenced by an increase in asset price volatility.

The current estimated impacts of the COVID-19 pandemic on the Company as of the date of these financial statements are established below:

- As a consequence of the social, preventive and mandatory isolation, the shopping malls across the country were closed, exclusively remaining operational those stores dedicated to activities considered essential such as pharmacies, supermarkets and banks, while some gastronomic and clothing stores are working by delivery and sale system by WhatsApp. In the interior of the country, in May, some provinces proceeded to flexibilize isolation measures and open their commercial and recreational activities, such as Salta, where the Alto Noa shopping center is operating with a strict protocol that includes reduced hours, social distancing and a rigorous control of security and hygiene.
- Given the closure of the shopping malls, the Company has decided to postpone the maturity of the base rent and the collective promotion fund for the months of April and May 2020, prioritizing the long-term relationship with our tenants. Additionally, an increase in the delinquency rates of some tenants has been detected.
- Regarding the offices, although the majority of tenants are working from home, they are operating with strict safety and hygiene protocols. To date, we have not seen any deterioration in collection.
- La Rural, the Convention Centers of Buenos Aires and Punta del Este and the DirecTV Arena stadium, establishments that the Company owns directly or indirectly, have also been closed since March 20. All scheduled conferences are suspended, much of the fairs and conventions have been postponed, while the shows scheduled at the DIRECTV Arena have been mostly canceled. The reopening date of these establishments is uncertain, as well as the future agenda of fairs, conventions and shows.
- Financial instruments measured at fair value with counterpart in results: The current situation, both in the country and worldwide, generated great volatility in the markets, which generated a decrease of ARS 1,030,480 in the valuation of financial instruments measured at fair value. Note 13 includes a detail of these instruments.
- Regarding financial debt maturities for the next twelve months, the Company has in September 2020 the maturity of Class IV Notes for a nominal value of USD 140 million and an equivalent of USD 27.3 million with banks. In this sense, IRSA CP is working on different financing alternatives with local banks (Syndicated loans and / or Bilateral loans) for estimated amounts in pesos equivalents of between 50 and 100 million dollars. Likewise, it could draw on debt transactions in the local capital market, either through new debt issuance or liability management operations, for estimated amounts between 40 and 100 million dollars. It should be also noted that if the Argentine government achieves a successful debt restructuring agreement with international bondholders, IRSA CP could have access to international markets to refinance its debt maturities, as it is an issuer with wide recognition among foreign investors. Additionally, as part of our strategy, the Company could sell part of its offices' portfolio and / or land reserves that would generate additional funds. Lastly, it has a cash, equivalents, and short-term investments position as of March 31 for the equivalent of approximately USD 124.3 million.

The final extent of the Coronavirus outbreak and its impact on the country's economy is unknown and cannot be reasonably predicted. However, although it has produced significant short-term effects, they are not expected to affect business continuity. Although there are economic impacts in the short term, it is estimated that the company will be able to continue meeting its financial commitments for the next twelve months.

The Company is closely monitoring the situation and taking all necessary measures to preserve the human life and the Company's business.

REVIEW REPORT ON THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
IRSA Propiedades Comerciales S.A.
Legal address: Moreno 877 – 22° floor
Autonomous City Buenos Aires
Tax Code No. 30-52767733-1

Introduction

We have reviewed the unaudited condensed interim consolidated financial statements of IRSA Propiedades Comerciales Sociedad Anónima and its subsidiaries (hereinafter “the Company”) which included the unaudited condensed interim consolidated statements of financial position as of March 31, 2020 and the unaudited condensed interim consolidated statements of income and other comprehensive income for the nine and three month period ended March 31, 2020, the unaudited condensed interim consolidated statements of changes in shareholders’ equity and the unaudited condensed interim consolidated statements of cash flows for the nine-month period then ended and selected explanatory notes.

The balances and other information corresponding to the fiscal year ended June 30, 2019 and the interim periods within that fiscal year are an integral part of these financial statements and, therefore, they should be considered in relation to those financial statements.

Management responsibility

The Board of Directors of the Company is responsible for the preparation and presentation of these unaudited condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and added by the National Securities Commission (CNV) to its regulations, as approved by the International Accounting Standard Board (IASB) and , for this reason, is responsible for the preparation and presentation of the unaudited condensed interim consolidated financial statements above mentioned in the first paragraph according to the International Accounting Standard No 34 "Interim Financial Reporting" (IAS 34).

Scope of our review

Our review was limited to the application of the procedures established in the International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as a review standard in Argentina in Technical Resolution No. 33 of the FACPCE, without modification as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of persons responsible for the preparation of the information included in the unaudited condensed interim consolidated financial statements, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated statements of financial position, the consolidated statements of income and other comprehensive income and the consolidated statements of cash flows of the Company.

Conclusion

Nothing came to our attention as a result of our review that caused us to believe that these unaudited condensed interim consolidated financial statements above mentioned in the first paragraph of this report have not been prepared in all material respects in accordance with International Accounting Standard 34.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 27 to the accompanying unaudited condensed interim separate financial statements, which Management has described the impact of the current economic context and of Covid-19 (Coronavirus) on the financial situation of the Company, as well as the possible alternatives that it is evaluating to face the maturities of its financial liabilities at the maturity date.

Report on compliance with current regulations

In accordance with current regulations, we report about IRSA Propiedades Comerciales Sociedad Anónima that:

a) the unaudited condensed interim consolidated financial statements of IRSA Propiedades Comerciales Sociedad Anónima are being processed for recording in the "Inventory and Balance Sheet Book", and comply, as regards those matters that are within our competence, with the provisions set forth in the Commercial Companies Law and in the corresponding resolutions of the National Securities Commission;

b) the unaudited condensed interim consolidated financial statements of IRSA Propiedades Comerciales Sociedad Anónima, except for its lack of transcription to the book Inventories and Balance Sheet Book, arise from accounting records carried in all formal respects in accordance with applicable legal provisions;

c) we have read the Business Summary ("Reseña Informativa") on which, as regards those matters that are within our competence, we have no observations to make;

d) at March 31, 2020, the debt of IRSA Propiedades Comerciales Sociedad Anónima owed in favor of the Argentina Integrated Pension System which arises from accounting records amounted to Ps. 17,656,915 which was not claimable at that date.

Autonomous City of Buenos Aires, June 4, 2020.

PRICE WATERHOUSE & CO. S.R.L.

ABELOVICH, POLANO & ASOCIADOS S.R.L.

(Partner)

(Partner)

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