# Earnings Release
## Fiscal Year 2020

**IRSA invites you to participate in its conference call for the Fiscal Year 2020**

**Wednesday, September 30, 2020 12:00 PM BA (11:00 AM US EST)**

The call will be hosted by:

**Alejandro Elsztain, IIVP**

**Daniel Elsztain, COO**

**Matias Gaivironsky, CFO**

To participate, please access through the following link:

https://irsacorp.zoom.us/j/99000838672?pwd=MzNBSlYxNW9yQmROcGYwdkg1MEhxdz09

Webinar ID: 990 0083 8672

Password: 124463

In addition, you can participate communicating to this numbers:

**Argentina: +54 112 040 0447 or +54 115 983 6950 or +54 341 512 2188 or +54 343 414 5986**

**Israel: +972 3 978 6688 or +972 55 330 1762**

**Brazil: +55 11 4700 9668 or +55 21 3958 7888 or +55 11 4632 2236 or +55 11 4632 2237 or +55 11 4680 6788**

**United States: +1 312 626 6799 or +1 346 248 7799 or +1 646 558 8656 or +1 669 900 9128 or +1 253 215 8782 or +1 301 715 8592**

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

## Main Highlights of the Period

- Net result for the fiscal year showed a profit of ARS 23,731 million, compared to a loss of ARS 38,371 million in the fiscal year 2019. This gain is explained by a higher value in pesos of investment properties in Argentina business center.

- On March 20, as a consequence of the social, preventive and mandatory lockdown decreed in Argentina due to the COVID-19 pandemic, the hotels and shopping malls throughout the country were closed, working exclusively those essential activities such as pharmacies, supermarkets and banks. This negative impact has been mainly reflected in the 4th quarter of FY 2020.

- Adjusted EBITDA for Argentine Business Center, excluding the impact of the revaluation of our investment properties at fair value, reached ARS 5,708 million in fiscal year 2020, 23.3% below 2019.

- During the year we have issued notes in the local market for the sum of USD 197.2 million and after the end of the fiscal year, an additional sum of USD 38.4 million to refinance short-term debt.

- In Israel Business Center, in September 2020, IDBD creditors asked the Tel Aviv District Court to order the opening of a liquidation procedure against IDBD. Following the Court's adverse ruling, we are evaluating the possible alternatives. Regarding our individual financial statements, the investment in IDBD and DIC as of June 30, 2020 is valued at zero.

**Letter to Shareholders**

Dear shareholders,

This year is presented as one of the most difficult years in our history. Since March, we had to change the focus of our strategy, from working on optimizing results and improving the performance of our operations, we began to focus on managing an unprecedented crisis. The COVID-19 pandemic, which originated in China and subsequently spread to numerous countries, including Argentina, has adversely impacted both the global and the local economy.

In this context, we have taken various measures, including the creation of a Crisis Committee, contingency plans for the continuity of operations and the home office modality, prioritizing the health and well-being of our employees, clients, tenants, and the entire population.

In Argentina Business Center, shopping malls business from our subsidiary IRSA Propiedades Comerciales (IRSA CP) was one of the most affected because of the social, preventive and mandatory lockdown decreed by the Argentine Government. Shopping malls were closed throughout the country since March 20 of this year, leaving open exclusively those stores dedicated to essential activities such as pharmacies, supermarkets and banks.

Given the situation, IRSA CP decided to accompany its tenants prioritizing the long-term relationship by postponing the maturity of the base rent and collective promotion fund during those months of closure of operations. This has had a significant impact on the revenues of this segment in the fourth quarter of fiscal year 2020.

In operating terms, tenant sales in shopping malls that had been growing at an interannual rate of 79% until February and that were beginning to show positive results in real terms, ended the year with a growth of 6.7% ( -25.9% in real terms), showing a deep year-on-year drop of 90.4% in the last quarter of the year due to the closure of operations. Occupancy fell slightly and stood at 93.2% at the end of the year.

The Premium office portfolio, which operated normally during the lockdown period, has once again shown its resilience, maintaining the levels of rent and occupancy. The average monthly rent for the portfolio was USD/sqm 26.6 and the occupancy of our buildings A and A + reached 93.0%, higher than the average of Buenos Aires city premium market.

The strength of this segment was also evident in the sales values sustained by a growing demand from companies seeking to protect their liquidity in real estate assets. In the last quarter of the year and subsequently, as part of our strategy to rotate our office portfolio, we sold approximately 25,000 sqm for an approximate value of USD 145 million, including the Bouchard 710 building in the Plaza Roma district for the sum of USD 87.2 million, 6 floors of the Boston Tower in Catalinas for USD 41.4 million and 2 floors of the 200 Della Paolera building under construction for USD 16.9 million.

In terms of investments, IRSA CP made progress this year with the developments of the “200 Della Paolera” building in Catalinas and the expansion of Alto Palermo shopping mall until lockdown was decreed, interrupting the construction activity in the city of Buenos Aires. Although works were restored after the close of the fiscal year, they are operating with restrictions, so we expect certain delay in their openings. In the case of "200 Della Paolera" we are going through the final phase of work and we await its opening for the first semester of fiscal year 2021 with a high occupancy level.

The hotel segment has also been affected by social, preventive and mandatory isolation. The Libertador hotel in the City of Buenos Aires and Llao Llao in the province of Río Negro have been temporarily closed since last March 20, and there is no certainty about their reopening and the reactivation of the sector; in turn, the Intercontinental Hotel in the City of Buenos Aires is working only under a contingency and emergency plan.

Although the real estate sector this year showed a slowdown in its pace of operations and a downward trend in the prices of units measured in USD, the commercial segment has once again shown greater resilience than the residential one and this was evidenced with the office assets sales made by our subsidiary IRSA CP at very attractive prices. We are confident in the strength of this market in Argentina as an investment destination for both individuals and companies, who perceive real estate as a good store of value in the face of volatility in financial markets.

In order to achieve future synergies and firmly believing in the need to boost mortgage market in Argentina, we maintain our 29.91% stake in Banco Hipotecario S.A. (BHSA), which will work this year on the relaunch by the Government of the P.R.O.C.R.E.A.R lines for housing construction and remodeling.

Regarding our investments in the United States, after the end of the fiscal year we have decided to stop facing the ground lease cost of the land where the Lipstick Building is located in New York City, handing over the administration of the property and we maintain an 18.9% stake in the hotel REIT Condor Hospitality Trust (NYSE: CDOR), whose sale process has been delayed.

In the Israel Business Center, during the fiscal year, we ended the adaptation to the concentration law by eliminating one more level of control of public company, reducing it to only two. PBC distributed all Mehadrin's shares as a dividend and continues to sell shares of its income subsidiary Gav-Yam for approximately 5% of its capital stock. Additionally, IDBD continued the process of selling the insurance company CLAL, which began a few years ago. This process of selling its shares at market values, forced by the regulator, has represented a great challenge for IDBD since the book value of Clal's equity is much higher than its market price, putting the company in an adverse financial situation. After several rounds of negotiation where Dolphin tried to reach a beneficial agreement to the parties, the creditors rejected the offers and asked the Tel Aviv District Court to order the opening of a bankruptcy procedure against IDBD. Following the Court's ruling, we are evaluating the possible alternatives together with our local and international advisers.

In relation to our corporate social responsibility, we continued during this year and in the context of the pandemic, carrying out volunteer programs and CSR actions both in the shopping malls and in the office buildings of our subsidiary IRSA CP. Although with virtual modality, we continue to be a bridge between the NGOs and the public, spreading causes such as inclusion together with APADEA (Argentine Association of Autistic Parents) talking about autism, promoting reading together with Fundación Leer or collaboration, together with Fundación SI, to assist the most needy with essential items. In this same sense, we made a donation as a Group together with the IRSA Foundation to join the "SeamosUno" program, reaching almost 14,000 boxes of food and cleaning products that were delivered in the most vulnerable areas of our country to collaborate in the emergency generated by COVID 19.

Net result for the year showed a gain of ARS 23,731 million, of which an ARS 27,096 million profit corresponds to the Argentine business center and a loss of ARS 3,365 million from the Israel business center. Adjusted EBITDA for fiscal year 2020, excluding the impact of the revaluation of our investment properties at fair value, reached ARS 26,698 million (ARS 5.708 million from Argentina and ARS 20,990 million from Israel), 25.5% above fiscal year 2019.

In financial matters, during this fiscal year we have issued notes in the local capital market for the sum of USD 196.0 million and after closing, the additional sum of USD 38.4 million with the objective of refinancing short-term liabilities.

In 30 years investing in Argentina, we have gone through numerous crises and were able to move forward. The one presented this 2020 is unprecedented because for the first time our shopping malls and hotels close their doors for a long period of time. We are convinced that we will be able to overcome current difficulties with the usual support of our employees, tenants, consumers, suppliers, shareholders, and investors.

To all of you, my most sincere thanks.

Saúl Zang
First Vice-chairman

**Buenos Aires, September 29, 2020** - IRSA Inversiones y Representaciones Sociedad Anónima (NYSE: IRS) (BYMA: IRSA), Argentina's leading real estate company, announces today the results of its operations for the Fiscal Year 2020 ended June 30, 2020.

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

### Economic context in which the Group operates

The Group operates in a complex context both due to macroeconomic conditions, whose main variables have recently experienced strong volatility, as well as regulatory, social, and political conditions, both nationally and internationally.

The results from operations may be affected by fluctuations in the inflation index and the argentine peso exchange rate against other currencies, mainly the dollar, variations in interest rates which have an impact on the cost of capital, changes in government policies, capital control and other political or economic developments both locally and internationally.

In December 2019, a new strain of coronavirus (SARS-COV-2), which caused severe acute respiratory syndrome (COVID-19) appeared in Wuhan, China. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. In response, countries have taken extraordinary measures to contain the spread of the virus, including imposing travel restrictions and closing borders, closing businesses deemed non-essential, instructing residents to practice social distancing, implementing quarantines, among other measures. The ongoing pandemic and these extraordinary government actions are affecting global economic activity, resulting in significant volatility in global financial markets.

On March 3, 2020, the first case of COVID-19 was registered in the country and until September 21, 2020, more than 600,000 cases of infections had been confirmed in Argentina, by virtue of which the National Government implemented a series of health measures of social, preventive and mandatory isolation at the national level that began on March 19, 2020 and extended several times, most recently until Octobre 11, 2020 inclusive (which could be extended for the duration of the epidemiological situation), which affected the local economy. Among them, the following stand out: the extension of the public emergency in health matters, the total closure of borders, the suspension of international and cabotage flights, the suspension of medium and long-distance land transport, the suspension of artistic and sports shows, closure of businesses not considered essential, including shopping malls and hotels.

This series of measures affected a large part of Argentine companies, which experienced a drop in their income and inconveniences in the payment chain. In this context, the Argentine government announced different measures aimed at alleviating the financial crisis of the companies affected by the COVID-19 pandemic. Likewise, it should be noted that, to the stagnation of the Argentine economy, a context of international crisis is added because of the COVID-19 pandemic. In this scenario, a strong contraction of the Argentine economy is expected.

After various negotiations between the Argentine government and the bondholders, the Argentine government announced the conclusion of a principle of agreement with the main groups of creditors, to avoid default. On August 28, 2020, the government reported that 93.55% of the holders of the total outstanding principal amount of all the bonds accepted the debt swap, and on August 31, 2020, the national government obtained the required consents to redeem and / or modify 99.01% of the total outstanding principal amount of all series of eligible bonds. As of the date of issuance of these financial statements, the new bonds are already trading on the market.

In turn, the government is challenged to achieve a successful debt renegotiation with the IMF. If Argentina achieves a favourable result and agrees to restructure its debt with the IMF, this could have a positive impact on the Argentine economy, in the medium and long term. On the contrary, the lack of an agreement with external private creditors could lead to a default of the Argentine sovereign debt and, consequently, this situation could generate limitations to the companies' ability to access new financing.

At the local environment, the following circumstances are displayed:

- In June 2020, the Monthly Economic Activity Estimator ("EMAE" in Spanish) reported by the National Institute of Statistics and Censuses ("INDEC" in Spanish), registered a variation of (12.3)% compared to the same month of 2019, and 7.4% compared to the previous month.
- The survey on market expectations prepared by the Central Bank in July 2020, called the Market Expectations Survey ("REM" in Spanish), estimates a retail inflation of 39.5% for 2020. REM analysts forecast a variation in real GDP for 2020 of (12.5%). In turn, they foresee that in 2021 economic activity will rebound in activity, reaching an economic growth of 5.6%. 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 that a recovery in economic activity will soon begin.
- The interannual inflation as of June 30, 2020 reached 42.8%.
- In the period from July 2019 to June 2020, the argentine peso depreciated 66% against the US dollar according to the wholesale average exchange rate of Argentine Nation Bank. Given the exchange restrictions in force since August 2019, there is an exchange gap of approximately 75% between the official price of the dollar and its price in parallel markets, which impacts the level of activity in the economy and affects the level of reserves of the Central Bank of the Argentine Republic. Additionally, these exchange restrictions, or those that may be dictated in the future, could affect the Group's ability to access the Single Free Exchange Market (MULC in Spanish) to acquire the foreign exchange necessary to meet its financial obligations.

On September 15, 2020, the Central Bank of the Argentine Republic published Communications "A" 7105 and 7106, which establishes, among other measures, that those who register financial debts with capital maturities in foreign currency scheduled between 10.15.2020 and 03.31.2021, must present a refinancing plan to the BCRA based on the following criteria: (a) that the net amount for which the exchange market will be accessed in the original terms will not exceed 40% of the amount of capital maturing in the period indicated above, and (b) that the rest of the capital is, as a minimum, refinanced with a new external debt with an average life of 2 years, provided that the new debt is settled in the market of changes. It is worth mentioning that for the maturities to be registered from the effective date of the communication (September 16, 2020) and until 12.31.2020, the refinancing plan must be submitted prior to 09.30.2020; and the submission deadline for the remaining maturities -between January 1, 2021 and March 31, 2021, must be submitted with a term of at least 30 calendar days before the maturity of the capital to be refinanced. The Group is analyzing the impact of said provision to comply in a timely manner with the requirements of the BCRA, and the impact of the aforementioned regulations on its businesses.

**COVID-19 pandemic**

As described in the note on the economic context in which the Group operates, the COVID-19 pandemic is adversely impacting both the global economy and the Argentine economy and the Group'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 the full extent of its impact.

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

Argentina Business Center

- As a consequence of the social, preventive and obligatory isolation, shopping malls throughout the country were closed since March 20, 2020, leaving exclusively those premises dedicated to items considered essential such as pharmacies, supermarkets and banks, while some gastronomic and clothing stores are working by delivery and sales system by WhatsApp. In the months of May and June, these measures were relaxed and certain activities were reopened in some inland squares, such as Salta, Mendoza, Santa Fe and Córdoba, opening the Alto Noa, Mendoza Plaza, Alto Rosario, La Ribera and Córdoba shopping malls. Shopping under a strict safety and hygiene protocol that includes reduced hours, social distancing, and access control. In July 2020, we proceed with the opening of Neuquén and at the beginning of August 2020, the Arcos District, an open-air premium outlet in the city of Buenos Aires, was opened. As of August 31, 44% of the gross leasable area of the Company's malls are open. However, the uncertainty of the situation could cause setbacks in the openings already made, as happened in the case of Alto Rosario and Alto Noa, which had to close their doors for a period of 14 and 7 days, respectively, given the increase of cases in those regions.

- Given the closure of the shopping malls, the Group has decided to defer the billing and collection of the Insured Monthly Value until September 30, 2020, with some exceptions and to subsidize the collective promotion fund during the same period, prioritizing the long-term relationship with its tenants. Additionally, an increase in the delinquency rates of some tenants has been detected. As a result of the above, the impact on shopping malls is a 30.5% decrease in rental and service income compared to the previous year and 83% compared to the last quarter of the previous year. Additionally, the charge for bad debts in the year ended June 30, 2020 is ARS 305 million and ARS 187 million in the last quarter of the year.
- Regarding the offices business, although most of the tenants are working in the home office mode, they are operational with strict safety and hygiene protocols. To date, we have not evidenced a deterioration in collections.
- La Rural, the Buenos Aires and Punta del Este Convention Centers and the DIRECTV Arena stadium, establishments that the Group owns directly or indirectly, have also been closed since March 20. All planned congresses were suspended, most of the fairs and conventions have been postponed, while the shows scheduled at the DIRECTV Arena stadium were mostly cancelled. The reopening date of these establishments is uncertain, as well as the future agenda of fairs, conventions and shows.
- In order to minimize the risk of spreading the virus and protect public health, the Libertador hotel in the City of Buenos Aires and Llao Llao in the province of Río Negro are temporarily closed, and we do not know with certainty when they may be reopened. and when will they be able to operate normally again; in turn, the Intercontinental Hotel in the City of Buenos Aires is working only under a contingency and emergency plan. As a result of the above, the impact on these financial statements is a 32% decrease in revenues compared to the previous year and 100% compared to the same quarter of the previous year.

Israel Business Center

Although COVID-19 has had a negative impact on the market valuations of IDBD, DIC and operating subsidiaries given the sharp drop in prices, the mandatory isolation lasted approximately 10 days with subsequent relaxation of activities under strict safety and hygiene protocols. Regarding operating businesses, there have been mixed impacts:

- In the case of supermarkets (Shufersal) and agriculture (Mehadrin) they have had a short-term positive impact as they are essential activities.
- in telecommunications (Cellcom), especially regarding international roaming service, a decrease in consumption has been experienced due to the significant reduction in international tourism. Cellcom has taken measures to reduce these negative effects, cutting costs and investments during the coronavirus crisis period, including downsizing.
- at PBC, real estate activities and income are affected by the economy and restrictions in circulation, and therefore PBC's cash flow is expected to be somewhat vulnerable, although it cannot be estimated to what extent at this time. PBC has carried out a valuation of its investment properties on those in which there were signs of impairment and because of this it has registered a decrease of ARS 2,989 million in the value of its properties.

Regarding the Group financial debt:

- IRSA faces the following maturities in the next 12 months: Class II Notes with a nominal value of USD 71.4 million, maturing on July 20, 2020; Class II Notes with a nominal value of CLP 31,502.6 million (equivalent to approximately USD 41 million) maturing on August 6, 2020; Class I Notes with a nominal value of USD 181.5 million, maturing on November 15, 2020; Class III Notes with a nominal value of ARS 354 million (equivalent to USD 5 million) maturing on February 21, 2021; Class IV Notes with a nominal value of USD 51.3 million, maturing on May 21, 2021 and bank debt for an amount equivalent to USD 14.3 million.
- Our subsidiary IRSA CP has the maturity of Class IV Notes with a nominal value of USD 140 million in September 2020 and USD 23 million of banking debt.
- Our subsidiaries IDBD-DIC have short-term financial debt with a nominal value of USD 202 million (which include notes and loans with banks and financial institutions), it should be mentioned that these commitments have no effect on IRSA, given that said indebtedness does not have recourse against IRSA, nor has IRSA guaranteed it with its assets.

As a subsequent event, in May and July 2020, IRSA has issued Notes in the local market for an approximate amount of USD 105.4 million. With those proceeds, the Company canceled its Notes maturing in July and August 2020. IRSA CP in the months of June, July and August has sold office assets for a total amount of USD 145.5 million. With these funds, IRSA CP canceled its Class IV Notes on September 14.

In relation to the maturity of the Company's notes in the next fiscal year, the maturity of Class I for a nominal value of USD 181,518,707 falls within the period contemplated by provision “A” 7106 of the Argentine Central Bank mentioned above as well as other bank debt. The Company is analyzing the impact of said provision in order to comply in due time and form with the requirements of the Central Bank, if applicable.

It is important to mention that IRSA has approved with IRSA CP a credit line for up to USD 180 million over 3 years, of which as of June 30, 2020 IRSA used approximately USD 53.4 million, leaving the balance available, as well as it could also receive dividends from said company as controlling shareholder with 80.65% of the capital stock. IRSA CP has a cash position and equivalents (including current financial investments) as of June 30, 2020 of approximately USD 155 million. Additionally, the Company has other financing alternatives such as the capital increase approved by the annual shareholders' meeting on October 30, 2019 for up to 200 million common shares, access to the local and international capital markets , either through new debt issues or liability management operations and the sale of assets from its portfolio.

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.

**Consolidated Results**

| (in millions of ARS) | IVQ 20 | IVQ 19 | YoY Var | FY 20 | FY 19 | YoY Var |
|---|---|---|---|---|---|---|
| Revenues | 22,490 | 22,440 | 0.2% | 95,793 | 92,181 | 3.9% |
| Net gain / (loss) from fair value adjustment of investment properties | 31,032 | -29,030 | - | 30,742 | -37,877 | - |
| **Result from operations** | **30,957** | **-27,080** | **-** | **38,339** | **-27,727** | **-** |
| Depreciation and amortization | 4,040 | 2,395 | 68.7% | 16,268 | 10,676 | 52.4% |
| **EBITDA(1)** | **34,997** | **-24,685** | **-** | **54,607** | **-17,051** | **-** |
| **Adjusted EBITDA(1)** | **4,577** | **5,246** | **-12.8%** | **26,698** | **21,270** | **25.5%** |
| **Result for the period** | **28,143** | **-24,207** | **-** | **23,731** | **-38,371** | **-** |
| Attributable to equity holders of the parent | 24,330 | -22,859 | - | 14,249 | -36,610 | - |
| Attributable to non-controlling interest | 3,813 | -1,348 | - | 9,482 | -1,761 | - |

(1) See Point XIX: EBITDA Reconciliation

Company's income increased by 3.9% during fiscal year 2020 compared to 2019, while Adjusted EBITDA increased 25.5% reaching ARS 26,698 million, ARS 5,708 million from Argentina Business Center, and ARS 20,990 million from Israel Business Center, that increased by 51.8% mainly due to an increase in the EBITDA of Telecommunications segment (Cellcom) as a consequence of the impact of IFRS 16 implementation: leases costs are now included in Amortizations.

Net Result for fiscal year 2020 reached a profit of ARS 23,731 million compared to an ARS 38,731 million loss registered in 2019. This gain is mainly explained by a higher value in pesos of our investment properties in Argentina business center, together the result from the deconsolidation of Gav-Yam, due to the loss of control, offset by lower results of the market valuation of Clal in the Israel Business Center. Net income attributable to the controlling shareholder registered a gain of ARS 14,249 million compared to a loss of ARS 36,610 million in 2019.

**Resultado neto por cambios en el valor razonable de propiedades de inversión 2020 vs 2019**

**Argentina Business Center**

The net result of changes in the fair value of our investment properties for the fiscal year ended June 30, 2020 was a gain of ARS 33,394 million (a loss of ARS 2,105 million of our Shopping Malls segment; a gain of ARS 23,285 million from the Offices segment; a profit of ARS 12,179 million from the Sales and Development segment and a loss of ARS 635 from Others segment). Within the office segment, the "200 Della Paolera" building was included for the first time at its fair value.

The Argentine office market is a liquid market, with the participation of a considerable number of purchase and sale operations. This situation allows us to observe relevant and representative purchase and sale prices in the market. In addition, rental agreements are denominated in dollars for an average term of 3 years, so this business generates a stable cash flow in dollars. In this sense, the use of the "Market approach" valuation method (market comparable values) is used to determine the fair value of the Office segment, being the value per square meter the most representative metric.

As of September 2019, the real estate market began to experience certain changes in its operation because of the implementation of regulations on the exchange market. In general terms, the measure implemented on September 1, 2019 by the BCRA, establishes that exporters of goods and services must settle their foreign exchange earnings in the local market no later than 5 days after collection. Likewise, it is established that resident legal entities may buy foreign currency for import or payment of debts when due, but they will need the approval of the Central Bank of the Argentine Republic ("BCRA") to: buy foreign currency for the formation of foreign assets, pre-cancellation of debts, turn abroad profits and dividends and make transfers abroad. Additionally, they restrict the access to purchase dollars for human persons. Later, the BCRA established stricter control, further limiting access to the foreign exchange market.

Nowadays, it is observed that office building sales transactions can be settled in pesos (using an implicit exchange rate higher than the official one) or in dollars.

**Israel Business Center**

Net result from changes in the fair value of investment properties in Real Estate segment decreased from a gain of ARS 892 during the fiscal year ended June 30, 2019, to a loss of ARS 2,989 million during the fiscal year ended June 30, 2020. This figures are not comparable given that as of June 2019 only the changes in the fair value of the investment properties sold were recorded, while this year the loss mainly corresponds to an impairment of HSBC. Additionally, a new valuation of Tivoli was carried out, which generated a decrease in fair value offset by the revaluation of Kiriat Ono Mall during the first quarter of the year.

**Argentina Business Center**

**II. Shopping Malls (through our subsidiary IRSA Propiedades Comerciales S.A.)**

At the end of fiscal year 2020 our tenants' sales in the shopping malls reached ARS 69,965 million, posting a decrease of 25.9% in real terms compared to the previous fiscal year (+6,7% in nominal terms).

Sales in the shopping malls located in the City of Buenos Aires and Greater Buenos Aires recorded year-on-year decreases of 26.9% in real terms (+5.0% in nominal terms), up from ARS 65,404 million to ARS 47,805 million during fiscal year 2020, whereas shopping malls in the interior of Argentina decreased about 23.7% in real terms (+10.4% in nominal terms) in comparison with the previous fiscal year, from ARS 29,032 million to ARS 22,160 million during fiscal year 2020.

Our portfolio's leasable area totaled 333,062 sqm during the quarter, in line with the same period of previous fiscal year. Portfolio's occupancy slightly decreased to 93.2%.

Shopping Malls' Operating Indicators

| (in ARS million, except indicated) | IVQ 20 | IIIQ 20 | IIQ 20 | IQ 20 | IVQ 19 |
|---|---|---|---|---|---|
| Gross leasable area (sqm) | 333,062 | 332,642 | 332,812 | 332,277 | 332,150 |
| Tenants' sales (3 months cumulative) | 1,661 | 17,073 | 27,997 | 23,328 | 23,387 |
| Occupancy | 93.2% | 94.8% | 95.0% | 94.3% | 94.7% |

Shopping Malls' Financial Indicators

| (in millions of ARS) | IVQ 20 | IVQ 19 | YoY Var | FY 20 | FY 19 | YoY Var |
|---|---|---|---|---|---|---|
| Revenues from sales, leases and services | 303 | 1,891 | -84.0% | 5,935 | 8,541 | -30.5% |
| Net (loss) / gain from fair value adjustment on investment properties | 1,805 | -24,638 | - | -2,105 | -40,581 | -94.8% |
| **Profit / (Loss) from operations** | **1,553** | **-23,327** | **-** | **1,687** | **-34,402** | **-** |
| Depreciation and amortization | 48 | 15 | 220.0% | 145 | 114 | 27.2% |
| **EBITDA [(1)]** | **1,601** | **-23,312** | **-** | **1,832** | **-34,288** | **-** |
| **Adjusted EBITDA [(1)]** | **-204** | **1,326** | **-115.4%** | **3,937** | **6,293** | **-37.4%** |

(1) See Point XIX: EBITDA Reconciliation

Revenues from the shopping mall segment decreased by 30.5% in fiscal year 2020 compared to 2019, while Adjusted EBITDA reached ARS 3,936 million, 37.5% below fiscal year 2019. This drop is mainly explained by the closure of operations due to the COVID-19 since March 20 of this year and the increase in the levels of delinquency in the year, that reached ARS 305 million (5.1% of fiscal year 2020 segment income), 180% higher than in fiscal year 2019. The Adjusted EBITDA margin, excluding income from expenses and commercial fund, reached 66.3%, 7.4 p.p. lower than the previous year.

In the fourth quarter of the fiscal year, because of the closure of operations mentioned above, revenues fell 84%, reaching just ARS 303 million. This number is slightly positive due to the flexibility of activities that took place in some cities of the interior of the country in the months of May and June that allowed the reopening of Alto Noa shopping centers in Salta, Mendoza Plaza in Mendoza, Alto Rosario and La Ribera in Santa Fe and Córdoba shopping in Córdoba. Adjusted EBITDA for the quarter was negative at ARS 206 million.

## Operating data of our Shopping Malls

| | Date of opening | Location | Gross Leasable Area sqm (1) | Stores | Occupancy Rate (2) | IRSA CP's Interest (3) |
|---|---|---|---|---|---|---|
| Alto Palermo | Dec-97 | City of Buenos Aires | 18,655 | 136 | 91.9% | 100% |
| Abasto Shopping(4) | Nov-99 | City of Buenos Aires | 36,760 | 164 | 94.9% | 100% |
| Alto Avellaneda | Dec-97 | Province of Buenos Aires | 38,330 | 125 | 97.4% | 100% |
| Alcorta Shopping | Jun-97 | City of Buenos Aires | 15,725 | 114 | 97.3% | 100% |
| Patio Bullrich | Oct-98 | City of Buenos Aires | 11,396 | 89 | 91.4% | 100% |
| Dot Baires Shopping | May-09 | City of Buenos Aires | 48,805 | 167 | 74.6% | 80% |
| Soleil | Jul-10 | Province of Buenos Aires | 15,156 | 79 | 97.1% | 100% |
| Distrito Arcos | Dec-14 | City of Buenos Aires | 14,335 | 65 | 93.8% | 90.0% |
| Alto Noa Shopping | Mar-95 | Salta | 19,313 | 85 | 99.0% | 100% |
| Alto Rosario Shopping(4) | Nov-04 | Santa Fe | 33,681 | 142 | 97.2% | 100% |
| Mendoza Plaza Shopping | Dec-94 | Mendoza | 43,313 | 129 | 97.8% | 100% |
| Córdoba Shopping | Dec-06 | Córdoba | 15,361 | 104 | 95.4% | 100% |
| La Ribera Shopping | Aug-11 | Santa Fe | 10,530 | 68 | 99.0% | 50% |
| Alto Comahue | Mar-15 | Neuquén | 11,702 | 95 | 96.2% | 99.95% |
| Patio Olmos(6) | Sep-07 | Córdoba | | | | |
| **Total** | | | **333,062** | **1,562** | **93.2%** | |

(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) IRSA CP owns the historic building of the Patio Olmos shopping mall in the Province of Córdoba, operated by a third party.

## Tenant Retail Sales in real terms (1)

| (per Shopping Mall, in ARS. million) | 2020 | 2019 | 2018 |
|---|---|---|---|
| Alto Palermo | 8,537 | 11,585 | 12,803 |
| Abasto Shopping | 8,681 | 12,287 | 14,441 |
| Alto Avellaneda | 7,671 | 11,019 | 13,892 |
| Alcorta Shopping | 5,090 | 6,535 | 6,999 |
| Patio Bullrich | 3,463 | 4,293 | 3,880 |
| Buenos Aires Design(1) | - | 562 | 1,785 |
| Dot Baires Shopping | 6,819 | 9,416 | 11,948 |
| Soleil | 3,543 | 5,056 | 5,664 |
| Distrito Arcos | 4,001 | 4,651 | 4,669 |
| Alto Noa Shopping | 3,473 | 4,172 | 5,039 |
| Alto Rosario Shopping | 7,230 | 9,286 | 10,359 |
| Mendoza Plaza Shopping | 5,643 | 7,402 | 8,743 |
| Córdoba Shopping | 2,226 | 3,029 | 3,582 |
| La Ribera Shopping(2) | 1,476 | 2,167 | 2,623 |
| Alto Comahue | 2,112 | 2,976 | 3,260 |
| | - | - | - |
| **Total** | **69,965** | **94,436** | **109,687** |

(1) Retail sales based upon information provided to us by retailers and prior owners. The amounts shown reflect 100% of the retail sales of each shopping mall, although in certain cases we own less than 100% of such shopping malls. Includes sales from stands and excludes spaces used for special exhibitions.
(2) End of concession December 5, 2018
(3) IRSA CP owns the historic building of the Patio Olmos shopping mall in the province of Cordoba, operated by a third party.

## Cumulative tenants' sales per type of business in real terms

| (per Type of Business. in ARS million) | 2020 | 2019 | 2018 |
|---|---|---|---|
| Anchor Store | 3,724 | 5,111 | 6,290 |
| Clothes and Footwear | 38,273 | 52,475 | 57,220 |
| Entertainment | 2,147 | 3,166 | 3,404 |
| Home | 1,431 | 2,097 | 3,071 |
| Restaurant | 7,890 | 10,577 | 12,094 |
| Miscellaneous | 9,999 | 11,838 | 12,955 |
| Services | 804 | 1,127 | 1,183 |
| Electronic appliances | 5,697 | 8,045 | 13,470 |
| **Total** | **69,965** | **94,436** | **109,687** |

## Revenues from cumulative leases as of June 30

| (ARS million) | 2020 | 2019 | 2018 |
|---|---|---|---|
| Base rent | 3,128 | 4,780 | 5,623 |
| Percentage rent | 1,471 | 1,779 | 1,863 |
| **Total rent** | **4,599** | **6,559** | **7,486** |
| Non-traditional advertising | 184 | 222 | 245 |
| Revenues from admission rights | 903 | 1,051 | 1,162 |
| Fees | 105 | 118 | 138 |
| Parking | 296 | 473 | 571 |
| Commissions | 155 | 321 | 429 |
| Other | 21 | 216 | 22 |
| **Subtotal** | **6,263** | **8,960** | **10,053** |
| Patio Olmos | 7 | 10 | 10 |
| Eliminations | -336 | -430 | -313 |
| **Total** | **5,935** | **8,541** | **9,750** |

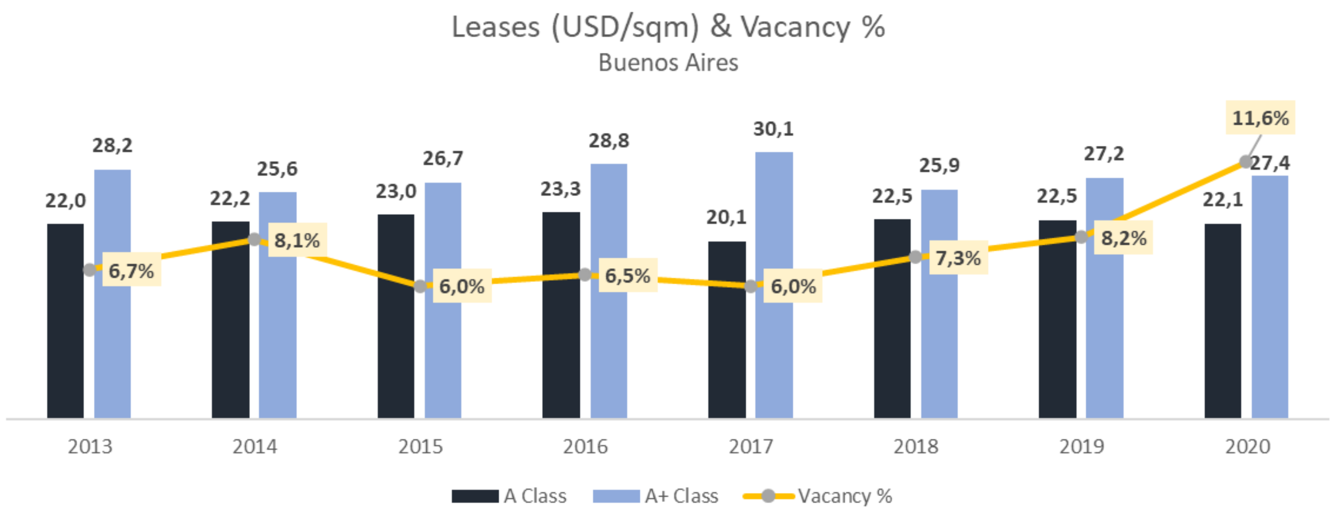
**III. Offices**

The corporate activity carried out remotely or virtual work that characterized this stage of confinement by COVID19 brought with it a combination of lower demand, increased vacancies and a slight decrease in the rental prices of category A + and A office buildings in Buenos Aires.

On the demand side, according to Colliers International, it has been reduced in the second quarter of the 2020 calendar year due to the reduction of spaces on the one hand and the absence of new demand on the other, resulting in a net absorption of -28,211 sqm. On the supply side, the inventory of corporate offices remained unchanged, favored by the temporary interruption of private construction activity, being equivalent to 1,827,742 sqm to date.

The average vacancy rate in the Buenos Aires market was 11.18%, 3 pp. above that observed in 2019. The vacancy discriminated by property category was 12.1% in class A buildings and 10.66% in A +. Regarding the distribution of the offer, it is observed that, although A + properties concentrate the majority of the rental area (60%), the main increase in vacancy is found in category A properties; a difference of 2.5 points compared to the previous quarter.

Rental values decreased slightly and averaged USD 25.29 / sqm, 3.9% less than in the previous quarter. The average price for class A + was USD / sqm 27.39 and for class A USD / sqm 22.06. The A + properties in Catalinas remains the best valued on the market at 33.04 USD / sqm. Meanwhile, in Puerto Madero there is a significant gap where lower category properties average USD / sqm 19.73 while category A + properties are leased at USD 29.32 / sqm.




<u>Offices' Operating Indicators</u>

| | IIIQ 20 | IIIQ 20 | IQ 20 | IVQ 19 | IIIQ 19 |
|---|---|---|---|---|---|
| Leasable area | 115,640 | 115,640 | 115,640 | 115,640 | 115,378 |
| Total Occupancy | 86.1% | 87.0% | 88.7% | 88.1% | 88.3% |
| Class A+ & A Occupancy | 93.0% | 93.9% | 97.1% | 96.6% | 97.2% |
| Class B Occupancy | 52.4% | 53.2% | 47.5% | 46.2% | 45.0% |
| Rent USD/sqm | 26.6 | 26.6 | 26.9 | 26.6 | 26.4 |

Gross leasable area was 115,640 sqm as of the fourth three-month period of fiscal year 2020, in line with the same period of previous fiscal year

The average occupancy of the portfolio decreased slightly, reaching 86.1%, mainly due to a slight increase in the vacancy of our buildings A + and A, whose occupancy reached 93% at the end of the year, above that observed in the premium market from Buenos Aires. Regarding the average rent, it reached USD 26.6 / sqm, in line with previous quarters.

Offices' Financial Indicators

| *(in ARS million)* | IVQ 20 | IVQ 19 | YoY Var | FY 20 | FY 19 | YoY Var |
|---|---|---|---|---|---|---|
| Revenues from sales, leases and services | 535 | 616 | -13.1% | 2,358 | 2,238 | 5.4% |
| Net gain from fair value adjustment on investment properties, PP&E e inventories | 19,870 | -4,367 | - | 23,285 | 616 | 3,680.0% |
| **Profit from operations** | **20,353** | **-3,901** | **-** | **25,171** | **2,372** | **961.2%** |
| Depreciation and amortization | 7 | 17 | -58.8% | 42 | 37 | 13.5% |
| **EBITDA[1]** | **20,360** | **-3,884** | **-** | **25,213** | **2,409** | **946.6%** |
| **Adjusted EBITDA [1]** | **490** | **483** | **1.4%** | **1,928** | **1,793** | **7.5%** |

(1) See Point XIX: EBITDA Reconciliation

In real terms, during fiscal year 2020, revenues from the offices segment increased by 5.4% compared to fiscal year 2019. Adjusted EBITDA from this segment grew 7.5% compared to 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 Zetta building. Adjusted EBITDA margin was 82.4%, 0.3 bps higher than the same period of previous year.

In the fourth quarter of the fiscal year, a 1.4% drop in the adjusted EBITDA of the segment was observed due to the slight increase in vacancy. The office portfolio has operated normally during the lockdown period due to COVID19, even though tenants have worked remotely.

The following table shows information about our rental office and other rental properties of the segment as of June 30, 2020:

| Offices & Others | Date of Acquisition | Gross Leasable Area (sqm)[1] | Occupancy [2] | IRSA CP's Actual Interest | Rental revenues (ARS thousand)[4] |
|---|---|---|---|---|---|
| **AAA & A Offices** | | | | | |
| República Building | Apr-08 | 19.885 | 86,9% | 100% | 433,254 |
| BankBoston Tower | Aug-07 | 14.865 | 96,4% | 100% | 324,165 |
| Intercontinental Plaza[3] | Nov-97 | 2.979 | 100,0% | 100% | 40,421 |
| Bouchard 710 | Jun-05 | 15.014 | 92,5% | 100% | 371,835 |
| Dot Building | Nov-06 | 11.242 | 84,9% | 80% | 232,468 |
| Zetta | May-19 | 32.173 | 97,5% | 80% | 760,908 |
| **Total AAA & A Offices** | | **96.158** | **93,0%** | **N/A** | **2,163,051** |
| **B Offices** | | | | | |
| Philips | Jun-17 | 8.017 | 82,7% | 100% | 74,172 |
| Suipacha 652/64 | Nov-91 | 11.465 | 31,2% | 100% | 39,010 |
| **Total B Buildings** | | **19.482** | **52,4%** | **N/A** | **113,182** |
| **Subtotal Offices** | | **115.640** | **86,1%** | **N/A** | **2,276,232** |
| **Other rental properties[5]** | | | | | **74,980** |
| **Total Offices** | | | | | **2,351,212** |

(1) Corresponds to the total leasable surface area of each property as of June 30, 2020. Excludes common areas and parking spaces.
(2) Calculated by dividing occupied square meters by leasable area as of June 30, 2020.
(3) We own 13.2% of the building that has 22,535 square meters of gross rental area.
(4) Corresponds to annual incomes.
(5) Includes rental income from all those properties that are not buildings intended for rent, but that are partially or fully rented (Philips Deposit, Anchorena 665, San Martin Plot and Santa María del Plata).

## IV. Sales and Developments

| (in millions of ARS) | IVQ 20 | IVQ 19 | YoY Var | FY 20 | FY 19 | YoY Var |
|---|---|---|---|---|---|---|
| Revenues | 15 | 142 | -89.4% | 735 | 1,119 | -34.3% |
| Net gain from fair value adjustment on investment properties | 9,362 | -1,238 | - | 12,179 | 726 | 1,577.5% |
| **Profit from operations** | **9,048** | **-1,472** | **-** | **11,791** | **631** | **1,768.6%** |
| Depreciation and amortization | 3 | - | - | 8 | 9 | -11.1% |
| Fair value adjustment of investment properties | 573 | 9 | 6,266.7% | 573 | 9 | 6,266.7% |
| Barter Agreements result | - | - | - | 249 | 457 | -45.5% |
| **EBITDA[(1)]** | **9,051** | **-1,472** | **-** | **11,799** | **640** | **1,743.6%** |
| **Adjusted EBITDA[(1)]** | **262** | **-225** | **-** | **-56** | **-534** | **-89.5%** |

(1) See Point XIX: EBITDA Reconciliation

Revenues of the "Sales and Developments" segment grew 34.3% during fiscal year 2020 compared to the previous fiscal year. Adjusted EBITDA of the segment was a loss of ARS 56 million compared to a loss of ARS 534 million in the previous year, mainly due to the impairment of "Puerto Retiro" in fiscal year 2019 originated in the litigation that exists on the land and lower sales made during this year.

The following table shows the land reserves at IRSA CP level as of June 30, 2020:

| | IRSA CP's Interest | Date of acquisition | Land surface (sqm) | Buildable surface (sqm) | GLA (sqm) | Salable surface (sqm) | Book Value (ARS millions) |
|---|---|---|---|---|---|---|---|
| **RESIDENTIAL - BARTER AGREEMENTS** | | | | | | | |
| CONIL - Güemes 836 – Mz. 99 & Güemes 902 – Mz. 95 & Commercial stores – Greater Buenos Aires[(6)] | 100% | 7/19/1996 | - | - | - | 1,461 | 65 |
| **Total Intangibles (Residential)** | | | **-** | **-** | **-** | **1,461** | **65** |
| **LAND RESERVES** | | | | | | | |
| Catalinas - BA City [(4) (5)] | 100% | 5/26/2010 | 3,648 | 58,100 | 28,051 | - | - |
| **Subtotal Oficinas** | | | **3,648** | **58,100** | **28,051** | **-** | **-** |
| **Total under Development** | | | **3,648** | **58,100** | **28,051** | **-** | **-** |
| UOM Luján - Buenos Aires | 100% | 5/31/2008 | 1,160,000 | 464,000 | - | - | 960 |
| San Martin Plot (Ex Nobleza Picardo) - Buenos Aires | 50% | 5/31/2011 | 159,996 | 500,000 | - | - | 2,750 |
| La Plata - Greater Buenos Aires | 100% | 3/23/2018 | 78,614 | 116,553 | - | - | 936 |
| Caballito plot - BA City | 100% | 1/20/1999 | 23,791 | 86,387 | 10,518 | 75,869 | 3,153 |
| **Subtotal Mixed-uses** | | | **1,422,401** | **1,166,940** | **10,518** | **75,869** | **7,799** |
| Coto Abasto aire space - BA City[(2)] | 100% | 9/24/1997 | - | 21,536 | - | 16,385 | 34 |
| Córdoba Shopping Adjoining plots - Córdoba[(2)] | 100% | 6/5/2015 | 8,000 | 13,500 | - | 2,160 | 33 |
| Neuquén - Residential plot - Neuquén[(2)] | 100% | 6/7/1999 | 13,000 | 18,000 | - | 18,000 | 80 |
| **Subtotal Residential** | | | **21,000** | **53,036** | **-** | **36,545** | **147** |
| Polo Dot comnercial expansion – BA City | 80% | 11/28/2006 | - | - | 15,940 | - | 1,367 |
| Paraná plot - Entre Ríos [(3)] | 100% | 8/12/2010 | 10,022 | 5,000 | 5,000 | - | - |
| **Subtotal Retail** | | | **10,022** | **5,000** | **20,940** | **-** | **1,367** |
| Polo Dot - Offices 2 & 3 - BA City | 80% | 11/28/2006 | 12,800 | - | 38,400 | - | 2,627 |
| Intercontinental Plaza II - BA City | 100% | 28/2/1998 | 6,135 | - | 19,598 | - | 1,075 |
| Córdoba Shopping Adjoining plots - Córdoba[(2)] | 100% | 5/6/2015 | 2,800 | 5,000 | 5,000 | - | 25 |
| **Subtotal Offices** | | | **21,735** | **5,000** | **62,998** | **-** | **3,727** |
| **Total Future Developments** | | | **1,475,158** | **1,229,976** | **94,456** | **112,414** | **13,040** |
| **Other Reserves[(1)]** | | | **1,899** | **-** | **7,297** | **262** | **1,363** |
| **Total Land Reserves** | | | **1,477,057** | **1,229,976** | **101,753** | **112,676** | **14,403** |

(1) Includes Zelaya 3102-3103, Chanta IV, Anchorena 665, Condominios del Alto II, Ocampo parking spaces, DOT adjoining plot and Mendoza shopping adjoining plot.
(2) These land reserves are classified as Property for Sale, therefore, their value is maintained at historical cost. The rest of the land reserves are classified as Investment Property, valued at market value.
(3) Sign of the deeds pending subject to certain conditions.
(4) The sale agreements for 86.93% of the property under development have been signed between IRSA and IRSA CP and the remaining units have been sold to Globant, also through an agreement. The deed of sale with both entities has not yet been signed. The aforementioned fair value corresponds only to the land.
(5) On June 10, 2020, IRSA CP informed with an unrelated third party the assignment and transfer of the right to deed with delivery of possession of two floors of medium height of the tower under construction "200 Della Paolera" located in the Catalinas district of the Autonomous City of Buenos Aires for a total area of approximately 2,430 m2 and 16 parking units located in the building.
(6) Classified as Intangible Assets, therefore, it is valued at historical cost

The following table shows information about our expansions on current assets as of June 30, 2020:

| Expansions | IRSA CP's Interest | Surface (sqm) | Locations |
|---|---|---|---|
| Alto Palermo Adjoining Plot | 100% | 3,900 | BA City |
| **Subtotal Current Expansions** | | **8,800** | |
| Other future Expansions[(1)] | | 98,055 | |
| **Subtotal Future Expansiones** | | **98,055** | |
| **Total Shopping Malls** | | **101,955** | |
| Patio Bullrich - Offices / Hotel | 100% | 10,000 | BA City |
| Philips Building | 100% | 20,000 | BA City |
| **Subtotal Future Expansions** | | **30,000** | |
| **Total Offices** | | **30,000** | |
| **Total Expansions** | | **131,955** | |

(1) Includes Alto Palermo, Paseo Alcorta, Alto Avellaneda, Soleil, Alto Noal, Alto Rosario, Mendoza, Córdoba y La Ribera Shopping

The following table shows the land reserves of IRSA as of June 30, 2020:

| | IRSA's Interest | Date of acquisition | Land surface (sqm) | Buildable surface (sqm) | GLA (sqm) | Salable surface (sqm) | Book Value (ARS millions) |
|---|---|---|---|---|---|---|---|
| **LAND RESERVES** | | | | | | | |
| La Adela - Buenos Aires | 100% | 8/1/2014 | 9,868,500 | 3,951,227 | - | - | 1,367 |
| Puerto Retiro - BA City [(2)] | 50% | 5/18/1997 | 82,051 | 246,153 | - | - | - |
| Solares Santa María - BA City | 100% | 7/10/1997 | 716,058 | 716,058 | - | - | 19,977 |
| **Subtotal Mixed-uses** | | | **10,666,609** | **4,913,438** | **-** | **-** | **21,344** |
| Caballito Manzana 35 -BA City | 100% | 22/10/1998 | 9,879 | 57,192 | - | 30,064 | 394 |
| Zetol – Uruguay | 90% | | | | | 64,080 | 310 |
| Vista al muelle - Uruguay | 90% | | | | | 60,360 | 266 |
| **Subtotal Residential** | | | **9,879** | **57,192** | **-** | **154,504** | **970** |
| **Total Future Developments** | | | **10,676,488** | **4,970,630** | **-** | **154,504** | **22,314** |
| **Another Land Reserves[(4)]** | | | **5,249,941** | **-** | **-** | **4,713** | 454 |
| **Total Land Reserves** | | | **15,926,429** | **4,970,630** | **-** | **159,217** | **22,768** |
| **Total Land Reserves IRSA + IRSA CP Proportional** | | | **17,403,486** | **6,200,606** | **101,753** | **271,893** | **34,384** |

(1) Includes Pilar R8 Km 53, Pontevedra, Mariano Acosta, Merlo, San Luis plot, Llao Llao plot and Casona Abril remaining surface.
(2) This landplot is under judicial litigation.

### V. CAPEX (through our subsidiary IRSA Propiedades Comerciales S.A.)

The works that the company had in progress before the emergence of COVID-19 have been suspended due to the interruption of construction activity in the city of Buenos Aires on March 20. To date, this activity is working with restrictions. Although this suspension will generate a delay in the opening dates, the company hopes to be able to finish its two most important taking all necessary precautions at the current situation.

### 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 will be 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 28,051 square meters consisting of 24 floors and 272 parking spaces in the building. The total estimated investment in the project amounts to ARS 2,600 million and as of June 30, 2019, work progress was 95%.

**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 June 30 was 64% and construction works are expected to be finished by June 2021.

## VI. Hotels

Hotels segment has also been affected by the social, preventive, and mandatory isolation decreed by the Argentine government as of March 20, 2020, together with the closure of borders and the arrival of tourism. The Libertador hotel in the city of Buenos Aires and Llao Llao hotal in the province of Río Negro have been temporarily closed since that date and there is no certainty about their reopening and the reactivation of the sector; in turn, the Intercontinental Hotel in the City of Buenos Aires is working only under a contingency and emergency plan.

The following chart shows certain information regarding our luxury hotels:

| Hotels | Date of Acquisition | IRSA's Interest | Number of rooms | Occupancy (1) | Average Price per Room ARS (2) | Fiscal Year Sales as of June 30 (ARS million) | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | 2020 | 2019 | 2018 |
| Intercontinental (3) | 11/01/1997 | 76.34% | 313 | 53.1% | 7,925 | 721 | 1,049 | 549 |
| Libertador (4) | 03/01/1998 | 100% | 200 | 37.2% | 5,921 | 252 | 591 | 324 |
| Llao Llao (5) | 06/01/1997 | 50.00% | 205 | 43.3% | 19,072 | 1,049 | 1,313 | 699 |
| **Total** | **-** | **-** | **718** | **45.9%** | **10,254** | **2,022** | **2,953** | **1,572** |

(1) Accumulated average in the twelve-month period.
(2) Accumulated average in the twelve-month period.
(3) Through Nuevas Fronteras S.A.
(4) Through Hoteles Argentinos S.A.U.
(5) Through Llao Llao Resorts S.A.

<u>Hotels' operating and financial indicators</u>

| | IVQ 20 | IIIQ 20 | IIQ 20 | IQ 20 | IVQ 19 |
|---|---|---|---|---|---|
| Average Occupancy | 0.6% | 52.8% | 68.1% | 61.6% | 65.2% |
| Average Rate per Room (USD/night) | 86 | 193 | 180 | 163 | 197 |

| *(in millions of ARS)* | IVQ 20 | IVQ 19 | YoY Var | FY 20 | FY 19 | YoY Var |
|---|---|---|---|---|---|---|
| Revenues | -11 | 548 | -102.0% | 2,021 | 2,953 | -31.6% |
| **Profit from operations** | **-207** | **43** | **-581.4%** | **161** | **673** | **-76.1%** |
| Depreciation and amortization | 39 | 42 | -7.1% | 177 | 167 | 6.0% |
| **EBITDA** | **-168** | **85** | **-297.6%** | **338** | **840** | **-59.8%** |

During fiscal year 2020, Hotels segment recorded a decrease in revenues of 31.6% mainly due to the decrease in the rate and the growth of the vacancy of Libertador hotel after the company acquisition of 20% of the ownership of Sheraton and began the operation of the hotel on its own. The segment's EBITDA reached ARS 338 million during the fiscal year under review, 59.8% lower than in the previous fiscal year, mainly because the impact during fiscal year 2019 of the G-20 in Intercontinental as well as the event of the Emir of Qatar in Llao Llao. Likewise, during the last ten days of the third quarter and the entire fourth quarter of fiscal year 2020, the hotels have closed their operations due to the mandatory lockdown decreed in Argentina in March 20, 2020 due to the COVID-19 pandemic, the Intercontinental Hotel in the City of Buenos Aires is working only under a contingency and emergency plan.

## VII. International

### Lipstick Building, New York, United States

The Lipstick Building is a landmark building in the City of New York, located at Third Avenue and 53rd Street in Midtown Manhattan, New York. It was designed by architects John Burgee and Philip Johnson (Glass House and Seagram Building, among other renowned works) and it is named after its elliptical shape and red façade. Its gross leaseable area is approximately 58,000 sqm and consists of 34 floors.

As of June 30, 2020, the building's occupancy rate was 95.6%, thus generating an average rent of USD 78.7 per sqm.

| Lipstick | Jun-20 | Jun-19 | YoY Var |
|---|---|---|---|
| Gross Leasable Area (sqm) | 58,092 | 58,092 | - |
| Occupancy | 95.6% | 95.9% | -0.3 bps |
| Rental price (USD/sqm) | 78.7 | 75.8 | 3.8% |

During fiscal year 2019, Metropolitan 885 Third Avenue Leasehold LLC ("Metropolitan"), which owns the building, does not exercise the option to purchase a part of the land (Ground Lease) where the Lipstick was built whose term expired on April 30, 2019.

On March 4, 2019, Metropolitan, a subsidiary of New Lipstick, has renegotiated its debt without recourse to IRSA and has been reconfigured with a balance of USD 11 million. That debt must be canceled on April 30, 2021.

In June 2019, an "Escrow Agreement" was signed for the sum of USD 5.1 million, through which an option was bought to purchase the controlling position on one of the lands where the Lipstick was built. This option expired on August 30, so the seller has the right to collect the deposit. The company will continue negotiations trying to obtain funding sources that allow us to execute the purchase.

On August 7, 2020, Metropolitan signed an agreement with the owner of the Ground Lease in which it terminated the relationship, leaving the administration of the building. For this reason, Metropolitan ceases to recognize the liabilities associated with the ground lease, as well as ceases to recognize all the assets and liabilities associated with the building and the operation of the administration and an agreement with the owner of the Ground Lease that Metropolitan is completely released. liability, except for (i) claims for liabilities prior to June 1, 2020 from people who have performed work or provided services in the Building or to the Metropolitan and (ii) claims from people who have had an accident on the property dated after August 7, 2020. This generated the group to recognize a profit of ARS 6,786 as of the date of these financial statements.

### Investment in Condor Hospitality Inc.

On July 19, 2019, Condor signed an agreement and merger plan. As agreed, each Condor ordinary share, whose nominal value is USD 0.01 will be canceled before the merger and will become the right to receive a cash amount equivalent to USD 11.10 per ordinary share. Additionally, in accordance with the terms and conditions of the merger agreement, each Series E convertible share will be automatically canceled and will become entitled to receive a cash amount equal to USD 10.00 per share. The closing of the acquisition, scheduled for March 23, 2020, did not occur.

Condor is in discussion with NexPoint Hospitality Trust about possible amendments to restructure the previously announced merger acquisition of the company. There can be no guarantee as to the outcome of such discussions. The company will continue to review the options and reserve all rights and resources under the original merger agreement.

As of the date of these financial statement presentation, the group owned 2,197,023 common shares and 325,752 preferred E shares.

### VIII. Corporate

| (in millions of ARS) | IVQ 20 | IVQ 19 | YoY Var | FY 20 | FY 19 | YoY Var |
|---|---|---|---|---|---|---|
| Revenues | - | - | - | - | - | - |
| **Loss from operations** | **-59** | **-105** | **-43.8%** | **-282** | **-519** | **-45.7%** |
| Depreciation and amortization | 3 | 1 | 200.0% | 5 | 4 | 25.0% |
| **EBITDA** | **-56** | **-104** | **-46.2%** | **-277** | **-515** | **-46.2%** |

### IX. Financial Operations and Others

**Interest in Banco Hipotecario S.A. ("BHSA") through IRSA**

BHSA is a leading bank in the mortgage lending industry, in which IRSA held an equity interest of 29.91% as of June 30, 2020. During the fiscal year 2020, the investment in Banco Hipotecario generated a ARS 380 million loss compared to a ARS 2,416 million loss during fiscal year 2019. For further information, visit http://www.cnv.gob.ar or http://www.hipotecario.com.ar.

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### X. Investment in IDB Development Corporation and Discount Investment Corporation ("DIC")

As of June 30, 2020, IRSA's indirect equity interest in IDB Development Corp. was 100% of its stock capital and in Discount Corporation Ltd. ("DIC") was 83.7% of its stock capital. After the end of the fiscal year, relevant information related to our investment in IDBD and DIC has been published. See "Material and subsequent events".

Within this operations center, the Group operates the following segments:

- The **"Real Estate"** segment mainly includes the assets and profit from operations derived from the business related to the DIC subsidiary, Property & Building ("PBC"). Through PBC, the Group operates rental and residential properties in Israel, United States and other locations in the world, and executes commercial projects in Las Vegas, United States of America. During this fiscal year, control of Gav-Yam was lost, the results from operations were reclassified to discontinued operations, ceasing to be part of the current fiscal year and the comparative segments, and it began to be valued as an associate as of December 2019.
- The **"Telecommunications"** segment includes the assets and profit from operations derived from the business related to the subsidiary Cellcom. Cellcom is supplier of telecommunication services and its main businesses include the provision of cellular and fixed telephone, data and Internet services, among others.
- The **"Insurance"** segment includes the investment in Clal. This company is one of the largest insurance groups in Israel, whose businesses mainly comprise pension and social security insurance and other insurance lines. The Group does not hold a controlling interest in Clal; therefore, it is not consolidated on a line-by-line basis, but presented under a single line as a financial instrument at fair value, as required under IFRS for the current circumstances in which no control is exercised.
- The **"Others"** segment includes the assets and profit from other miscellaneous businesses, such as technological developments, tourism, oil and gas assets, electronics, fruit sale and other sundry activities.

***Segment Results***

Following is the comparative information by segments of our Israel Business Center for the period between July 1, 2019 and June 30, 2020.

| Real Estate (Property & Building - PBC) ARS MM | IVQ 20 | IVQ 19 | YoY Var | FY 20 | FY 19 | YoY Var |
|---|---|---|---|---|---|---|
| Revenues | 2,618 | 3,317 | -21.1% | 12,954 | 14,392 | -10.0% |
| Result from fair value adjustment of investment properties | -265 | 485 | -154.6% | -2,989 | 892 | -435.1% |
| **(Loss) / Profit from operations** | **-324** | **1,512** | **-121.4%** | **-623** | **5,259** | **-111.8%** |
| Depreciation and amortization | 19 | -16 | - | 103 | 29 | 255.2% |
| Realized result from fair value adjustment of investment properties | 39 | 892 | -95.6% | 39 | 892 | -95.6% |
| Devaluation of associates and joint ventures | - | - | - | 2,470 | - | - |
| **EBITDA** | **-305** | **1,496** | **-120.4%** | **-520** | **5,288** | **-109.8%** |
| **Adjusted EBITDA** | **-1** | **1,903** | **-100.1%** | **4,978** | **5,288** | **-5.9%** |

Revenues and operating income of the **Real Estate** segment through the subsidiary PBC reached in the fiscal year 2020 an amount of ARS 12,954 million and a ARS 623 million loss, respectively, and for the fiscal year 2019, reached ARS 14,392 million and ARS 5,259 million loss respectively. This is mainly due to an average real depreciation of 13.4% of the Argentine peso against the Israeli shekel, offset by an appreciation of the Shekel against the dollar, which makes the income in Shekels for rents lower. At the operational level, the segment suffered Mehadrin's impairment because of the decrease in the share price and the impairment of some group properties due to the decrease in market prices.

| Telecommunications (Cellcom) ARS MM | IVQ 20 | IVQ 19 | YoY Var | FY 20 | FY 19 | YoY Var |
|---|---|---|---|---|---|---|
| Revenues | 16,216 | 15,110 | 7.3% | 64,838 | 57,506 | 12.7% |
| **Profit from operations** | **360** | **567** | **-36.5%** | **702** | **138** | **408.7%** |
| Depreciation and amortization | 3,836 | 2,264 | 69.4% | 15,430 | 10,199 | 51.3% |
| **EBITDA** | **4,196** | **2,831** | **48.2%** | **16,132** | **10,337** | **56.1%** |

The **Telecommunications** segment carried out by "Cellcom" reached in fiscal year 2020 ARS 64,838 million incomes and an operating income of ARS 702 million. For fiscal year 2019, revenues were ARS 57,506 million and operating gain of ARS 138 million. The increase in revenues is due to a slight increase in landline line and a real average depreciation of 13.4% of the Argentine peso against the Israeli shekel. At the EBITDA level, the leasing costs fell since, due to the implementation of IFRS 16, these are charged to the financial result.

| Others (Corporate expenses and other subsidiaries) ARS MM | IVQ 20 | IVQ 19 | YoY Var | FY 20 | FY 19 | YoY Var |
|---|---|---|---|---|---|---|
| Revenues | 2,332 | -127 | - | 3,845 | 1,639 | 134.6% |
| **Profit / (Loss) from operations** | **312** | **-539** | **-** | **741** | **-817** | **-** |
| Depreciation and amortization | 58 | 16 | 262.5% | 258 | 74 | 248.6% |
| **EBITDA** | **370** | **-523** | **-** | **999** | **-743** | **-** |

The "**Other**" segment reached revenues in fiscal year 2020 for ARS 3,845 million and an operating gain of ARS 741 million. During fiscal year 2019, it reached revenues of ARS 1,639 million and an operating loss of ARS 817 million. This is mainly due to the incorporation of Mehadrin to the segment offset by a real fall in revenues from Epsilon and Bartan compared to a real average depreciation of 13.4% of the Argentine peso against the Israeli shekel. The positive operating result is brought by Mehadrin who was not incorporated last year to the segment.

| Corporate ARS MM | IVQ 20 | IVQ 19 | YoY Var | FY 20 | FY 19 | YoY Var |
|---|---|---|---|---|---|---|
| Revenues | - | - | - | - | - | - |
| **Loss from operations** | **-250** | **-600** | **-58.3%** | **-1,119** | **-1,058** | **5.8%** |
| Depreciation and amortization | - | - | - | - | - | - |
| **EBITDA** | **-250** | **-600** | **-58.3%** | **-1,119** | **-1,058** | **5.8%** |

The "**Corporate**" segment reached in fiscal year 2020 an operating loss of ARS 1,119 million and in fiscal year 2019, an operating loss of ARS 1,058 million. This is mainly because during 2019 we had positive results from the sale of Shufersal shares.

In relation to "Clal", the Group values its holding in said insurance company as a financial asset at market value. The valuation of Clal's shares as of June 30, 2020 raised to ARS 3,377 million.

### XI. EBITDA by Operations Center (ARS million)

#### Operations Center in Argentina

| FY 20 | Shopping Malls | Offices | Sales and Developments | Hotels | International | Corporate | Others | Total |
|---|---|---|---|---|---|---|---|---|
| **(Loss) / Gain from operations** | 1,687 | 25,171 | 11,791 | 161 | - | -282 | - | 38,528 |
| Depreciation and amortization | 145 | 42 | 8 | 177 | - | 5 | - | 377 |
| **EBITDA** | **1,832** | **25,213** | **11,799** | **338** | **-** | **-277** | **-** | **38,905** |

| FY 19 | Shopping Malls | Offices | Sales and Developments | Hotels | International | Corporate | Others | Total |
|---|---|---|---|---|---|---|---|---|
| **(Loss) / Gain from operations** | -34,402 | 2,372 | 631 | 673 | - | -519 | - | -31,245 |
| Depreciation and amortization | 114 | 37 | 9 | 167 | - | 4 | - | 331 |
| **EBITDA** | **-34,288** | **2,409** | **640** | **840** | **-** | **-515** | **-** | **-30,914** |
| **EBITDA Var** | **-** | **946.6%** | **1,743.6%** | **-59.8%** | **-** | **-46.2%** | **-** | **-** |

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| FY 20 | Real Estate | Tele-communications | Others | Corporate | Total |
|---|---|---|---|---|---|
| **(Loss) / Gain from operations** | **-623** | **702** | **741** | **-1,119** | **-299** |
| Depreciations and amortizations | 103 | 15,430 | 258 | - | 15,791 |
| **EBITDA** | **-520** | **16,132** | **999** | **-1,119** | **15,492** |
| Net loss from fair value adjustment of investment properties | 39 | - | - | - | 39 |
| Net loss from fair value adjustment of investment properties | -2,989 | - | - | - | -2,989 |
| Impairment of Associates and Joint Ventures | 2,470 | - | - | - | 2,470 |
| **Adjusted EBITDA** | **4,978** | **16,132** | **999** | **-1,119** | **20,990** |

| FY 19 | Real Estate | Tele-communications | Other | Corporate | Total |
|---|---|---|---|---|---|
| **(Loss) / Gain from operations** | **5,259** | **138** | **-817** | **-1,058** | **3,522** |
| Depreciations and amortizations | 29 | 10,199 | 74 | - | 10,302 |
| **EBITDA** | **5,288** | **10,337** | **-743** | **-1,058** | **13,824** |
| Net gain from fair value adjustment of investment properties | 892 | - | - | - | 892 |
| Net loss from fair value adjustment of investment properties | 892 | - | - | - | 892 |
| Impairment of Associates and Joint Ventures | - | - | - | - | - |
| **Adjusted EBITDA** | **5,288** | **10,337** | **-743** | **-1,058** | **13,824** |
| **EBITDA Var** | **-109.8%** | **56.1%** | **-** | **5.8%** | **12.1%** |
| **Adjusted EBITDA Var** | **-5.9%** | **56.1%** | **-** | **5.8%** | **51.8%** |

### XII. Reconciliation with Consolidated Statements of Income (ARS million)

Below is an explanation of the reconciliation of the company's profit by segment with its Consolidated Statements of Income. The difference lies in the presence of joint ventures included in the segment but not in the Statements of Income.

| | Total as per segment | Joint ventures* | Expenses and CPF | Elimination of inter-segment transactions | Total as per Statements of Income |
|---|---|---|---|---|---|
| Revenues | 92,775 | -60 | 3,100 | -22 | 95,793 |
| Costs | -59,027 | 53 | -3,230 | - | -62,204 |
| **Gross profit** | **33,748** | **-7** | **-130** | **-22** | **33,589** |
| Net loss from fair value adjustment of investment properties | 31,005 | -263 | - | - | 30,742 |
| General and administrative expenses | -10,916 | 14 | - | 33 | -10,869 |
| Selling expenses | -13,775 | 18 | - | - | -13,757 |
| Impairment of associates and joint ventures | -2,470 | - | - | - | -2,470 |
| Other operating results, net | 1,080 | 18 | 17 | -11 | 1,104 |
| **Profit from operations** | **38,672** | **-220** | **-113** | **-** | **38,339** |
| Share of loss of associates and joint ventures | 8,346 | 171 | - | - | 8,517 |
| **Profit before financial results and income tax** | **47,018** | **-49** | **-113** | **-** | **46,856** |

*Includes Puerto Retiro, CYRSA, Nuevo Puerto Santa Fe and Quality (San Martín plot).

## XIII. Financial Debt and Other Indebtedness

### Operations Center in Argentina

The following table describes our total indebtedness as of June 30, 2020:

| Description | Currency | Amount (USD MM) (1) | Interest Rate | Maturity |
|---|---|---|---|---|
| Bank overdrafts | ARS | 14.3 | Floating | < 360 days |
| Series II NCN (USD) | USD | 71.4 | 11.5% | Jul-20 |
| Series II NCN (CLP) | CLP | 38.6 | 10.5% | Aug-20 |
| Series I NCN | USD | 181.5 | 10.0% | Nov-20 |
| Series III NCN | ARS | 5.0 | Variable | Feb-21 |
| Series IV NCN | USD | 51.4 | 7.0% | May-21 |
| Series V NCN | USD | 9.2 | 9.0% | May-22 |
| Loan with IRSA CP(3) | USD | 53.4 | - | Mar-22 |
| Other debt | USD | 20.6 | - | Feb-22 |
| **IRSA's Total Debt** | **USD** | **445.4** | | |
| Cash & Cash Equivalents + Investments | USD | 35.1 | | |
| **IRSA's Net Debt** | **USD** | **410.3** | | |
| Bank loans and overdrafts | ARS | 23.0 | - | < 360 days |
| IRSA CP NCN Class IV | USD | 140.0 | 5.0% | Sep-20 |
| PAMSA loan | USD | 29.7 | Fixed | Feb-23 |
| IRSA CP NCN Class II | USD | 360.0 | 8.75% | Mar-23 |
| **IRSA CP's Total Debt** | **USD** | **552.7** | | |
| Cash & Cash Equivalents + Investments (2) | USD | 154.7 | | |
| Intercompany Credit | USD | 53.4 | | |
| **IRSA CP's Net Debt** | **USD** | **344.6** | | |

(1) Principal amount in USD (million) at an exchange rate of ARS 70.46/USD, without considering accrued interest or eliminations of balances with subsidiaries.
(2) Includes Cash and cash equivalents, Investments in Current Financial Assets and related companies notes holding.
(3) Includes amounts taken by IRSA and subsidiaries.

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Financial debt as of June 30, 2020:

| Net Debt | NIS million |
|---|---|
| IDBD's Total Debt (1) | 1,983 |
| DIC's Total Debt (2) | 2,989 |

(1) IDBD's cash balance includes a sum of NIS 66.7M as collateral for the equity-swap transaction
(2) Corresponds to statutory debt

After the end of the fiscal year, relevant information related to our investment in IDBD and DIC has been published. See "Material and subsequent events".

## XIV. Material and subsequent events

### Operations Center in Argentina

***August 2019: Bonds issuance***

On August 6, 2019, the Company reopened the Note Series I in the local market for the sum of USD 85.2 million, the auctioned bid price was 103.77%, which resulted in an internal annual rate of return of 8.75% nominal. Likewise, on the same date, the Notes Series II denominated in Chilean pesos, underwritable and payable in dollars, for an amount of CLP 31,502.6 million (equivalent to USD 45 million) were issued at a rate of 10.5% per within 12 months The funds will be used to refinance short-term liabilities and cancel negotiable obligations that expire during the year.

***October and December 2019: General Ordinary and Extraordinary Shareholders' Meetings***

At the General Ordinary and Extraordinary Shareholders' Meeting held on October 30, 2019, the following matters, inter alia, were resolved:

- Distribution of a dividend in kind for ARS 480 million in shares of IRSA Propiedades Comerciales, subsidiary of IRSA.
- Fees payable to the Board of Directors and Supervisory Committee for fiscal year 2019 ended as of June 30, 2019.
- Renewal of regular and alternate Directors due to expiration of their terms and appointment of three new independent directors. Acceptance of the resignation of a regular director.
- Increase in the amount of the Global Note Program for up to USD 250 million. Delegation on the Board of Directors of the broadest powers to implement and determine the terms and conditions of the program
- Stock Capital increase for up to par value of ARS 200 million through the issuance of up to 200 million common book-entry shares and delegation on the Board of Directors of the power to determine all the terms and conditions of the issuance.
- Incentive plan for employees. management and directors to be integrated without premium for up to 1% of the Capital Stock.

On December 12, 2019, a new Shareholder's meeting took place, approving the following matters:

• Consideration of the amendment of section twelfth article of the Bylaws.
• Determination of the number and consideration of appointment of regular and alternate directors for the term of three fiscal years.

***November 2019: Dividend distribution***

On November 14, 2019, the company distributed a dividend in kind in shares of IRSA Propiedades Comerciales S.A. (IRSA CP), a subsidiary of the Company, for up to the amount of ARS 480,000,000 charged to the fiscal year ended June 30, 2019

The dividend in kind corresponds to a gross dividend of 0.00404623926578 IRSA Propiedades Comerciales S.A.'s shares per each IRSA Inversiones y Representaciones Sociedad Anónima's share (0.0404623926578 IRSA Propiedades Comerciales S.A.'s shares per IRSA Inversiones y Representaciones Sociedad Anónima's GDS).

***May 2020: Credit Line Addendum***

On May 13, 2020, the Company's Board of Directors approved an addendum to the credit line agreement granted by IRSA Propiedades Comerciales S.A. ("IRSA CP") to the Company and / or its subsidiaries that do not consolidate with IRSA CP for up to USD 180,000,000 (one hundred and eighty million US dollars) subject to the following conditions: (i) the credit line may be granted in US dollars or in Argentine pesos and (ii) the rest of the conditions of the credit line agreement remain in force.

***May and July 2020: Notes issuance***

On May 21, 2020, the company issued in the local market a total amount of USD 65.8 million through the following Notes:

- Series III: denominated and payable in pesos for ARS 354 million (equivalent at the time of issuance to USD 5.2 million) at a variable rate (private BADLAR + 6.0%) with quarterly payments. The principal will be paid in two installments: the first for an amount equivalent to 30% of the nominal value payable 6 (six) months from the Issue and Settlement Date, and the second for an amount equivalent to 70% of the nominal value payable on the due date, February 21, 2021. Price of issuance was 100.0% of the nominal value.
- Series IV: denominated in USD and payable in ARS at the applicable exchange rate for USD 51.4 million at a fixed rate of 7.0%, with quarterly payments and principal expiring on May 21, 2021. Price of issuance was 102.0% of the nominal value (IRR 5.03%).
- Series V: denominated in USD and payable in ARS at the applicable exchange rate for USD 9.2 million at a fixed rate of 9.0%, with quarterly payments and principal expiring on May 21, 2022. Price of issuance was 103.0% of the nominal value (IRR 7.56%).

On Jul 21, 2020, the company issued in the local market a total amount of USD 38.4 million through the following Notes:

- Series VI: denominated and payable in pesos for ARS 335.2 million (equivalent at the time of issuance to USD 4.7 million) at a variable rate (private BADLAR + 4.0%) with quarterly payments. The principal will be paid in two installments: the first for an amount equivalent to 30% of the nominal value payable 9 (nine) months from the Issue and Settlement Date, and the second for an amount equivalent to 70% of the nominal value payable on the due date, July 21, 2021. Price of issuance was 100.0% of the nominal value.
- Series VII: denominated in dollars and payable in pesos at the applicable exchange rate for USD 33.7 million at a fixed rate of 4.0%, with quarterly payments and principal expiring on January 21, 2022. Price of issuance was 100.0% of the nominal value.

The funds have been used to refinance short-term liabilities.

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***July 2019: DIC notes repurchase***

On July 15, 2019, DIC Board of Directors approved the extension of its notes repurchase plan (Series F and Series J), until July 15, 2020, for a total amount up to an additional NIS 200 million (equivalents to approximately ARS 2,400 million). During July 2019 DIC repurchased its own shares for an amount of NIS 300 million (equivalents to approximately ARS 3,600 million).

***July and September 2019: Sale of Gav Yam shares***

On July 1, 2019, PBC sold approximately 11.7% of Gav-Yam's share capital through private agreements. The consideration received for said sale was NIS 456 million (approximately ARS 5,472 million at the day of the transaction).

Additionally, on September 1, 2019 PBC sold approximately an additional 5.14% of Gav-Yam shares, therefore the PBC stake in Gav-Yam after these transactions went from 51.7% to 34.9%. It is estimated that because of these sales, PBC has lost control over Gav-Yam and will deconsolidate it in its financial statements.

***August 2019 to September 2020: Sale of Clal shares***

On August 28, 2019, the buyer of the transaction made in May 2019 notified the decision to exercise the option for the remaining 3% at a price of NIS 50 per share for a total amount of NIS 83 million. These shares were delivered through SWAP contracts.

On September 3, 2019, IDBD concluded an agreement for the sale of an additional 6% of CLAL shares, of which 1% will be collected in cash (approximately NIS 29 million) and the remaining 5% through the receipt of securities of own debt (notes) for a nominal value of approximately NIS 190 million. The agreed price of the CLAL share was NIS 52.5 and the discount rate applied to the notes nominal value was between 21 and 25%.

On May 2, 2019, IDBD had entered into an agreement with an unrelated buyer (a company owned by Eyal Lapidot) through which it granted an option to acquire Clal shares representing approximately 4.99% of its issued capital (and not less than 3%), at a price of NIS 47.7 per share. Subject to the exercise of the option by said buyer, the price would be paid 10% in cash and the rest through a loan that would be provided to the buyer by IDBD and / or by a related entity and / or by a banking corporation and / or financial institution, under the agreed conditions.

On November 7, 2019, IDBD completed the sale transaction and the loan was granted by a financial entity. It should be clarified that the 2,771,309 Clal shares sold were subject to a swap transaction between IDBD and a financial entity, which ended with the Company's notice to that entity.

On December 16, 2019, Clal made a public capital increase of 12,066,000 shares at a price of NIS 53.87 per share, from which IDBD did not participate. Additionally, IDBD sold 200,000 shares of Clal at a price of NIS 53.95 per share, representative of 0.3% of the new share capital.

On December 18, 2019, IDBD sold 617,017 shares of Clal at a price of NIS 53.77 per share representative of 0.9% of the share capital.

On June 28 and July 6, 2020 IDBD sold 4,791,618 shares of Clal, that it owned through swap transactions, at a price of NIS 30.0 per share, representative of 7.1% of the share capital.

As a subsequent event, on September 3, 2020 IDBD sold 2,376,527 Clal shares at an average price of NIS 32.48 per share, representative of 3.5% of the share capital.

At the date of issuance of the financial statements, IDBD holds a 5.0% of Clal share capital.

***February and March 2020: Dolphin Netherlands – Guarantees granted***

On February 4, 2020, Dolphin Netherlands granted financial entities, through which IDBD carried out Clal's stock swap transactions in August and November 2018, guarantees for approximately NIS 11 million, which will be part of the committed deposits that IDBD assumed as part of the terms of those transactions. Likewise, on February 18, it deposited additional guarantees for NIS 9 million. As of March 31, the total of the guarantees granted amounted to a total of NIS 37.4 million.

It should be noted that, in relation to Dolphin Netherlands' commitment to make capital injections in IDBD in three equal annual payments of NIS 70 million each, on September 2, 2019, 2020 and 2021, it is reported that:

- If swap transactions conclude before the deadline of the second payment (September 2, 2020), the unrealized parts of the guarantees will be returned to Dolphin Netherlands, while the parts exercised of the guarantees until that date will be considered as part of the second payment, so Dolphin Netherlands will transfer the balance of that payment to IDBD.
- If swap transactions remain active as of September 2, 2020, Dolphin Netherlands will inject the second payment into IDBD and the guarantees will be returned.

***July 2020: Sale of an Elron subsidiary***

On July 16, 2020, Elron, through its investment in CartiHeal Ltd. ("CartiHeal") a company in which Elron has an approximately 27% interest, entered into an agreement with Bioventus LLC ("Bioventus"),an international company that manufactures medical devices which is an existing shareholder of CartiHeal, which details the following:

- Bioventus will make an additional investment in CartiHeal for an amount between USD 15-20 million, according to a value of USD 180 million.
- Bioventus will be granted an option to acquire 100% of the shares of CartiHeal.
- CartiHeal will be given an option to sell 100% of its capital stock to Bioventus.

The purchase option is exercisable from the moment of investment. The put option may be exercised subject to the success of the fundamental clinical trial, which includes success in certain secondary trial objectives, and subject to obtaining FDA approval for the CartiHeal Agili-C device, which is fully consistent with the success of the trial.

***July 2020: Sale of Shufersal***

As a subsequent event, on July 22, 2020, DIC has accepted the purchase offer made by private investors of its total stake in Shufersal, representative of 26% of its share capital, for an amount of NIS 1,456 million (NIS 23.5 per share). As a result of this transaction, DIC completes Shufersal's sale process.

The accounting result of this operation in IRSA, of approximately ARS 1,480 million (considering the book value of Shufersal as of March 31, 2020), will be recognized in the Company's Financial Statements of the first quarter of fiscal year 2021.

***July 2020: Stake increase in PBC***

After the year-end, in July 2020, DIC acquired 1.4% of PBC's share capital for a sum of NIS 18 million.

***August 2020: Cellcom***

After the close of the fiscal year, on August 13, 2020, the Israeli Ministry of Communications approved the agreement to acquire Golan by Cellcom subject to certain conditions.

***August 2020: DIC Notes Repurchase Plan***

On August 20, 2020, the Board of Directors of DIC approved a plan to repurchase series F and J notes until December 31, 2021 for an amount of up to NIS 300 million. Purchases will be made according to market opportunities and the scope will be determined by management.

***August 2019 and September 2020: Capital Contribution to Dolphin***

On August 30, 2019, the Board of Directors has approved the subscription of a commitment with Dolphin Netherlands B.V., a Dutch company 100% controlled by our subsidiary Tyrus S.A., to make capital contributions in Dolphin Netherlands B.V. for up to NIS 210,000,000 (two hundred and ten million Israeli shekels), according to a schedule of commitments made by Dolphin Netherlands B.V. between September 2019 and September 2021 with IDB Development Corporation Ltd. ("IDBD").

It is made known with reference to Dolphin Netherlands B.V. that said company would compromise to make contributions in its 100% controlled IDBD subject to the occurrence of certain facts according to the following scheme: (i) NIS 70,000,000 to be contributed immediately; (ii) NIS 70,000,000 to be contributed until September 2, 2020 and (iii) NIS 70,000,000 to be contributed until September 2, 2021. According to the agreement of Dolphin Netherlands B.V. with IDBD, those contributions may be considered as capital contributions resulting in the issuance of new IDBD shares in favour of the controller company or may be granted in the form of a subordinated loan.

As a subsequent event, on September 7, 2020, the Company reported that, regarding the capital contributions committed for September 2, 2020 and 2021, it considers that there are doubts regarding the fulfilment of the previous conditions established to make said contributions. Therefore, it has resolved not to make the corresponding payment for this year.

***September 2020: Investment in IDBD y DIC***

The Company indirectly participates through Tyrus in IDBD and DIC. These companies have certain financial restrictions and agreements in relation to their financial debt, including their negotiable obligations and loans with banks and financial institutions. These commitments and other restrictions resulting from the indebtedness of IDBD and DIC (such as the pledges granted by IDBD over part of its shareholding in DIC) do not have recursive effects against IRSA, nor has IRSA guaranteed them with its assets, so the economic risk of IRSA is limited to the value of said investments.

IDBD financial situation as of June 30, 2020 shows a negative Shareholders Equity, negative Cash Flows and a downgrade in the credit rating. In order to comply with financial liabilities, including short term debts, IDBD cash flow depends on the financial support of its controlling shareholder (Dolphin Netherlands B.V.) and the sale of assets which is not under the control of IDBD. IDBD has been keeping negotiatios with financial creditors (bondholders) to restructure its financial debt in more favorable conditions.

As of June 30, 2020, the aggregate principal amount of the (i) IDBD Series 9 Bonds was NIS 901 million (“Series 9”), (ii) IDBD Series 14 Bonds was NIS 889 million collateralized by DIC shares owned directly or indirectly by us representing 70% of the share capital of DIC (“Series 14”), (iii) IDBD Series 15 Bonds was NIS 238million collateralized by shares of Clal representing 5% of the share capital of Clal (“Series 15”).

Despite the above mentioned negotiations, as no agreement have been reached, on September 17, 2020, the Series 9 trustee submitted to the District Court in Tel-Aviv-Jaffa (the "Court") a petition to grant an order for the opening of proceedings for IDBD pursuant to the Insolvency and Economic Rehabilitation Law, 5778 – 2018 and to instruct the appointment of a trustee for IDBD pursuant to Section 33 and to grant the trustee any and all authority over the decision making of IDBD as well as the request of an immediate hearing to open the proceedings against IDBD (the “Petition”).

On September 21, 2020, the Series 14 trustee informed that the holders of Series 14 approved to make the entire uncleared balance of Series 14 repayable immediately.

On September 22, 2020, IDBD and Dolphin Netherlands B.V. submitted an initial response to the Petition, arguing that it is in the best interest of IDBD and its creditors to exhaust the negotiations among the controlling shareholder and its creditors during a short period with the aim to maximize the value of its assets, avoid costs and additional negative effects.

In addition, responses by the Series 14 trustee and the Series 15 trustee were filed requesting the enforcement of liens and the appointment of a receiver as well as an urgent hearing, which was scheduled for September 24, 2020.

On September 25, 2020, the Court resolved that IDBD is insolvent and has therefore resolved to grant all three orders requested and accordingly, issued an order for the initiation of proceedings and liquidation of IDBD, and has appointed a liquidator to IDBD and interim receivers over the Pledged DIC Shares and the Pledged Clal Shares.

As of to date, we are analyzing together with our local and international advisors the judicial decision, alternatives and course of action.

With respect to our non-consolidated financial statements, as of June 30, 2020, the investment in IDBD and DIC is valued at zero.

## XV. Summarized Comparative Consolidated Balance Sheet

| *(in ARS million)* | 06.30.2020 | 06.30.2019 |
|---|---|---|
| Non-current assets | 421,482 | 476,445 |
| Current assets | 205,717 | 201,915 |
| **Total assets** | **627,199** | **678,360** |
| Capital and reserves attributable to the equity holders of the parent | 57,127 | 45,843 |
| Non-controlling interest | 65,528 | 76,813 |
| **Total shareholders' equity** | **122,655** | **122,656** |
| Non-current liabilities | 361,160 | 450,000 |
| Current liabilities | 143,384 | 105,704 |
| **Total liabilities** | **504,544** | **555,704** |
| **Total liabilities and shareholders' equity** | **627,199** | **678,360** |

## XVI. Summarized Comparative Consolidated Income Statement

| *(in ARS million)* | 06.30.2020 | 06.30.2019 |
|---|---|---|
| **Profit / (loss) from operations** | **38,339** | **-27,727** |
| Share of profit of associates and joint ventures | 8,517 | -7,200 |
| **Profit / (loss) from operations before financing and taxation** | **46,856** | **-34,927** |
| Financial income | 1,368 | 1,745 |
| Financial cost | -21,465 | -20,248 |
| Other financial results | -14,334 | 4,196 |
| Inflation adjustment | 90 | -528 |
| **Financial results, net** | **-34,341** | **-14,835** |
| **Loss before income tax** | **12,515** | **-49,762** |
| Income tax | -6,869 | 4,251 |
| **Loss for the period from continued operations** | **5,646** | **-45,511** |
| Profit from discontinued operations after taxes | 18,085 | 7,140 |
| **Profit for the period** | **23,731** | **-38,371** |
| Other comprehensive income for the period | 14,182 | -2,025 |
| **Total comprehensive income / (loss) for the period** | **37,913** | **-40,396** |
| | | |
| Attributable to: | | |
| Equity holders of the parent | 13,264 | -37,548 |
| Non-controlling interest | 24,649 | -2,848 |

## XVII. Summary Comparative Consolidated Cash Flow

| *(in ARS million)* | 06.30.2020 | 06.30.2019 |
|---|---|---|
| Net cash generated from operating activities | 31,113 | 27,041 |
| Net cash generated from investing activities | 40,644 | 11,189 |
| Net cash used in financing activities | -76,125 | -27,754 |
| **Net (decrease) / increase in cash and cash equivalents** | **-4,368** | **10,476** |
| Cash and cash equivalents at beginning of year | 86,443 | 82,974 |
| Cash and cash equivalents reclassified to held for sale | -450 | -242 |
| Foreign exchange gain on cash and changes in fair value of cash equivalents | 8,734 | -6,765 |
| **Cash and cash equivalents at period-end** | **90,359** | **86,443** |

## XVIII. Comparative Ratios

| *(in ARS million)* | 06.30.2020 | | 06.30.2019 | |
|---|---|---|---|---|
| **Liquidity** | | | | |
| CURRENT ASSETS | 205,717 | 1.43 | 201,915 | 1.91 |
| CURRENT LIABILITIES | 143,384 | | 105,704 | |
| **Indebtedness** | | | | |
| TOTAL LIABILITIES | 504,544 | 8.83 | 555,704 | 12.12 |
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | 57,127 | | 45,843 | |
| **Solvency** | | | | |
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | 57,127 | 0.11 | 45,843 | 0.08 |
| TOTAL LIABILITIES | 504,544 | | 555,704 | |
| **Capital Assets** | | | | |
| NON-CURRENT ASSETS | 421,482 | 0.67 | 476,445 | 0.70 |
| TOTAL ASSETS | 627,199 | | 678,360 | |

## XIX. 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 excluding 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) net profit from fair value adjustment of investment properties, not realized, excluding barter agreement results and devaluation of Mehadrin shares.

EBITDA and Adjusted EBITDA are non-IFRS financial measures that do not have standardized meanings prescribed by IFRS. We present EBITDA 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 from operations to EBITDA and Adjusted EBITDA for the periods indicated:

| For the fiscal year ended June 30 (in ARS million) | | |
|---|---|---|
| | **2020** | **2019** |
| Result for the period | 23,731 | -38,371 |
| Result from discontinued operations | -18,085 | -7,140 |
| Interest income | -964 | -955 |
| Interest expense | 20,460 | 19,802 |
| Income tax | 6,869 | -4,251 |
| Depreciation and amortization | 16,268 | 10,676 |
| **EBITDA (unaudited)** | **48,279** | **-20,239** |
| Unrealized net gain from fair value adjustment of investment properties | -30,130 | 38,778 |
| Share of profit of associates and joint ventures | -8,517 | 7,200 |
| Dividends earned | -168 | -97 |
| Foreign exchange differences net | -6,274 | 1,248 |
| Results from derivative financial instruments | 467 | -515 |
| Fair value gains of financial assets and liabilities at fair value through profit or loss | 10,479 | -2,433 |
| Inflation adjustment | -90 | 528 |
| Other financial costs/income | 10,431 | -2,743 |
| Devaluation of Associates and joint ventures | 2,470 | - |
| Barter Agreements result | -249 | -457 |
| **Adjusted EBITDA (unaudited)** | **26,698** | **21,270** |
| **Adjusted EBITDA Margin (unaudited)[1]** | **27.9%** | **23.1%** |

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

**XX. Brief comment on prospects for the Fiscal Year**

Fiscal year 2020-2021 is projected as a great challenge in both business centers: Argentina and Israel. The COVID-19 pandemic, originated in China and subsequently spread to numerous countries, including Argentina and Israel, is adversely impacting the global economy, the Argentine and Israeli economy and some of the Society's businesses.

In the Argentine business center, as a consequence of the social, preventive and compulsory isolation, the shopping malls of our subsidiary IRSA Propiedades Comerciales (IRSA CP) are closed throughout the country since March 20, exclusively operating those stores dedicated to essentials activities like pharmacies, supermarkets and banks.. IRSA CP has decided to postpone the maturities

of the base rent and the collective promotion fund for the months of closure of operations, prioritizing the long-term relationship with its tenants. This had a significant impact on the revenues of this segment in the fourth quarter of fiscal year 2020 and will have in the first quarter of FY21 as well since the majority of the shopping malls of the company in Buenos Aires city and Greater Buenos Aires remain closed to date. The office segment operated normally during those months.

The hotel segment has also been affected by social, preventive, and compulsory isolation. The Libertador hotel in the City of Buenos Aires and Llao Llao hotel in Río Negro province have been temporarily closed since March 20, and there is no certainty about their reopening and the reactivation of the sector; in turn, the Intercontinental Hotel in the City of Buenos Aires is working only under a contingency and emergency plan.

In Israel operations center, the forced process of selling Clal's shares at market values has put IDBD in an adverse financial situation. After several rounds of negotiation where Dolphin tried to reach a favorable agreement with his creditors, they rejected the offers and asked the Tel Aviv District Court to order the opening of a bankruptcy procedure against IDBD. Following the Court's ruling, we are evaluating the possible alternatives together with our local and international advisers.

Looking ahead to the next financial year and hoping that Shopping Centers activity in Argentina will evolve according to the economic recovery, we will work on reducing and making the cost structure more efficient. The first reopening took place in our shopping malls in the interior of the country under strict safety and hygiene protocols that include reduced hours and traffic, social distancing, access controls, among other measures. The evolution of its traffic and sales levels is gradual but progressive. In the city of Buenos Aires and Greater Buenos Aires, to date only Distrito Arcos, the open space Premium Outlet in Palermo neighborhood is operating, but we are waiting for the reopening of the rest of our shopping malls soon and we are working together with all tenants to achieve an orderly reopening, providing all our support in this unprecedented challenge posed by the closure of operations.

In the framework of the national and international context previously exposed, the Company’s Board of Directors 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 to have the necessary liquidity to face its obligations. In the context of this analysis, the indicated tools may be linked to corporate reorganization processes (merger, spin-off or a combination of both), implementation of financial and / or corporate efficiencies in international companies directly or indirectly owned by the Company through reorganization processes, public and / or private disposal of assets 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 raise new capital, issuance of convertible negotiable obligations or subscription options or a combination of these three instruments, as were approved by the Shareholders’ Meeting on 30.10.2019, repurchase of shares and instruments similar to those described that are useful for the proposed objectives.

The Company keeps its commitment to preserve the health and well-being of its clients, employees, tenants and the entire population, constantly reassessing its decisions in accordance with the evolution of events, the regulations that are issued and the guidelines of the competent authorities.

Saúl Zang
First Vice-Chairman

## Consolidated Statements of Financial Position
## as of June 30, 2020 and 2019
(All amounts in millions, except otherwise indicated)

| | 06.30.2020 | 06.30.2019 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Investment properties | 227,547 | 333,525 |
| Property, plant and equipment | 37,730 | 31,905 |
| Trading properties | 4,856 | 7,836 |
| Intangible assets | 27,784 | 25,603 |
| Right-of-use assets | 19,859 | - |
| Other assets | - | 34 |
| Investments in associates and joint ventures | 74,394 | 44,439 |
| Deferred income tax assets | 633 | 571 |
| Income tax and MPIT credit | 25 | 216 |
| Restricted assets | 1,871 | 4,401 |
| Trade and other receivables | 23,128 | 17,680 |
| Investments in financial assets | 3,513 | 4,128 |
| Financial assets held for sale | - | 5,971 |
| Derivative financial instruments | 142 | 136 |
| **Total non-current assets** | **421,482** | **476,445** |
| **Current assets** | | |
| Trading properties | 2,316 | 523 |
| Inventories | 4,683 | 1,639 |
| Restricted assets | 6,209 | 6,261 |
| Income tax and MPIT credit | 307 | 557 |
| Group of assets held for sale | 41,678 | 11,498 |
| Trade and other receivables | 37,143 | 32,221 |
| Investments in financial assets | 19,434 | 46,048 |
| Financial assets held for sale | 3,377 | 16,666 |
| Derivative financial instruments | 211 | 59 |
| Cash and cash equivalents | 90,359 | 86,443 |
| **Total current assets** | **205,717** | **201,915** |
| **TOTAL ASSETS** | **627,199** | **678,360** |
| **SHAREHOLDERS' EQUITY** | | |
| Shareholders' equity attributable to equity holders of the parent (according to corresponding statement) | 57,127 | 45,843 |
| Non-controlling interest | 65,528 | 76,813 |
| **TOTAL SHAREHOLDERS' EQUITY** | **122,655** | **122,656** |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Borrowings | 297,818 | 381,639 |
| Lease liabilities | 13,376 | - |
| Deferred income tax liabilities | 44,037 | 52,590 |
| Trade and other payables | 2,169 | 2,505 |
| Provisions | 3,063 | 11,452 |
| Employee benefits | 447 | 188 |
| Derivative financial instruments | 55 | 1,469 |
| Salaries and social security liabilities | 195 | 157 |
| **Total non-current liabilities** | **361,160** | **450,000** |
| **Current liabilities** | | |
| Trade and other payables | 29,672 | 26,528 |
| Borrowings | 78,341 | 65,036 |
| Lease liabilities | 4,869 | - |
| Provisions | 2,440 | 2,463 |
| Group of liabilities held for sale | 22,212 | 8,137 |
| Salaries and social security liabilities | 4,105 | 3,009 |
| Income tax and MPIT liabilities | 625 | 495 |
| Derivative financial instruments | 1,120 | 36 |
| **Total current liabilities** | **143,384** | **105,704** |
| **TOTAL LIABILITIES** | **504,544** | **555,704** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **627,199** | **678,360** |

## Consolidated Statements of Income
## for the fiscal years ended June 30, 2020, 2019 and 2018
(All amounts in millions, except otherwise indicated)

| | 06.30.2020 | 06.30.2019 | 06.30.2018 |
|---|---|---|---|
| Revenues | 95,793 | 92,181 | 78,187 |
| Costs | (62,204) | (59,391) | (49,112) |
| **Gross profit** | **33,589** | **32,790** | **29,075** |
| Net gain / (loss) from fair value adjustment of investment properties | 30,742 | (37,877) | 19,160 |
| General and administrative expenses | (10,869) | (10,643) | (9,497) |
| Selling expenses | (13,757) | (12,270) | (11,749) |
| Impairment of associates and joint ventures | (2,470) | - | - |
| Other operating results, net | 1,104 | 273 | 2,109 |
| **Profit / (loss) from operations** | **38,339** | **(27,727)** | **29,098** |
| Share of profit / (loss) of associates and joint ventures | 8,517 | (7,200) | (3,722) |
| **Profit / (loss) before financial results and income tax** | **46,856** | **(34,927)** | **25,376** |
| Finance income | 1,368 | 1,745 | 1,309 |
| Finance costs | (21,465) | (20,248) | (24,965) |
| Other financial results | (14,334) | 4,196 | (15,203) |
| Inflation adjustment | 90 | (528) | (882) |
| **Financial results, net** | **(34,341)** | **(14,835)** | **(39,741)** |
| **Profit / (loss) before income tax** | **12,515** | **(49,762)** | **(14,365)** |
| Income tax expense | (6,869) | 4,251 | 11,135 |
| **Profit / (loss) for the period from continuing operations** | **5,646** | **(45,511)** | **(3,230)** |
| Profit for the period from discontinued operations | 18,085 | 7,140 | 36,441 |
| **Profit / (loss) for the period** | **23,731** | **(38,371)** | **33,211** |
| **Other comprehensive income:** | | | |
| ***Items that may be reclassified subsequently to profit or loss:*** | | | |
| Currency translation adjustment | 23,398 | (3,223) | 3,334 |
| Change in the fair value of hedging instruments net of income taxes | (102) | 19 | (37) |
| Other reserves | 402 | - | 212 |
| ***Items that may not be reclassified subsequently to profit or loss, net of income tax:*** | - | - | - |
| Actuarial loss from defined contribution plans | (137) | (66) | (60) |
| **Other comprehensive income / (loss) for the period from continuing operations** | **23,561** | **(3,270)** | **3,449** |
| Other comprehensive (loss) / income for the period from discontinued operations | (9,379) | 1,245 | 10,056 |
| **Total other comprehensive income / (loss) for the period** | **14,182** | **(2,025)** | **13,505** |
| **Total comprehensive income / (loss) for the period** | **37,913** | **(40,396)** | **46,716** |
| Total comprehensive income / (loss) from continuing operations | 29,207 | (48,781) | 220 |
| Total comprehensive income from discontinued operations | 8,706 | 8,385 | 46,496 |
| **Total comprehensive income / (loss) for the period** | **37,913** | **(40,396)** | **46,716** |
| **Profit / (loss) for the period attributable to:** | | | |
| Equity holders of the parent | 14,249 | (36,610) | 21,047 |
| Non-controlling interest | 9,482 | (1,761) | 12,164 |
| **Profit / (loss) from continuing operations attributable to:** | | | |
| Equity holders of the parent | 4,142 | (39,076) | (3,423) |
| Non-controlling interest | 1,504 | (6,435) | 193 |
| **Total comprehensive income / (loss) attributable to:** | | | |
| Equity holders of the parent | 13,264 | (37,548) | 17,685 |
| Non-controlling interest | 24,649 | (2,848) | 29,031 |
| **Total comprehensive income / (loss) from continuing operations attributable to:** | | | |
| Equity holders of the parent | 7,497 | (40,374) | (10,542) |
| Non-controlling interest | 21,710 | (8,407) | 10,762 |
| **Profit / (loss) per share attributable to equity holders of the parent:** | | | |
| Basic | 24.76 | (63.68) | 36.58 |
| Diluted | 24.62 | (63.68) | 36.37 |
| **Profit / (loss) per share from continuing operations attributable to equity holders of the parent:** | | | |
| Basic | 7.20 | (67.97) | (5.95) |
| Diluted | 7.16 | (67.97) | (5.95) |

## Consolidated Statements of Cash Flows
## for the fiscal years ended June 30, 2020, 2019 and 2018
(All amounts in millions, except otherwise indicated)

| | 06.30.2020 | 06.30.2019 | 06.30.2018 |
|---|---|---|---|
| **Operating activities:** | | | |
| Net cash generated from continuing operating activities before income tax paid | 28,915 | 21,417 | 7,941 |
| Income tax and MPIT paid | (650) | (730) | (1,683) |
| **Net cash generated from continuing operating activities** | **28,265** | **20,687** | **6,258** |
| Net cash generated from discontinued operating activities | 2,848 | 6,354 | 14,161 |
| **Net cash generated from operating activities** | **31,113** | **27,041** | **20,419** |
| **Investing activities:** | | | |
| Acquisition of participation in associates and joint ventures | (1,492) | (324) | (477) |
| Contributions and issuance of capital in associates and joint ventures | (2,702) | - | - |
| Acquisition and improvements of investment properties | (4,389) | (6,430) | (4,769) |
| Proceeds from sales of investment properties | 13,192 | 1,018 | 887 |
| Acquisitions and improvements of property, plant and equipment | (4,933) | (5,064) | (5,165) |
| Proceeds from sales of property, plant and equipment | 3,371 | 16 | 47 |
| Acquisitions of intangible assets | (4,014) | (4,006) | (1,654) |
| Proceeds from sales of property, plant and equipment | 1,945 | - | (344) |
| Dividends collected from associates and joint ventures | 1,994 | 1,131 | 403 |
| Proceeds from sales of interest held in associates and joint ventures | 5,049 | 8,377 | 665 |
| Proceeds from loans granted | - | 240 | 1,612 |
| Payment of acquisition of non controlling interest | 6,494 | 1,904 | (7,302) |
| Acquisitions of investments in financial assets | (14,319) | (49,054) | (65,908) |
| Proceeds from disposal of investments in financial assets | 38,080 | 67,918 | 60,417 |
| Interest received from financial assets | 865 | 1,561 | 948 |
| Dividends received from financial assets | 107 | 129 | 672 |
| Payment for acquisition of other assets | - | - | (297) |
| Proceeds from sales of intangible assets | 28 | - | - |
| Collection for liquidation of associate | - | - | 29 |
| Loans granted to related parties | (165) | (14) | (952) |
| Loans granted | (922) | (130) | (280) |
| **Net cash generated from / (used in) continuing investing activities** | **38,189** | **17,272** | **(21,468)** |
| Net cash used in discontinued investing activities | 2,455 | (6,083) | (9,065) |
| **Net cash generated from / (used in) investing activities** | **40,644** | **11,189** | **(30,533)** |
| **Financing activities:** | | | - |
| Borrowings and issuance of non-convertible notes | 30,670 | 47,412 | 38,926 |
| Payment of borrowings and non-convertible notes | (68,328) | (48,724) | (39,054) |
| Collections / (Payment) of short term loans, net | 2,516 | (1,013) | 839 |
| Interests paid | (19,154) | (19,017) | (15,892) |
| Repurchase of non-convertible notes | (13,071) | (7,378) | - |
| Capital contributions from non-controlling interest in subsidiaries | - | 2,761 | 791 |
| Acquisition of non-controlling interest in subsidiaries | (602) | (7,200) | (1,625) |
| Proceeds from sales of non-controlling interest in subsidiaries | - | 13 | 6,925 |
| Distribution of capital to non-controlling interest in subsidiaries | - | - | (89) |
| Borrowings obtained from related parties | - | 64 | - |
| Dividends paid to non-controlling interest in subsidiaries | (961) | (1,472) | (2,813) |
| Charge for issuance of shares and other equity instruments | 1,897 | - | (2,848) |
| Proceeds from sale at non-controlling interest | 379 | - | - |
| Net proceeds from derivate financial instrument | (3,923) | (655) | 204 |
| **Net cash used in continuing financing activities** | **(70,577)** | **(35,209)** | **(14,636)** |
| Net cash (used in) / generated from discontinued financing activities | **(5,548)** | 7,455 | 8,473 |
| **Net cash used in financing activities** | **(76,125)** | **(27,754)** | **(6,163)** |
| Net (decrease) / increase in cash and cash equivalents from continuing activities | (4,123) | 2,750 | (29,846) |
| Net (decrease) / increase in cash and cash equivalents from discontinued activities | (245) | 7,726 | 13,569 |
| **Net (decrease) / increase in cash and cash equivalents** | **(4,368)** | **10,476** | **(16,277)** |
| Cash and cash equivalents at beginning of period | 86,443 | 82,974 | 71,547 |
| Cash and cash equivalents reclassified as held-for-sale | (450) | (242) | (856) |
| Foreign exchange gain and inflation adjustment on cash and changes in fair value of cash equivalents | 8,734 | (6,765) | 28,560 |
| **Cash and cash equivalents at end of period** | **90,359** | **86,443** | **82,974** |

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