Earnings Release
IIQ FY 2020

IRSA Propiedades Comerciales cordially invites you to participate in the second quarter of the Fiscal Year 2020 Results' Conference Call

Tuesday, February 11, 2020, at 02:00 p.m. Buenos Aires time (12:00 p.m. US ET)

The call will be hosted by:

Alejandro Elsztain, CEO

Daniel Elsztain, COO

Matías Gaivironsky, CFO

To participate, please call:

1-844-717-6831 (toll free) or

1-412-317-6388 (international)

Conference ID # IRSA CP

In addition, you can access through the following webcast:

http://webcastlite.mziq.com/cover.html?webcastId=39cc93c4-3bdb-43e8-ac67-9e9414429c2f

Preferably, 10 minutes before the call is due to begin. The conference will be in English.

PLAYBACK

Available until February 20, 2020

Please call:

1-877-344-7529

1-412-317-0088

1-855-669-9658

Replay access code: 10139150

Main Highlights of the period

- Net result for the first semester of fiscal year 2020 registered a loss of ARS 250 million compared to a loss of ARS 6,426 million in the same period of 2019. This lower loss is explained by higher operating results and changes in the fair value of investment properties and a loss in net financial results, mainly due to exchange rate differences.

- The Company's Adjusted EBITDA for the first semester of fiscal year 2020 reached ARS 3,459 million, decreasing in real terms by 9.1% compared to the same period of 2019. Adjusted EBITDA for Shopping Malls decreased by 18.7% while Adjusted EBITDA for Office segment increased by 36.8%.

- Our same Shopping Malls Sales grew by 0.4% in real terms for the first semester of fiscal year 2020 and by 5.6% for the second quarter when compared to the same period of 2019 and the portfolio's occupancy rate reached 95.0%.

- On November 13, 2019, the Company distributed among its shareholders a cash dividend in an amount of ARS 595,000,000 (ARS/Share 4.7217 y ARS/ADR 18.8868).

I. Brief comment on the Group's activities during the period. including references to significant events occurred after the end of the period.

Consolidated Results in current currency

(In ARS million)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Income from sales. leases and services[(1)]	2,729	2,667	2.3%	5,005	5,062	-1.1%
Net gain from fair value adjustment on investment properties	-4,951	-17,814	-72.2%	2,068	-9,808	-121.1%
Profit from operations	**-2,976**	**-15,747**	**-81.1%**	**5,644**	**-6,084**	**-192.8%**
Depreciation and amortization	78	36	116.0%	136	83	63.9%
Consolidated EBITDA[(2)]	**-1,407**	**-11,962**	**-88.2%**	**2,378**	**-6,970**	**-134.1%**
Consolidated Adjusted EBITDA[(2)]	**1,800**	**2,102**	**-14.4%**	**3,459**	**3,806**	**-9.1%**
Consolidated NOI[(3)]	**2,082**	**2,331**	**-10.7%**	**4,049**	**4,307**	**-6.0%**
Income Tax	-656	2,525	-126.0%	-1,191	1,963	-160.7%
Result for the period	**-2,777**	**-10,327**	**-73.1%**	**-250**	**-6,426**	**-96.1%**

(1) Does not include Incomes from Expenses and Promotion Funds
(2) See Point XIV: EBITDA Reconciliation
(3) See Point XV: NOI Reconciliation

Company's income decreased by 1.1% during the first half of fiscal year 2020 as compared to the same period of 2019, while Adjusted EBITDA decreased by 9.1% mainly explained by Shopping Malls segment whose adjusted EBITDA reached ARS 2,650 million, 18.7% lower than the first semester of fiscal year 2019, partially offset by the adjusted EBITDA of the Office segment, that grew 36.8%, reaching ARS 874 million.

Net result for the first semester of fiscal year 2020 registered a loss of ARS 250 million compared to a loss of ARS 6,426 million in the same period of 2019. This lower loss is explained by higher operating results and changes in the fair value of investment properties and a los in net financial results, mainly due to exchange rate differences. Additionally, there was a deferred income tax charge of ARS 1,191 million corresponding to the tax inflation adjustment for the period.

II. Shopping Malls

Shopping Malls' Operating Indicators

	IIQ 20	IQ 20	IVQ 19	IIIQ 19	IIQ 19
Gross leasable area (sqm)	332,812	332,277	332,150	332,774	332,119
Tenants' sales (3 months cumulative in current currency)	24,648	20,537	20,587	17,064	23,515
Occupancy	95.0%	94.3%	94.7%	94.5%	94.9%

During the first half of fiscal year 2020, our tenants' sales reached ARS 45,183 million, 0.7% lower, in real terms, than in the same period of 2019 but increasing 4.8% during the second quarter, period in which there was a higher consumption recovery in our Shopping Malls driven by "Ahora 12" and "Ahora 18" incentive measures. Considering same Shopping Malls, that is, excluding Buenos Aires Design in fiscal year 2019, tenants' sales increased 0.4% during the first half of 2020 and 5.6% in the second quarter.

Our portfolio's leasable area totaled 332,812 sqm during the quarter, in line with the same period of previous fiscal year. Portfolio's occupancy remained stable at approximately 95.0%, lower than in the beginning of the previous fiscal year, mainly because of Walmart's anticipated exit from Dot Baires Shopping. Excluding the effect of the remaining vacant sqm on the surface previously occupied by Walmart, occupancy reached 97.9%.

We include below amended information presented during the fiscal year ended June 30, 2019 corresponding to the revenues opening of the Alto Avellaneda Shopping Mall of fiscal year 2018. It should be noticed that this information is restated for inflation as of June 30, 2019.

(In ARS million)	2019	2018	2017
Base rent	398	462	476
Percentage rent	116	152	150
Total rent	**514**	**614**	**626**
Non-traditional advertising	10	14	12
Revenues from admission rights	86	60	61
Fees	11	13	13
Parking	-	-	-
Commissions	36	38	31
Other	3	1	1
Total	**660**	**741**	**744**

Shopping Malls' Financial Indicators

(in ARS million)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Income from sales. leases and services	1,939	2,210	-12.3%	3,644	4,207	-13.4%
Net gain from fair value adjustment on investment properties	-2,368	-10,121	-76.6%	-1,876	-13,663	-86.3%
Profit from operations	**-990**	**-8,327**	**-88.1%**	**702**	**-10,465**	**-106.7%**
Depreciation and amortization	42	28	46.9%	72	62	16.1%
EBITDA(1)	**-948**	**-8,298**	**-88.6%**	**774**	**-10,402**	**-107.4%**
Adjusted EBITDA(1)	**1,420**	**1,821**	**-22.0%**	**2,650**	**3,260**	**-18.7%**
NOI(2)	**1,704**	**2,013**	**-15.4%**	**3,175**	**3,682**	**-13.8%**

(1) See Point XIV: EBITDA Reconciliation
(2) See Point XV: NOI Reconciliation

Income from this segment decreased 13.4% during the first half of fiscal year 2020, compared with same period of previous fiscal year, mainly due to the impact of fix components that did not accompany the semester tenants sales recovery such as base rents that decreased 20.2% in real terms and admission rights that decreased 5.8%, as well as the inclusion in the previous fiscal year of an extraordinary income of ARS 135 million as compensation for Walmart's contract termination in Dot Baires Shopping. Costs, administrative and marketing expenses (SG&A) of the segment decrease by approximately 6.0%. Adjusted EBITDA reached ARS 2,650 million, 18.7% lower than the same period of fiscal year 2019, mainly due to higher commercial discounts granted during the first half of fiscal year 2020. Adjusted EBITDA margin, excluding income from expenses and collective promotion fund, was 72.7%, 4.8 bps lower than in the same period of previous fiscal year.

Operating data of our Shopping Malls

	Date of acquisition	Location	Gross Leaseable Area (sqm)(1)	Stores	Occupancy (2)	IRSA CP Interest (3)
Alto Palermo	Dec-97	City of Buenos Aires	18,655	136	99.1%	100%
Abasto Shopping(4)	Nov-99	City of Buenos Aires	36,760	164	98.1%	100%
Alto Avellaneda	Dec-97	Province of Buenos Aires	38,330	129	94.7%	100%
Alcorta Shopping	Jun-97	City of Buenos Aires	15,725	114	98.6%	100%
Patio Bullrich	Oct-98	City of Buenos Aires	11,396	89	94.7%	100%
Buenos Aires Design(5)	Nov-97	City of Buenos Aires	-	-	-	-
Dot Baires Shopping	May-09	City of Buenos Aires	48,805	167	77.8%	80%
Soleil	Jul-10	Province of Buenos Aires	15,156	79	99.0%	100%
Distrito Arcos	Dec-14	City of Buenos Aires	14,335	65	100.0%	90.0%
Alto Noa Shopping	Mar-95	Salta	19,311	86	99.5%	100%
Alto Rosario Shopping(4)	Nov-04	Santa Fe	33,681	141	98.9%	100%
Mendoza Plaza Shopping	Dec-94	Mendoza	43,065	129	98.4%	100%
Córdoba Shopping	Dec-06	Córdoba	15,361	104	99.3%	100%
La Ribera Shopping	Aug-11	Santa Fe	10,530	68	96.0%	50%
Alto Comahue	Mar-15	Neuquén	11,702	95	96.6%	99.95%
Patio Olmos(6)	Sep-07	Córdoba				
Total			**332,812**	**1,566**	**95.0%**	

(1) Corresponds to gross leasable area in each property. Excludes common areas and parking spaces.
(2) Calculated dividing occupied square meters by leasable area as of the last day of the fiscal period.
(3) Company's effective interest in each of its business units.
(4) Excludes Museo de los Niños (3,732 square meters in Abasto and 1,261 square meters in Alto Rosario).
(5) End of concession December 5, 2018
(6) IRSA CP owns the historic building of the Patio Olmos shopping mall in the Province of Córdoba, operated by a third party.

Cumulative tenants' sales as of December 31

(per Shopping Mall. in ARS million)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Alto Palermo	3,190	2,930	8.9%	5,739	5,558	3.3%
Abasto Shopping	3,081	3,074	0.2%	5,722	6,051	-5.4%
Alto Avellaneda	2,801	2,794	0.3%	5,114	5,424	-5.7%
Alcorta Shopping	1,947	1,737	12.1%	3,390	3,184	6.5%
Patio Bullrich	1,260	1,166	8.1%	2,235	2,042	9.5%
Buenos Aires Design	-	169	-100.0%	-	495	-100.0%
Dot Baires Shopping(1)	2,509	2,376	5.6%	4,464	4,647	-3.9%
Soleil	1,259	1,205	4.5%	2,385	2,344	1.7%
Distrito Arcos	1,461	1,176	24.2%	2,680	2,202	21.7%
Alto Noa Shopping	971	974	-0.3%	1,869	1,941	-3.7%
Alto Rosario Shopping	2,478	2,213	12.0%	4,530	4,332	4.6%
Mendoza Plaza Shopping	1,681	1,686	-0.3%	3,293	3,401	-3.2%
Córdoba Shopping	793	791	0.3%	1,424	1,477	-3.6%
La Ribera Shopping(2)	475	499	-4.8%	943	1,006	-6.3%
Alto Comahue	742	725	2.3%	1,395	1,380	1.1%
Total	**24,648**	**23,515**	**4.8%**	**45,183**	**45,484**	**-0.7%**

(1) End of concession December 5.2018
(2) Through our joint venture Nuevo Puerto Santa Fe S.A.

Cumulative tenants' sales per type of business (1)

(per Type of Business. in ARS million)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Anchor Store	1,333	1,283	3.9%	2,418	2,449	-1.3%
Clothes and Footwear	14,382	13,910	3.4%	25,482	25,542	-0.2%
Entertainment	487	480	1.5%	1,343	1,345	-0.1%
Home	514	497	3.4%	917	1,085	-15.5%
Restaurant	2,339	2,277	2.7%	4,846	4,943	-2.0%
Miscellaneous	3,479	2,995	16.2%	6,047	5,737	5.4%
Services	251	235	6.8%	493	534	-7.7%
Electronic appliances	1,863	1,838	1.4%	3,637	3,849	-5.5%
Total	**24,648**	**23,515**	**4.8%**	**45,183**	**45,484**	**-0.7%**

Revenues from cumulative leases as of December 31

(in ARS million)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Base Rent (1)	831	1,034	-19.6%	1,686	2,113	-20.2%
Percentage Rent	652	516	26.4%	1,060	912	16.3%
Total Rent	**1,481**	**1,550**	**-4.4%**	**2,745**	**3,023**	**-9.2%**
Revenues from non-traditional advertising	49	64	-23.0%	95	111	-14.2%
Admission rights	241	225	7.4%	455	483	-5.8%
Fees	23	32	-27.1%	47	57	-18.9%
Parking	91	111	-18.2%	190	240	-20.6%
Commissions	46	73	-37.1%	92	122	-24.8%
Others	8	155	-95.0%	20	171	-88.3%
Subtotal (2)	**1,939**	**2,210**	**-12.3%**	**3,644**	**4,207**	**-13.4%**
Expenses and Collective Promotion Funds	733	719	2.0%	1,423	1,487	-4.3%
Total	**2,672**	**2,929**	**-8.8%**	**5,067**	**5,694**	**-11.0%**

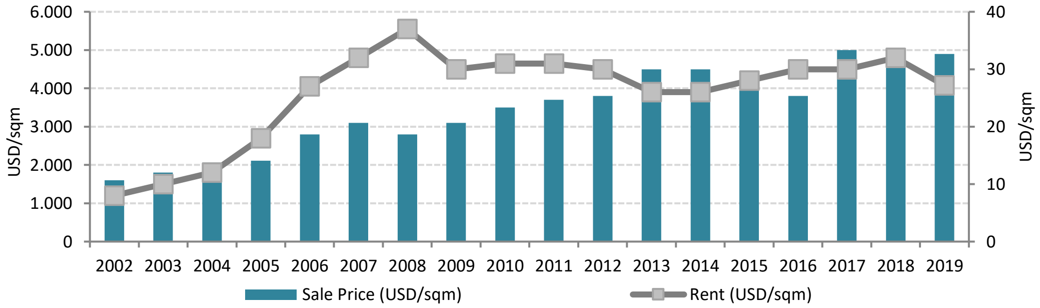
(1) Includes Revenues from stands for ARS 205.9 million cumulative as of December 2019
(2) Does not include Patio Olmos.

III. Offices

The A+ office market in the City of Buenos Aires remains robust even after the period of highest exchange volatility in recent years. The price of Premium commercial spaces slightly raised at USD 4,900 per square meter while rental prices slightly decreased at USD 27.2 when compared with same period of previous fiscal year. per square meter for the A+ segment. The vacancy of the premium segment reached 7.6%.

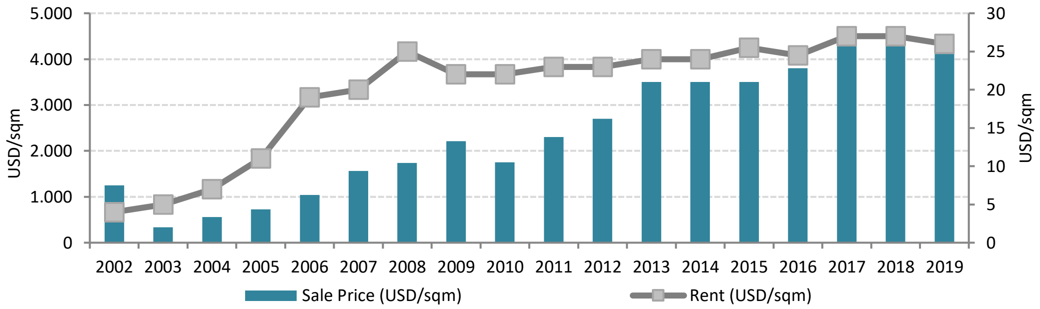
As concerns the A+ office market in the Northern Area, we have noted a significant improvement in the price of units during the last 10 years, and we believe in its potential during the next years. Nevertheless, rental prices show a downward trend around USD 26.0 per square meter.

Sale and Rental Prices of A+ Offices – City of Buenos Aires



Source: LJ Ramos

Sale and Rental Prices of A+ Offices – Northern Area



Source: LJ Ramos

Offices' Operating Indicators

	IIQ 20	IQ 20	IVQ 19	IIIQ 19	IIQ 19
Leasable area	115,639	115,640	115,378	83,205	83,213
Total Occupancy	88.7%	88.1%	88.3%	91.4%	90.0%
Class A+ & A Occupancy	97.1%	96.6%	97.2%	95.0%	93.1%
Class B Occupancy	47.5%	46.2%	45.0%	79.6%	79.6%
Rent USD/sqm	26.9	26.6	26.4	26.3	27.0

Gross leasable area was 115,639 sqm as of the second three-month period of fiscal year 2020, highly increased when compared to the same period of previous year due to the inauguration of the Zetta building in May 2019.

Portfolio average occupancy slightly recovers compared to the last two quarters reaching 88.7%, despite it is lower than the recorded in the same period of last fiscal year mainly due to higher vacancy in our class B offices, Suipacha 661 and Philips. Considering our premium portfolio (class A+&A), the occupancy reached 97.1%. The average rental price reached USD 26.9 per sqm in line with previous quarters.

(in ARS million)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Revenues from sales. leases and services	514	433	18.8%	1,076	799	34.7%
Net gain from fair value adjustment on investment properties.	-2,198	-7,791	-71.8%	3,212	3,766	-14.7%
Profit from operations	**-1,816**	**-7,442**	**-75.6%**	**4,069**	**4,393**	**-7.4%**
Depreciation and amortization	10	5	101.2%	16	13	23.1%
EBITDA(1)	**-1,804**	**-7,437**	**-75.7%**	**4,085**	**4,406**	**-7.3%**
Adjusted EBITDA (1)	**394**	**353**	**11.8%**	**874**	**639**	**36.8%**
NOI(2)	**481**	**397**	**21.3%**	**1,002**	**722**	**38.8%**

(1) See Point XIV: EBITDA Reconciliation
(2) See Point XV: NOI Reconciliation

In real terms, during the first half of fiscal year 2020, revenues from the offices segment increased by 34.7% compared to the same period of 2019. Adjusted EBITDA from this segment grew 36.8% compared to the same period of the previous year due to the positive impact of the devaluation in our dollar-denominated contracts and the effect of inauguration and income flattening of the new Zetta building, Adjusted EBITDA margin was 81.2%, 1.2 bps than the same period of previous year.

Below is information on our office segment and other rental properties as of December 31, 2019.

	Date of Acquisition	Gross Leasable Area (sqm) (1)	Occupancy (2)	IRSA CP's Actual Interest
Offices				
República Building	12/22/2014	19,885	92.6%	100%
Bankboston Tower	12/22/2014	14,865	96.4%	100%
Intercontinental Plaza	12/22/2014	2,979	100.0%	100%
Bouchard 710	12/22/2014	15,014	100.0%	100%
Suipacha 652/64	12/22/2014	11,465	31.2%	100%
Dot Building	11/28/2006	11,242	100.0%	80%
Philips	06/05/2017	8,016	70.8%	100%
Zetta	05/06/2019	32,173	97.5%	80%
Subtotal Offices		**115,639**	**88.7%**	**N/A**
Other Properties				
Nobleza Piccardo(4)	05/31/2011	109,610	22.5%	50%
Other Properties(3)	N/A	7,305	N/A	N/A
Subtotal Other Properties(5)		**116,915**	**N/A**	**N/A**
Total Offices and Others		**232,554**	**N/A**	**N/A**

(1) Corresponds to the total leasable surface area of each property as of December 31, 2019. Excludes common areas and parking spaces.
(2) Calculated by dividing occupied square meters by leasable area as of December 31, 2019.
(3) Includes the following properties as of June 30, and December 31,2019 : Dot Adjoining Plot, Anchorena 665 and Intercontinental plot of land.
(4) Through Quality Invest S.A.
(5) The information included in "Other Properties" corresponds to the end of the current quarter as well as the previous fiscal year 2019, amending the information presented in the Annual Report.

IV. Sales & Developments and Others

The segment "Others" includes the Fair, Convention Center and Entertainment activities through the indirect stake in La Rural S.A. and La Arena S.A.

	Sales and Developments			Others		
in ARS Million	6M 20	6M 19	YoY Var	6M 20	6M 19	YoY Var
Revenues	272	29	837.9%	51	69	-26.1%
Net gain from fair value adjustment on investment properties.	930	125	644.0%	56	-38	-
Profit from operations	**1.060**	**81**	**1,208.6%**	**90**	**-83**	**-**
Depreciation and amortization	5	4	25.0%	20	-	100.0%
EBITDA(1)	**1.068**	**85**	**1,152.9%**	**110**	**-83**	**-**
Adjusted EBITDA(1)	**-117**	**-40**	**192.5%**	**54**	**-45**	**-**
NOI(2)	**-71**	**5**	**-1,520.0%**	**27**	**-17**	**-**

(1) See Point XIV: EBITDA Reconciliation
(2) See Point XV: NOI Reconciliation

Revenues from Sales and Developments segment increased by 837.9% in real terms during the first semester due to COTO Supermarket airspace barter agreement. Adjusted EBITDA of this segment was negative ARS 117 million while adjusted EBITDA for "Others" segment was negative ARS 54 million.

V. CAPEX

Alto Palermo Expansion

We keep working on the expansion of Alto Palermo shopping mall. the shopping mall with the highest sales per square meter in our portfolio. that will add a gross leasable area of approximately 3,900 square meters and will consist in moving the food court to a third level by using the area of an adjacent building acquired in 2015. Work progress as of December 31 was 51.0% and construction works are expected to be finished by July 2020.

200 Della Paolera - Catalinas building

The building under construction will have 35,000 sqm of GLA consisting of 30 office floors and 316 parking spaces and is located in the "Catalinas" area in the City of Buenos Aires, one of the most sought-after spots for Premium office development in Argentina. The company owns 30,832 square meters consisting of 26 floors and 272 parking spaces in the building. The total estimated investment in the project amounts to ARS 2,600 million and as of December 31, 2019. work progress was 86.0%. As of today, we have 38% of the IRSA CP's own GLA sqm with signed lease agreements and there are good commercialization prospects for the rest of the surface.

VI. Reconciliation with Consolidated Income Statement

Below is an explanation of the reconciliation of the Company's total income by segment with its consolidated Income Statement. The difference lies in the presence of joint ventures included in the Income Statement per segment but not in the Income Statement.

For the six-month period ended December 31, 2019

Item *(stated in ARS million)*	**Income by Segment**	**Expenses and Collective Promotion Funds**	**Adjustment for share of profit / (loss) of joint ventures (1)**	**Income Statement**
Revenues	5,043	1,542	-38	6,547
Costs	-432	-1,610	18	-2,023
Gross profit	**4,611**	**-67**	**-19**	**4,524**
Net income from changes in the fair value of investment property	2,321	-	-253	2,068
General and administrative expenses	-651	-	1	-650
Selling expenses	-338	-25	4	-358
Other operating results, net	-22	67	14	60
Profit from operations	**5,921**	**-25**	**-253**	**5,644**

(1) Includes operating results from La Ribera Shopping and San Martín Plot (ex Nobleza Picardo) (50%).

VII. Consolidated Financial Debt

As of December 31, 2019, IRSA Propiedades Comerciales S.A. had a net debt of USD 346.9 million. Below is a detail of IRSA Propiedades Comerciales S.A.'s debt:

Description	Currency	Amount (USD MM)(1)	Interest Rate	Maturity
Bank overdrafts	ARS	7.9	-	< 360 d
IRCP NCN Class IV(2)	USD	133.9	5.0%	Sep-20
PAMSA loan	USD	35.0	Fixed	Feb-23
IRSA CP NCN Class II	USD	360.0	8.75%	Mar-23
IRSA CP's Total Debt		**536.8**		
Cash & Cash Equivalents + Investments (3)		189.9		
Consolidated Net Debt		**346.9**		

(1) Principal amount at an exchange rate of ARS 59.89, without considering accrued interest or eliminations of balances with subsidiaries.
(2) Net of repurchases.
(3) Includes Cash and cash equivalents, Investments in Current Financial Assets.

VIII. Dividends

Pursuant to Argentine law, the distribution and payment of dividends to shareholders is only valid if they result from realized and net profits of the Company pursuant to annual financial statements approved by the shareholders. The approval, amount and payment of dividends are subject to the approval by our shareholders at our annual ordinary shareholders' meeting. The approval of dividends requires the affirmative vote of a majority of the shares entitled to vote at the meeting.

Pursuant to Argentine law and our by-laws, net and realized profits for each fiscal year are allocated as follows:

- 5% of such net profits is allocated to our legal reserve, until such reserve amounts to 20% of our capital stock;
- a certain amount determined at a shareholders' meeting is allocated to the compensation of our directors and the members of our Supervisory Committee; and
- additional amounts are allocated to the payment of dividends, optional reserve, or to set up reserves for any other purpose as determined by our shareholders.

The following table illustrates the ratio between the amounts paid as dividends and the total amount paid in historical currency as dividends on each fully paid-in common share for the fiscal years mentioned. Amounts in Pesos are stated in historical Pesos as of their respective payment dates.

Year	Cash dividends (ARS)	Stock dividends	Total per share (ARS)
2006	29,000,000	-	0.0372
2007	47,000,000	-	0.0601
2008	55,721,393	-	0.0712
2009	60,237,864	-	0.0770
2010	56,000,000	-	0.0716
2011	243,824,500	-	0.1936
2012	294,054,600	-	0.2334
2013	306,500,000	-	0.2432
2014	407,522,074	-	0.3234
2015	437,193,000	-	0.3469
2016	283,580,353	-	0.2250
2017	770,000,000	-	6.1000(1)
2018	680,000,000	-	5.3962
2019	545,000,000	-	4.3249
2020	595,000,000	-	4.7217

(1) In FY 17 the face value of IRCP's shares was changed from ARS 0.10 to ARS 1 per share.

On November 13, 2019, IRSA Propiedades Comerciales distributed among its shareholders a cash dividend in an amount of ARS 595,000,000 equivalent to 472.1696% of the stock capital, an amount per share of ARS 4.7217 (,1 par value) and an amount per ADR of ARS 18.8868 (Argentine Pesos per ADR).

X. Material and Subsequent Events

October 2019: Abasto Towers Barter Agreement

On October 25, 2019 the Company informs that it has transferred to an unrelated third party the rights to develop a residential building ("Tower 1") on COTO Supermarket airspace located in Abasto neighborhood in the City of Buenos Aires. Tower 1 will have 22 floors of 1 to 3 rooms apartments, totaling an area of 8,400 sqm.

The amount of the operation was set at USD 4.5 million: USD 1 million in cash and the balance in at least 35 apartment units, which represent the equivalent of 24.20% of the owned square meters, with a minimum guaranteed of 1,982 sqm.

In a 30 months period since the signature, when certain conditions have been met, IRSA CP must transfer to the same unrelated third party the rights to build a second apartment building.

October 2019: General Ordinary and Extraordinary Shareholders' Meeting

On October 30, 2019, our General Ordinary and Extraordinary Shareholders' Meeting was held. The following matters. inter alia, were resolved by majority of votes:

- Distribution of ARS 595 million as cash dividends.
- Designation of board members.
- Compensations to the Board of Directors for the fiscal year ended June 30, 2019
- Incentive plan for employees. management and directors to be integrated without premium for up to 1% of the Capital Stock

December 2019: Caballito Land plot Barter Agreement

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

Plot 1 has an estimated surface of 3,221 sqm where a 10 floors residential building will be developed for a total area of 11,400 sqm, together with a commercial ground floor of 1,216 sqm and a basement of 138 parking spaces ("Building 1").

The amount of the operation was set at USD 5.5 million to be paid in future functional units of Building 1, which represent the equivalent of 23.53% of the owned square meters, with a minimum guaranteed of 2,735 sqm composed for 1,215.62 commercial sqm, 1,519.68 residential sqm and a certain number of parking spaces that represent 22.50% of the own sqm with that destination and never less than 31 units.

The consideration is guaranteed by a mortgage on Plot 1 and Building 1 and 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.

December 2019: Capitalization agreement with TGLT

On December 11, 2019, and in compliance with the contracts signed with TGLT on August 8, 2019, IRCP made the exchange of all the Convertible Notes it had of TGLT. Likewise, it subscribed preferred shares making a contribution in kind of the 100% of the shares of the company La Maltería S.A., owner of the property known as Maltería Hudson, for a value of USD 24 million.

As a result of the aforementioned exchange and capitalization, IRSA Commercial Properties obtained 21,600,000 Class A preferred shares and 24,948,798 Class B preferred shares that are added to its holding of 3,003,990 ordinary shares.

X. Summary Comparative Consolidated Balance Sheet

(in ARS million)	12.31.2019	12.31.2018
Non-current assets	86,065	107,382
Current assets	18,951	16,672
Total assets	**105,016**	**124,054**
Equity attributable to the holders of the parent	47,282	64,310
Non-controlling interest	2,795	3,142
Total shareholders' equity	**50,077**	**67,452**
Non-current liabilities	42,131	52,354
Current liabilities	12,808	4,247
Total liabilities	**54,939**	**56,602**
Total liabilities and shareholders' equity	**105,016**	**124,054**

XI. Summary Comparative Consolidated Income Statement

(in ARS million)	12.31.2019	12.31.2018
(Loss) / Profit from operations	**5,644**	**-6,084**
Share of profit of associates and joint ventures	275	141
(Loss) / Profit from operations before financing and taxation	**5,919**	**-5,943**
Financial income	195	76
Financial cost	-1,613	-1,540
Other financial results	-3,417	-704
Inflation adjustment	-143	-278
Financial results. net	**-4,978**	**-2,446**
(Loss) / Profit before income tax	**941**	**-8,389**
Income tax	-1,191	1,963
Result for the period	**-250**	**-6,426**
Attributable to:		
Equity holders of the parent	**-381**	**-6,694**
Non-controlling interest	**131**	**268**

XII. Summary Comparative Consolidated Cash Flow

(in ARS million)	12.31.2019	12.31.2018
Net cash generated from operating activities	3,268	1,547
Net cash used in investing activities	-2,217	-2,118
Net cash used in financing activities	-2,284	-1,749
Net decrease in cash and cash equivalents	**-1,233**	**-2,320**
Cash and cash equivalents at beginning of year	5,283	7,131
Financial Results from cash and cash equivalents	118	150
Inflation adjustment	-29	-8
Cash and cash equivalents at period-end	**4,139**	**4,953**

XIII. Comparative Ratios

(in ARS million)	12.31.2019		12.31.2018	
Liquidity				
CURRENT ASSETS	18,951	1.48	16,672	3.93
CURRENT LIABILITIES	12,808		4,247	
Indebtedness				
TOTAL LIABILITIES	54,939	1.16	56,602	0.88
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	47,282		64,311	
Solvency				
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	47,282	0.86	64,311	1.14
TOTAL LIABILITIES	54,939		56,602	
Capital Assets				
NON-CURRENT ASSETS	86,065	0.82	107,382	0.87
TOTAL ASSETS	105,016		124,055	

XIV. EBITDA Reconciliation

In this summary report we present EBITDA and Adjusted EBITDA. We define EBITDA as profit for the period excluding: (i) interest income; (ii) interest expense; (iii) income tax expense; and (iv) depreciation and amortization. We define Adjusted EBITDA as EBITDA minus (i) total financial results, net other than interest expense, net (mainly foreign exchange differences, net gains/losses from derivative financial instruments; gains/losses of financial assets and liabilities at fair value through profit or loss; and other financial results, net) and minus (ii) share of profit of associates and joint ventures and minus (iii) realized and unrealized results due to the revaluation of the fair value of investment properties.

EBITDA and Adjusted EBITDA are non-IFRS financial measures that do not have standardized meanings prescribed by IFRS. We present BITDA and adjusted EBITDA because we believe they provide investors supplemental measures of our financial performance that may facilitate period-to-period comparisons on a consistent basis. Our management also uses EBITDA and Adjusted EBITDA from time to time, among other measures, for internal planning and performance measurement purposes. EBITDA and Adjusted EBITDA should not be construed as an alternative to profit from operations, as an indicator of operating performance or as an alternative to cash flow provided by operating activities, in each case, as determined in accordance with IFRS. EBITDA and Adjusted EBITDA, as calculated by us, may not be comparable to similarly titled measures reported by other companies. The table below presents a reconciliation of profit for the relevant period to EBITDA and Adjusted EBITDA for the periods indicated:

For the six-month period ended December 31 (in ARS million)		
	2020	**2019**
Result for the period	-250	-6,426
Interest income	-195	-76
Interest expense	1,496	1,412
Income tax expense	1,191	-1,963
Depreciation and amortization	136	83
EBITDA	**2,378**	**-6,970**
(Gain) / loss from fair value of investment properties	-2,068	9,808
Share of profit of associates and joint ventures	-275	-141
Foreign exchange differences, net	3,257	2,084
Loss/Gain from derivative financial instruments	17	-385
Fair value loss/gains of financial assets and liabilities at fair value through profit or loss	206	-940
Other financial costs	117	128
Repurchase of non-convertible notes	-63	-5
Gain from barter agreement – Coto Airspace	-253	-
Inflation adjustment	143	278
Adjusted EBITDA (unaudited)	**3,459**	**3,806**
Adjusted EBITDA Margin (unaudited)(1)	**69.1%**	**75.2%**

(1) Adjusted EBITDA margin is calculated as Adjusted EBITDA, divided by income from sales, rents and services.

XV. NOI Reconciliation

In addition, we present in this summary report Net Operating Income or “NOI” which we define as gross profit from operations (not including Coto Airspace Barter Agreement), less commercialization expenses, plus Net realized Result from changes in the fair value of investment properties (not including Caballito Barter Agreement), plus Depreciation and amortization.

NOI is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS. We present NOI because we believe it provides investors a supplemental measure of our financial performance that may facilitate period-to-period comparisons on a consistent basis. Our management also uses NOI from time to time, among other measures, for internal planning and performance measurement purposes. NOI should not be construed as an alternative to profit from operations, as an indicator of operating performance or as an alternative to cash flow provided by operating activities, in each case, as determined in accordance with IFRS. NOI, as calculated by us, may not be comparable to similarly titled measures reported by other companies. The table below presents a reconciliation of profit from operations to NOI for the periods indicated:

For the six-month period ended December 31 (in ARS million)		
	2020	2019
Gross profit	4,524	4,546
Selling expenses	-358	-322
Gain from barter agreement – Coto Airspace	-253	-
Depreciation and amortization	136	83
NOI (unaudited)	**4,049**	**4,307**

XVI. FFO Reconciliation

We also present in this summary report Adjusted Funds From Operations attributable to the controlling interest (or "Adjusted FFO"), which we define as Total profit for the year or period plus (i) depreciation and amortization minus (ii) net gain from fair value adjustments of investment properties minus inflation adjustment minus (iii) total financial results, net excluding Financial interest net foreign exchange differences net, gain/loss from derivative financial instruments, fair value gains of financial assets and liabilities at fair value through profit or loss. Other financial results net, plus (iv) deferred income tax and minus (v) non-controlling interest net from fair value, less results from associates and joint ventures.

Adjusted FFO is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS. Adjusted FFO is not equivalent to our profit for the period as determined under IFRS. Our definition of Adjusted FFO is not consistent and does not comply with the standards established by the White Paper on funds from operations (FFO) approved by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"), as revised in February 2004, or the "White Paper."

We present Adjusted FFO because we believe it provides investors a supplemental measure of our financial performance that may facilitate period-to-period comparisons on a consistent basis. Our management also uses Adjusted FFO from time to time, among other measures, for internal planning and performance measurement purposes. Adjusted FFO should not be construed as an alternative to profit from operations, as an indicator of operating performance or as an alternative to cash flow provided by operating activities, in each case, as determined in accordance with IFRS. Adjusted FFO, as calculated by us, may not be comparable to similarly titled measures reported by other companies. The table below presents a reconciliation of profit from operations to Adjusted FFO for the periods indicated:

For the six-month period ended December 31 (in ARS million)		
	2020	2019
Total loss / profit for the period	-250	-6,426
Result not realized from fair value adjustments of investment properties. PP&E and inventories	-2,068	9,808
Depreciation and amortization	136	83
Foreign exchange differences. net	3,257	2,034
Loss/Gain from derivative financial instruments	17	-385
Fair value loss/gain of financial assets and liabilities at fair value through profit or loss	206	-940
Other financial costs	117	128
Deferred income tax	1,196	-2,049
Non-controlling interest	-131	-268
Share of profit of associates and joint ventures	-275	-141
Inflation adjustment	143	278
Adjusted FFO	**2,348**	**2,122**

XVII. Brief comment on prospects for the fiscal year

Two months after the assumption of the new government that took place last December, the economic situation of the country remains uncertain. Anyway, consumption in our shopping malls continued recovering during the second quarter since the launch of “Ahora 12” and “Ahora 18” measures on the previous quarter. Regarding the office market, rental and sale prices of premium offices remained stable with high occupancy levels.

During the second semester of fiscal year 2020, IRSA Propiedades Comerciales will keep occupying the vacant sqm in Dot Baires Shopping due to Walmart's anticipated exit and will continue innovating in the latest technological trends to get closer to its customers and visitors. Regarding the office segment, we plan to open the 9th office building of the portfolio. “200 Della Paolera”, located in Catalinas, one of the most premium corporate areas in Argentina. This building, of approximately 35,000 sqm of ABL, 318 parking lots, services and amenities, will become an emblematic icon of the city while having LEED Certification, which will validate the best environmental practices to transform operational standards of the building. The commercialization is progressing with a good occupancy forecast for its opening, scheduled for the last quarter of the FY 2020.

The Board of Directors of the Company will continue evaluating financial, economic and / or corporate tools that allow the Company to improve its position in the market in which it operates and have the necessary liquidity to meet its obligations. Within the framework of this analysis, the indicated tools may be linked to corporate reorganization processes (merger. spin-off or a combination of both), disposal of assets in public and / or private form that may include real estate as well as negotiable securities owned by the Company. incorporation of shareholders through capital increases through the public offering of shares to attract new capital, repurchase of shares and instruments similar to those described that are useful to the proposed objectives.

We expect that during 2020 IRSA Propiedades Comerciales continue to consolidate its position as the leading commercial real estate company in Argentina. With more than 400,000 sqm of gross leasable area distributed among the best shopping malls and offices in the country, a potential to almost double the portfolio in existing land reserves, a low level of indebtedness and a great track record in accessing the capital market, we believe that we have a solid position to capitalize on the various opportunities that may arise in the future in our country.

Saúl Zang

First Vice-Chairman in exercise of
the presidency

IRSA PROPIEDADES COMERCIALES S.A.

Consolidated Condensed Interim Balance Sheets
as of December 31, and June 30, 2019

(Amounts stated in thousands of Argentine pesos, except shares and per share data, and as otherwise indicated)

	12.31.19	06.30.19
ASSETS		
Non-current assets		
Investment properties	76,808,150	75,902,313
Property, plant and equipment	393,803	418,097
Trading properties	154,206	156,043
Intangible assets	1,005,051	510,541
Rights of use assets	527,380	-
Investments in associates and joint ventures	4,212,680	2,021,566
Deferred income tax assets	63,821	90,554
Income tax and minimum presumed income tax credits	4,050	11,387
Trade and other receivables	2,252,237	613,290
Investments in financial assets	643,822	566,176
Total non-current assets	**86,065,200**	**80,289,967**
Current Assets		
Trading properties	-	1,397
Inventories	33,875	36,392
Income tax and minimum presumed income tax credits	68,094	80,182
Trade and other receivables	9,705,748	8,574,297
Derivative financial instruments	1,618	7,062
Investments in financial assets	5,002,146	7,640,708
Cash and cash equivalents	4,139,298	5,283,156
Total current assets	**18,950,779**	**21,623,194**
TOTAL ASSETS	**105,015,979**	**101,913,161**
SHAREHOLDERS' EQUITY		
Total capital and reserves attributable to equity holders of the parent	47,281,682	48,359,010
Non-controlling interest	2,795,406	2,740,682
TOTAL SHAREHOLDERS' EQUITY	**50,077,088**	**51,099,692**
LIABILITIES		
Non-current liabilities		
Trade and other payables	1,134,340	1,082,067
Borrowings	22,999,902	28,022,031
Leases liabilities	531,380	-
Deferred income tax liabilities	17,379,413	16,533,820
Provisions	63,277	55,208
Derivative financial instruments	22,935	17,368
Total non-current liabilities	**42,131,247**	**45,710,494**
Current liabilities		
Trade and other payables	2,693,654	3,163,520
Income tax liabilities	7,611	18,823
Payroll and social security liabilities	163,498	273,608
Borrowings	9,826,944	1,584,655
Leases liabilities	34,652	-
Derivative financial instruments	31,347	17,052
Provisions	49,938	45,317
Total current liabilities	**12,807,644**	**5,102,975**
TOTAL LIABILITIES	**54,938,891**	**50,813,469**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**105,015,979**	**101,913,161**

IRSA PROPIEDADES COMERCIALES S.A.

Consolidated Condensed Interim Comprehensive Income Statements
for the six and three-month periods ended December 31, 2019 and 2018

(Amounts stated in thousands of Argentine pesos, except shares and per share data, and as otherwise indicated)

	Six months		Three months	
	12.31.19	**12.31.18**	**12.31.19**	**12.31.18**
Income from sales, rentals and services	5,004,931	5,061,881	2,728,680	2,666,932
Income from expenses and collective promotion fund	1,542,402	1,754,972	795,315	901,713
Operating costs	(2,022,946)	(2,270,442)	(1,042,911)	(1,156,739)
Gross profit	**4,524,387**	**4,546,411**	**2,481,084**	**2,411,906**
Net gain from fair value adjustments of investment properties	2,068,338	(9,807,574)	(4,950,561)	(17,814,049)
General and administrative expenses	(650,029)	(615,200)	(351,827)	(333,219)
Selling expenses	(358,499)	(322,390)	(223,514)	(117,085)
Other operating results, net	59,723	114,970	68,414	105,032
Profit/ (Loss) from operations	**5,643,920**	**(6,083,783)**	**(2,976,404)**	**(15,747,415)**
Share of profit of associates and joint ventures	274,970	141,086	(128,577)	(492,068)
Profit/ (Loss) from operations before financing and taxation	**5,918,890**	**(5,942,697)**	**(3,104,981)**	**(16,239,483)**
Finance income	194,505	75,801	134,937	11,833
Finance cost	(1,613,498)	(1,540,345)	(825,830)	(933,137)
Other financial results	(3,416,596)	(703,927)	1,810,810	4,407,139
Inflation adjustment	(142,506)	(277,819)	(135,852)	(98,610)
Financial results, net	**(4,978,095)**	**(2,446,290)**	**984,065**	**3,387,225**
Profit/ (Loss) before income tax	**940,795**	**(8,388,987)**	**(2,120,916)**	**(12,852,258)**
Income tax expense	(1,191,155)	1,962,776	(655,707)	2,524,816
Loss for the period	**(250,360)**	**(6,426,211)**	**(2,776,623)**	**(10,327,442)**
Total comprehensive loss for the period	**(250,360)**	**(6,426,211)**	**(2,776,623)**	**(10,327,442)**
Attributable to:				
Equity holders of the parent	(381,424)	(6,694,285)	(2,620,485)	(9,830,157)
Non-controlling interest	131,064	268,074	(156,138)	(497,285)
Profit per share attributable to equity holders of the parent for the period:				
Basic	(3.03)	(53.12)	(20.80)	(78.01)
Diluted	(3.03)	(53.12)	(20.80)	(78.01)

IRSA PROPIEDADES COMERCIALES S.A.

Consolidated Condensed Interim Cash Flow Statements
for the six-month periods ended December 31, 2019 and 2018

(Amounts stated in thousands of Argentine pesos, except shares and per share data, and as otherwise indicated)

	12.31.19	12.31.18
Operating activities:		
Cash generated from operations	3,333,841	1,680,384
Income tax paid	(66,004)	(132,924)
Net cash generated by operating activities	**3,267,837**	**1,547,460**
Investing activities:		
Capital contributions in associates and joint ventures	(26,477)	(21,191)
Acquisition of investment properties	(640,040)	(1,516,820)
Acquisition of property, plant and equipment	(36,859)	(21,051)
Advance payments	(595,417)	(2,706,869)
Acquisition of intangible assets	(8,820)	(81,947)
Acquisitions of investments in financial assets	(6,697,673)	(14,730,276)
Proceeds from investments in financial assets	7,936,753	16,672,568
Loans granted, net	(861,208)	5,325
Loans granted to related parties	(2,232,601)	-
Loans payment received from related parties	586,334	8,464
Proceeds from sales of investment properties	3,375	-
Collection of financial assets interests	259,045	301,040
Acquisition of subsidiaries, net of cash acquired	-	(32,861)
Dividends received	96,769	5,984
Net cash used in by investing activities	**(2,216,819)**	**(2,117,634)**
Financing activities:		
Repurchase of non-convertible notes	(220,673)	(54,371)
Borrowings obtained from related parties	-	14,092
Payments of financial leasing	-	(8,324)
Dividends paid to non-controlling shareholders	(82,341)	(55,894)
Payment of derivative financial instruments	(333,012)	(572,051)
Pay of leases liabilities	(23,003)	-
Proceeds from derivative financial instruments	349,532	1,000,921
Payment of interest	(1,437,743)	(1,375,522)
Dividends paid	(642,879)	(886,831)
Short-term loans, net	105,973	188,574
Net cash (used in) from financing activities	**(2,284,146)**	**(1,749,406)**
Net (decrease)/ increase in cash and cash equivalents	**(1,233,128)**	**(2,319,580)**
Cash and cash equivalents at beginning of period	5,283,156	7,131,122
Foreign exchange gain on cash and fair value result or cash equivalents	118,209	150,158
Inflation adjustment	(28,939)	(8,312)
Cash and cash equivalents at end of the period	**4,139,298**	**4,953,388**

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IRSA PROPIEDADES COMERCIALES

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