

IRSA

IQ 2020 Conference Call

November 12, 2019

Hosted by: Alejandro Elsztain, IIVP
Daniel Elsztain, COO
Matías Gaivronsky, CFO





Main Events for IQ FY 2020

Consolidated Basis

ARS 11.0 billion
Net Gain

+21.2% vs. IQ 19

ARS 3.3 billion

Net Gain attributable to IRSA

Mainly explained by
**results from the loss of
control and
deconsolidation of Gav-
Yam in Israel Business
Center**

Dividend Announcement

- On October 30, 2019, the Shareholders' meeting approved a **dividend in kind with shares of IRSA Commercial Properties**:
 - Amount: **ARS 480 million**
 - IRCP shares / IRSA shares: **0.004046**
 - IRCP shares / IRSA ADR: **0.040462**
 - Record date: **Nov 13th, 2019**
 - Payment date: **Nov 14th, 2019**

ARS 5.3 billion

Adjusted EBITDA

+28.6% vs. IQ 19

ARS 1.4 billion

Argentina Business Center
-8% vs. IQ 19

Mainly driven by lower results from Shopping Malls & Hotels segments compensated by the office segment.

ARS 3.8 billion

Israel Business Center
+51% vs IQ 19

Mainly driven by Cellcom due to the positive effect of IFRS 16 (leases costs are now included in amortization line).

Operational Information by Segment		IQ 2020	IQ 2019	Var %	Comments
Shopping Malls	Adjusted EBITDA (ARS mm)	1,100	1,287	-14.5%	
	Tenants sales (ARS mm) SSS	18,367	19,357	-5.1%	Consumption recovery 
	GLA (sqm)	332,277	345,929	-3.9%	 end of concession
	Occupancy	94.3%	98.7%	-4.4pp	 exit from 
Offices	Adjusted EBITDA (ARS mm)	424	261	62.5%	
	Rent (USD/sqm)	26.6	25.7	3.5%	
	GLA (sqm)	115,640	83,213	39.0%	Zetta building opening (May 2019)
	Occupancy	88.1%	93.4%	-5.3pp	Due to B class vacancy increase
Hotels	Adjusted EBITDA (ARS mm)	94	142	-33.8%	Libertador hotel deflag process 
	Rate (USD/room)	167	189	-11.6%	
	Rooms	718	714	0.5%	
	Occupancy	61.6%	64.5%	-2.9pp	
Sales & Development	Adjusted EBITDA (ARS mm)	-75	-47	59.6%	



Israel Business Center

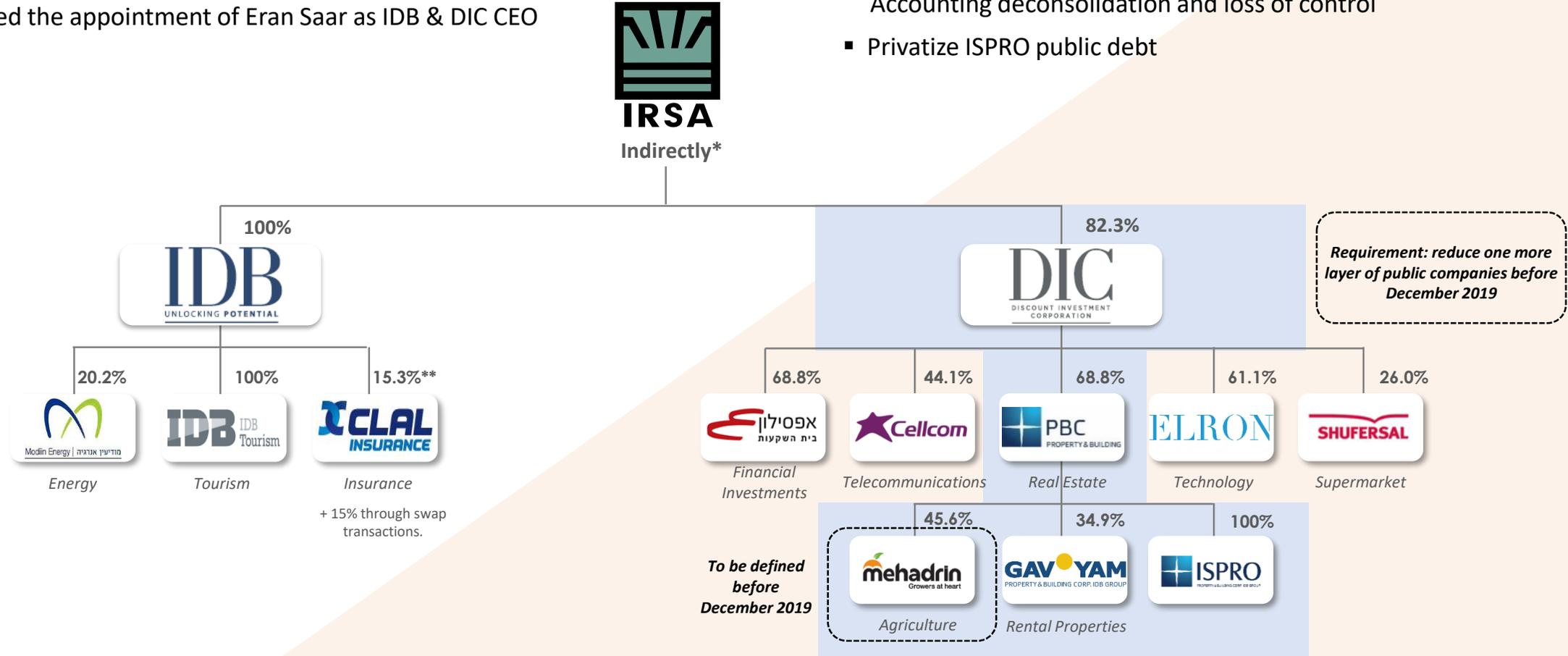
Current Corporate Structure

Senior Management:

- In September 2019, the company's board of directors approved the appointment of Eran Saar as IDB & DIC CEO

Concentration Law Resolution:

- Disposal of 16.7% of Gav-Yam shares
Accounting deconsolidation and loss of control
- Privatize ISPRO public debt



* There is a nonrecourse intercompany loan between Dolphin (borrower) and IDB (lender) due to the transference of DIC shares. This loan is guaranteed with DIC shares sold.

** Direct stake.



Israel Business Center

Sale of Gav-Yam shares



Israel leading real estate company

- ✓ Sale of 16.8% of Gav-Yam shares for a total amount of NIS 680 MM:
 - 11.7% in July 2019 for NIS 456 MM
 - 5.14% in September 2019 for NIS 224 MM
- ✓ Result form discontinued operations: **Gain of ARS 15,272 million**
- ✓ Loss of control and accounting deconsolidation
- ✓ Current PBC stake: 34.9%

Gav-Yam Share price evolution (NIS)





Clal sale process



Jun-18

Aug-18

Jun-19

Sep-19

Nov-19

Mar-19: Control permit requested

Aug-19: Control permit requested pulled back

Original stake

4 sales of 5% each through swap transactions during FY 18

1 additional sale of 5% through swap transaction

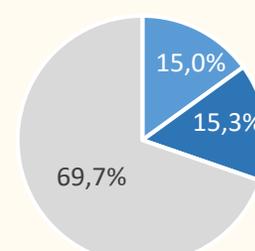
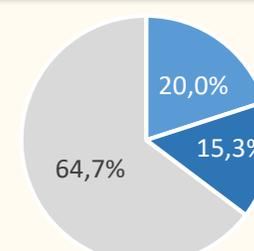
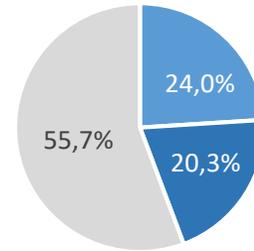
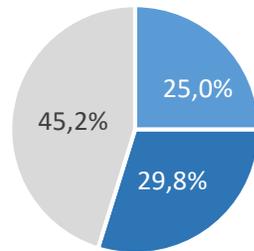
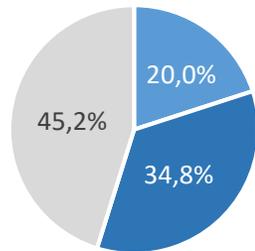
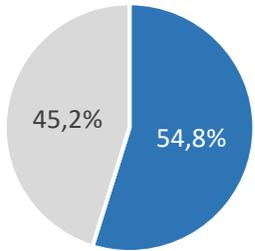
In May, 2 private investors bought ~10%, and one of them received an option to buy another 3%
Additional option given to a 3rd investor to buy 3-5%.

On September 2nd and 3rd, 3% of swaps were sold and IDB sold an additional 6% in exchange of its own bonds:

- 5% at a price of NIS 52.5 per share - total consideration of NIS 145 MM, in exchange of Series 9 & 14 own bonds.
- 1% additional sale in swaps.

This transaction is equivalent to sell at ~90% BV.

On November 7th, IDB sold 5% to Lapidot, who received the additional purchase option in Jun-19



Economic rights

54.8%

54.8%

54.8%

44.3%

35.3%

30.3%

IDB Through swaps IDB Directly Float



Israel Business Center

Financial situation

Adjusted EBITDA by segment (USD mm)	IQ 2020	IQ 2019	Var %
Real Estate	20.9	20.3	3.0%
Telecommunications	68.9	44.3	55.5%
Others	-0.3	8.6	-103.5%

- Due to IDB financial situation, on September 2019, IRSA invested **NIS 70 mm** in IDB through Dolphin and committed to invest an additional NIS 140 mm (half in 2020 and half in 2021) subject to certain conditions.



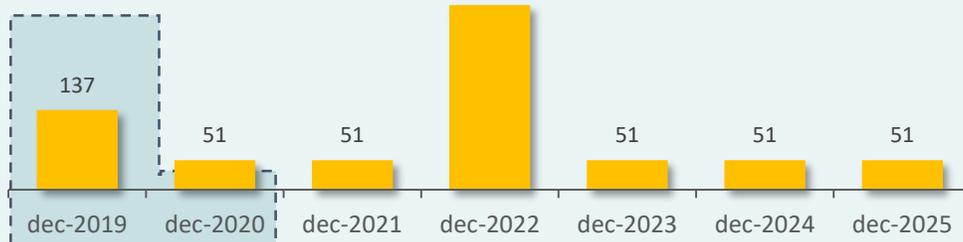
Stand alone

USD 555 mm
Net Financial Debt

Debt Amortization Schedule

USD 150 mm

Cash & Equivalents as of Nov 7th, 19



Stand alone

USD 765 mm
Net Financial Debt

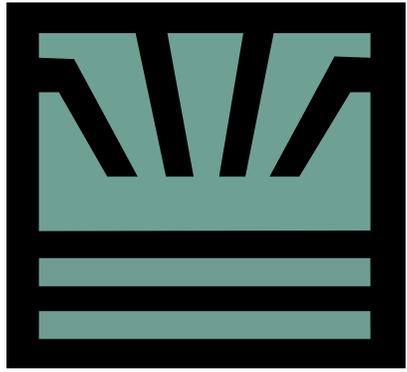
Debt Amortization Schedule

USD 418 mm

Cash & Equivalents as of Nov 7th, 19

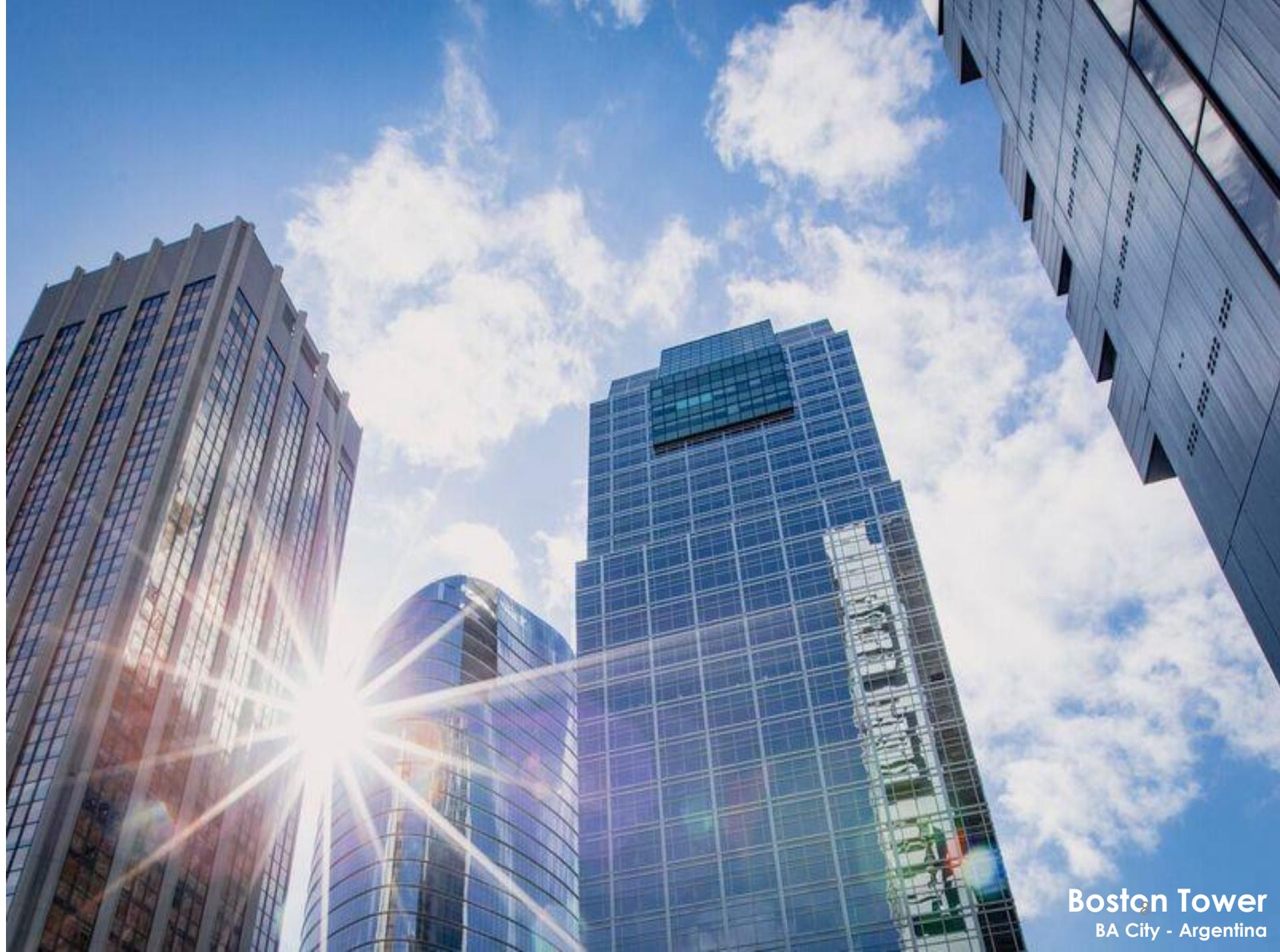


Operational Companies	USD mm cash balance as of Nov 7 th , 2019
Cellcom	280
PBC	577
Elron	28
Total	885



IRSA

Financial Results



Boston Tower
BA City - Argentina



Consolidated Financial Statements IQ FY 2020

(ARS millions)

P&L		Argentina Business Center			Israel Business Center			Total		
		IQ 2020	IQ 2019	Var %	IQ 2020	IQ 2019	Var %	IQ 2020	IQ 2019	Var %
1	Revenues	3,281	3,501	-6.3%	15,329	12,875	19.1%	18,610	16,376	13.6%
2	Costs	-1,232	-1,325	-7.0%	-10,554	-9,184	14.9%	-11,786	-10,509	12.2%
3	Gross Profit	2,049	2,176	-5.8%	4,775	3,691	29.4%	6,824	5,867	16.3%
4	Change in Fair Value	9,032	10,187	-11.3%	-	-	-	9,032	10,187	-11.3%
5	S,G&A Expenses	-678	-717	-5.4%	-3,818	-3,592	6.3%	-4,496	-4,309	4.3%
6	Other Net Operating Results	-27	27	-200.0%	-6	619	-101.0%	-33	646	-105.1%
7	Operating Income	10,376	11,673	-11.1%	951	718	32.5%	11,327	12,391	-8.6%
8	Results from associates and JV	540	578	-6.6%	-463	-405	14.3%	77	173	-55.5%
9	Net Financial Results	-8,387	-9,170	-8.5%	-5,296	4,793	-210.5%	-13,683	-4,377	212.6%
10	Income Tax	-1,833	303	-705.0%	-	153	-100.0%	-1,833	456	-502.0%
11	<i>Current Tax</i>	-111	-57	94.7%	-	-259	-100.0%	-111	-316	-64.9%
12	<i>Deferred Tax</i>	-1,722	360	-578.3%	-	412	-100.0%	-1,722	772	-323.1%
13	Net Income from continuing operations	696	3,384	-79.4%	-4,808	5,259	-191.4%	-4,112	8,643	-147.6%
14	Net Income from discontinuing operations	-	-	-	15,095	416	3,528.6%	15,095	416	3,528.6%
15	Net Income	696	3,384	-79.4%	10,287	5,675	81.3%	10,983	9,059	21.2%
Attributable to:										
16	Controlling Interest							3,298	7,982	-58.7%
17	Non-controlling Interest							7,685	1,077	613.6%
2+5	Total Costs + Expenses	-1,910	-2,042	-6.5%	-14,372	-12,776	12.5%	-16,282	-14,818	9.9%

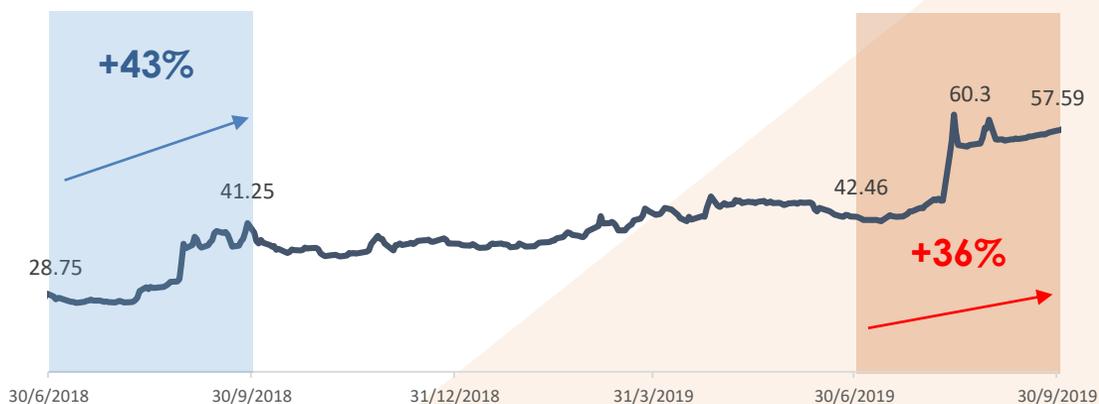


Consolidated Financial Statements IQ FY 2020

(ARS millions)

Net financial Results	Argentina Business Center			Israel Business Center			Total		
	IQ 2020	IQ 2019	Var %	IQ 2020	IQ 2019	Var %	IQ 2020	IQ 2019	Var %
1 Net Interest, loss	-1,155	-995	16.1%	-4,067	-2,892	40.6%	-5,222	-3,887	34.3%
2 Net Foreign Exchange, loss	-6,684	-10,152	-34.2%	38	288	-86.8%	-6,646	-9,864	-32.6%
3 FV gain from financial assets and liabilities	-331	1,757	-118.8%	-2,433	7,424	-132.8%	-2,764	9,181	-130.1%
4 Inflation Adjustment	-300	-74	305.4%	-	-	-	-300	-74	305.4%
5 Other Financial Results	83	294	-71.8%	1,166	-27	-	1,249	267	367.8%
6 Net Financial Results	-8,387	-9,170	-8.5%	-5,296	4,793	-210.5%	-13,683	-4,377	212.6%

**Nominal Exchange Rate evolution (ARS/USD)
IQ20 vs IQ19**



**CLAL Insurance share evolution (NIS)
IQ20 vs IQ19**





Net Debt as of September 30, 2019*

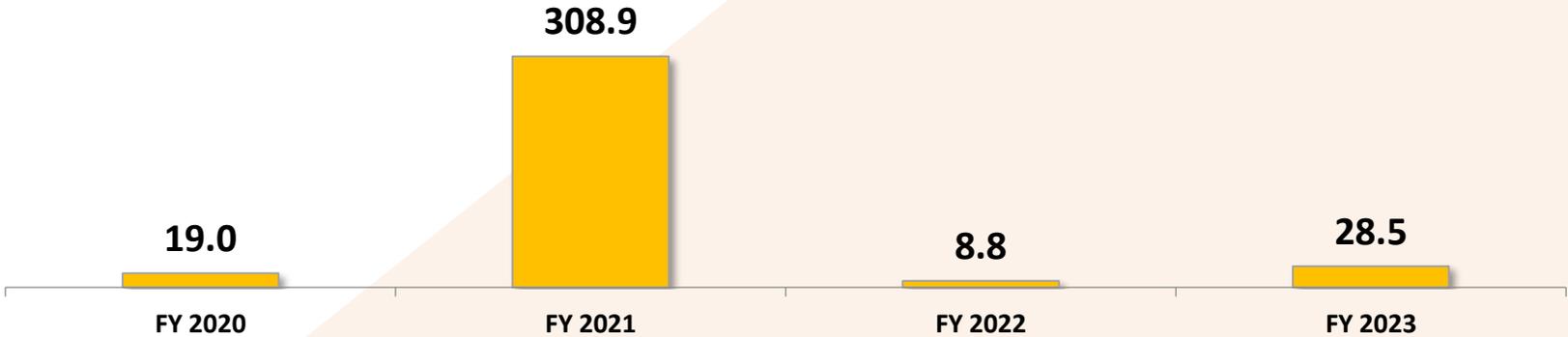
(USD millions)

IRSA Net Debt **364.5**

Financial events:

- In August 2019, we issued a second tranche of the Class 1 issued in May for **USD 85,2 mm** at an 8.75% yield, and a new class in Chilean Pesos for an equivalent of **USD 45 mm** at an interest rate of 10.5%, both maturing in August 2020.

Amortization Schedule



*Does not include IRCP & IDB/DIC debt



Payment of IRSA's Series VIII (Argentine Law)

“Payment Currency: U.S. Dollars”

“Payments of principal, interest, additional amounts or other amounts due under Series VIII Notes will be made through Caja de Valores S.A. as depositary of the Global Certificate, by transferring the relevant amounts for credit in the respective accounts held by the holders of Series VIII Notes with collection right as of the close of business on the Business Day immediately preceding the relevant payment date.”

- ❖ On **September 9, 2019**, IRSA paid in time and appropriate manner, **U.S. dollars 135 million to Caja de Valores** (USD 132.6 million of Principal + USD 2.3 million of Interest).
- ❖ Once Caja de Valores received the entire payment, they **distributed** the funds to **all the bondholders**.
- ❖ **Non-residents** received the funds in **U.S. dollars** in Euroclear/Clearstream accounts in **Caja de Valores**.
- ❖ According to Regulation “A” 6770 of the Central Bank, U.S. dollars received locally by **non-residents can not be transferred abroad** through **direct** transfer mechanisms (“Canje”) without Central Bank authorization.
- ❖ The **funds in U.S. dollars are available in Argentina** for withdrawal or transfer to local accounts.
- ❖ Some investors informed us that they received the payment in their local accounts.

Notes by Governing Law



Argentine Law

IRCP IV Sep 20 - 5.00%

IRSA I Nov 20 - 10.00%

IRSA II (CLP) Aug 20 - 10.50%

Outstanding USD 140 MM

Outstanding USD 226.5 MM

New York Law

IRCP II Mar 23 - 8.75%

IRSA II Jul 20 - 11.50%

Outstanding USD 360 MM

Outstanding USD 71.4 MM



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Cautionary Statement

Investing in all equities, including natural resources and real estate-related equities, carries risks which should be taken into consideration when making an investment.

This institutional presentation contains statements that constitute forward-looking statements, in that they include statements regarding the intent, belief or current expectations of our directors and officers with respect to our future operating performance. You should be aware that any such forward looking statements are no guarantees of future performance and may involve risks and uncertainties, and that actual results may differ materially and adversely from those set forth in this presentation. We undertake no obligation to release publicly any revisions to such forward-looking statements to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements can be found in the companies' Forms 20-F for Fiscal Year 2019 ended June 30, 2019, which are available for you in our web sites.