CREDIT OPINION
28 July 2025

Update

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RATINGS

Raghsa S.A.

Domicile	Buenos Aires, Argentina
Long Term Rating	B2
Type	LT Corporate Family Ratings - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Raghsa S.A.

Update following upgrade to B2

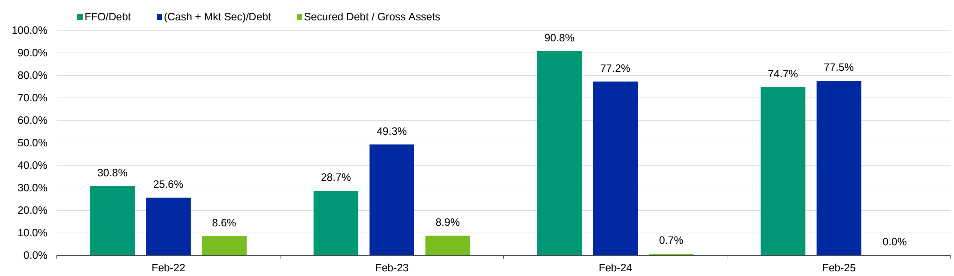
Summary

On July 22, 2025, we upgraded the company's ratings to B2 from Caa1. The outlook remained stable. The action was prompted by the upgrade of Government of Argentina's bond rating to Caa1, stable outlook from Caa3 with positive outlook. Additionally, Argentina's local currency country ceiling was raised to B1 from B3, while its foreign currency country ceiling was raised to B2 from Caa1.For further information, please refer to our press release here.

Raghsa S.A.'s (Raghsa) B2 ratings are mainly supported by its high-quality assets; high occupancy rates; and healthy tenant base. The ratings reflect Raghsa's moderate leverage for the rating category compared with its high-quality assets, which are mostly unencumbered, divisible and marketable, which support its liquidity sources. Raghsa owns four office buildings, accounting for around 120 thousand square meters of leasable area as of Q1 ended May 2025, with an average of 98% occupancy. In addition, Raghsa owns land bank in Buenos Aires; a parking space property and a luxury residential building in New York City.

Raghsa's ratings are mainly constrained by its smaller size compared to global peers, portfolio concentration in Buenos Aires, family ownership without independent board members, and exposure to foreign exchange risk.

Exhibit 1
Raghsa's main credit metrics



Fiscal year ends in February. All figures include inflation adjustments as reported in financial statements and cannot be compared with previous financial statements. All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are fiscal year end unless indicated.
Source: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

- Strong brand name in the local market and experienced management
- High-quality assets, high-profile tenants and high occupancy rates
- Solid credit metrics for its rating category
- Very good liquidity

Credit challenges

- Smaller size than peers
- Geographic concentration in the City of Buenos Aires
- Family-owned structure and the absence of independent board members
- Exposure to foreign-exchange risk

Rating outlook

Raghsa's stable rating outlook reflects the company's good credit metrics for its rating category and very good liquidity. However, the company´s creditworthiness cannot be completely de-linked from the credit quality of Argentina, where it generates the bulk of its revenue, and thus its ratings and outlook also incorporate the risks that it shares with the sovereign, in line with our cross-sector rating methodology, Assessing the Impact of Sovereign Credit Quality on Other Ratings, published in June 2019.

Factors that could lead to an upgrade

- Due to Raghsa's considerable reliance on the Argentine property market, any potential rating upgrade would be closely tied to the company's ratings relative to those of the Government of Argentina.
- Additionally, an upgrade may result from increased growth and diversification of operations beyond Argentina.

Factors that could lead to a downgrade

- If the Government of Argentina's rating is downgraded;
- Reduced liquidity, coupled with a deterioration in the company's credit metrics.

Key indicators

Exhibit 2
Raghsa S.A.

US Millions	Feb-20	Feb-21	Feb-22	Feb-23	Feb-24	Feb-25	Next 12-18 months
Real Estate Gross Assets	$1,309.8	$1,766.5	$1,741.6	$1,479.7	$1,173.2	$1,209.8	$1,240.0
Debt / Real Estate Gross Assets	17.8%	26.0%	19.1%	19.7%	25.4%	13.1%	12.8%
Net Debt* / EBITDA	2.2x	11.5x	2.9x	10.0x	8.5x	4.9x	4.8x
EBITDA / Fixed Charges	1.3x	1.9x	5.6x	1.8x	2.4x	2.7x	2.6x
Amount of Unencumbered Assets	101.5%	89.8%	49.4%	92.0%	90.2%	100.0%	100.0%
Secured Debt / Real Estate Gross Assets		11.7%	8.6%	8.9%	10.7%	0.0%	0.0%

* Fiscal year ends in February. Net debt excludes short-term marketable securities. All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are fiscal year end unless indicated. LTM = Last 12 months. Moody's forecasts (f) are Moody's opinion and do not represent the views of the issuer.
Source: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

Founded in 1969, Raghsa S.A. (Raghsa) is a family-owned, fully integrated developer in Argentina. The company is engaged in the construction, development, ownership and leasing of premium office, commercial and residential buildings. Raghsa owns four office buildings, accounting for around 120 thousand square meters (sqm) of leasable area as of February 2025. In addition, Raghsa owns 2,800 sqm of land bank in Buenos Aires; a property and a luxury residential building in New York City. As of 28 February 2025, Raghsa reported total assets of ARS 1,121 billion (around $1.2 billion).

Detailed credit considerations

Recognized brand name, high-quality assets and low vacancy rates

As of May 2025, Raghsa's office properties under lease consisted of four buildings: the Madero Office building, with a total rental area of approximately 3,600 sqm and a 100% occupancy rate; the 955 Belgrano Office building, with a total rental area of approximately 30,500 sqm and a 95% occupancy rate; Centro Empresarial Libertador, with a total rental area of approximately 60,200 sqm and a 100% occupancy rate. Centro Empresarial Nuñez started operations in the second half of 2024 with a total rental area of approximately 24,300 sqm; occupancy rate reached 100% by mid-2025.

The company also owns a luxury residential building in New York City, One Union Square Sout, acquired in 2020 through a 30-year mortgage loan that added approximately 16,000 sqm of leasable area and was fully restored in 2023.

Argentine office space rents in lease agreements or contracts are set in US dollars and are payable in Argentine pesos, which hedges the company's debt (mainly in US dollars) against currency devaluation. Contracts are established initially for a three- or five-year period, with annual increases ranging from 3% to 5%.

The company's tenant base, which is somewhat diversified in terms of industry exposure, is composed of local and international corporate clients with good credit strength. Although there is some client concentration, it is less likely that companies with larger leased space will decide to move to other locations because of the large costs involved. The company's main clients include Chevron Argentina, JP Morgan (Argentina) and American Express Bank Ltd. S.A. (Argentina). Having leading worldwide first-class clients also provides more stability to the business by reducing the delinquency rate, which is close to 0%.

High occupancy rates and cash flow stability support solid credit metrics for the rating category

Raghsa's credit profile benefits from overall solid credit metrics for the rating category and we expect Raghsa will be able maintain low leverage and strong cash flow from operations in the next 12-18 months supported by significant demand for the company's high quality assets.

As of the first quarter ended in May 2025, the ratio of total debt to gross assets was 13.1%, down from 15.5% as of fiscal-year ended in February 2024. Furthermore, as of May 2025, total debt and other financial liabilities (including $116 million 30-year mortgage loan) amounted reached $238 million and Raghsa's cash balance and marketable securities was $90 million, with 68% being denominated in US dollars, which supports the company's credit profile and capacity to manage foreign currency debt.

As of May 2025, the loan-to-value (LTV) of 21% for Raghsa's Argentine investment properties—valued at around $580 million and 100% unencumbered— is considered very solid for the rating category. As of that date 2025, Madero Office's estimated fair value was $16 million, Belgrano Office's was valued at $105 million, Centro Empresarial Nuñez was priced at $130 million and Centro Empresarial Libertador, the company's largest building, increased its value to $332 million. All four buildings have high and increasing occupancy rates, which denote strong demand for Raghsa's high quality office space in the City of Buenos Aires.

In March 2024, Raghsa acquired a land bank in Av. del Libertador for $33 million with an area of around 50,000 sqm, where it will start it's new project.

Raghsa's residential One Union Square South in New York City had a fair value as of May 2025 of ARS206 billlion (around $180 million), and the outstanding value of the 30-year mortgage loan was ARS133 billion.

Family-owned company with concentration in the City of Buenos Aires, but with a presence in the US

Raghsa is a local family-owned company with no independent board members (most board members are part of the Khafif family or have managerial positions at Raghsa). However, all members of the Supervisory Committee are independent.

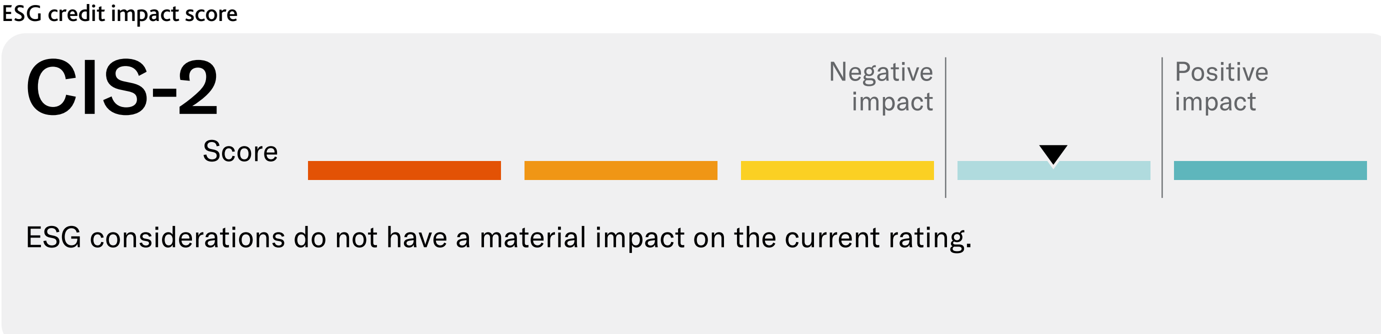
The local office market evolution is strongly correlated with Argentina's economic activity and condition. The Buenos Aires office market has one of the lowest vacancy rates in Latin America and a high average price per square meter. In fact, the local market deficit of future real estate developments is partly the result of a lack of strategically located land, as well as high prices, which have led to the geographic decentralization of the market toward new areas, such as Northern City of Buenos Aires and Northern Greater Buenos Aires.

In June 2025, the National Securities Commission approved the company's public share offering for up to 41.5 million Class A shares. By July 2025, 25.5 million new shares had been issued, increasing capital to 398.8 million.

ESG considerations

Raghsa S.A.'s ESG credit impact score is CIS-2

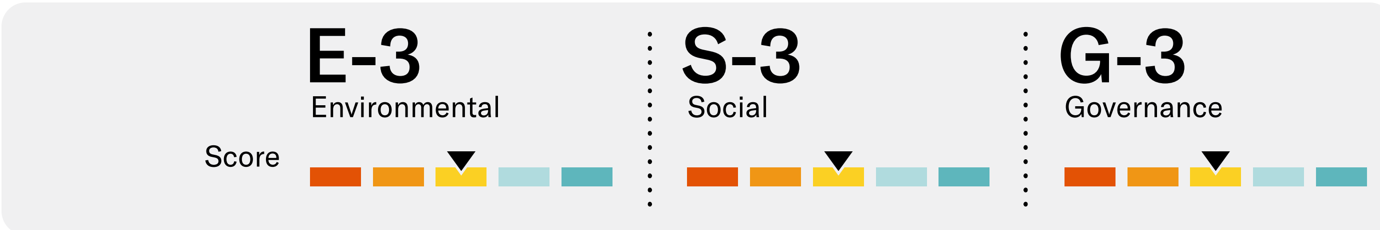
Exhibit 3
ESG credit impact score



Source: Moody's Ratings

Raghsa S.A.'s **CIS-2** indicates that ESG considerations are not material to the rating given the limited impact of environmental and social risks on the rating to date, and the fact that the issuer's rating is constrained by the sovereign rating level in Argentina (Government of Argentina, Ca stable), where it generates a large portion of its revenues. The company is privately held but has strong sponsors and a conservative financial policy.

Exhibit 4
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Raghsa's environmental risk exposure is mainly related to carbon transition through increasing investment requirements to improve the energy performance of its buildings from a regulatory, investors and tenant perspective, which is in line with most of the real estate industry.

Social

Raghsa is exposed to demographics and societal pressures mainly related to its operations in the office commercial properties industry, where hybrid work arrangements are reducing demand for office space; but Raghsa's high quality LEED-certified assets in the City of Buenos Aires partially balance this risk.

Governance

Raghsa has a conservative financial policy, prioritizing good liquidity and low leverage to withstand Argentina's volatile economic environment. However, as a family-owned company, Raghsa has relatively weak corporate governance practices, with no formal financial policies in place and low level of disclosure.

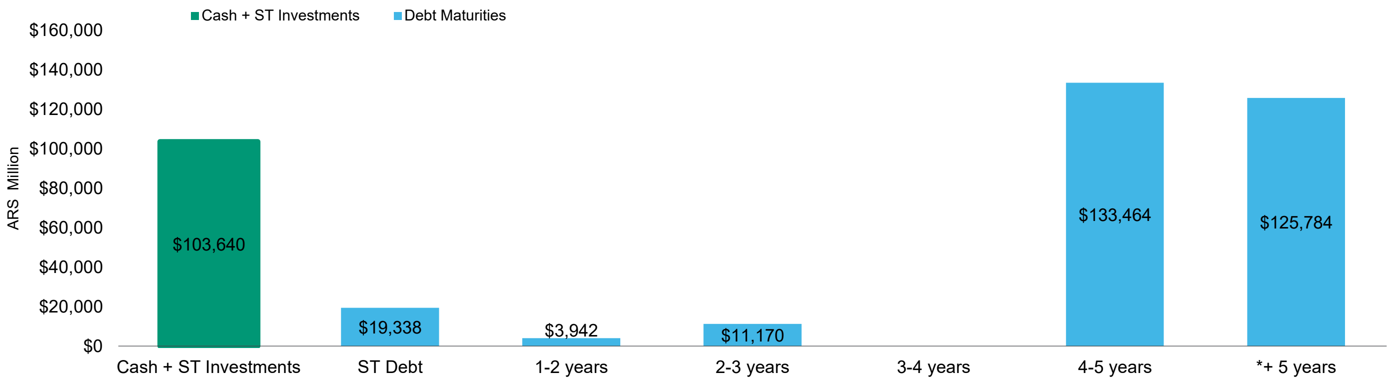
ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

Raghsa's liquidity is very good. The company's The company funds itself with internally generated cash, bank loans, property sales, and note issuances. As of May 2025, Raghsa's cash and marketable securities were ARS104 billion, which includes around ARS69.5 billion in cash abroad (including $60 million US Treasury bonds) and, following the liability management performed in December 2024, the company will not face significant maturities until 2030.

As of May 2025, total Moody's-adjusted debt amounted to $238 million (ARS285 billion), including its outstanding senior unsecured notes in foreign currency due in 2027 ($10 million), 2030 ($57 million), and 2032 ($49 million). Raghsa also has a 30-year mortgage loan related One Union Square South ($116 million). Like many Argentine companies, Raghsa has no committed credit facilities.

Exhibit 5
Financial liabilities maturity profile*
As of May 2025



*Includes 30-year mortgage loan and other financial liabilities.
Source: Company financials

Methodology and scorecard

In our analysis of Raghsa's credit metrics, we used our REITs and Other Commercial Real Estate Firms Methodology, published in May 2025, with data as of February 2025 and on a forward-looking basis. The scorecard-indicated outcome was Baa2 and for the next 12-18 months, compared with the B2 rating assigned. The difference is mainly because of the company's asset base concentration in Argentina (Caa1 Stable).

Exhibit 6

Rating factors

Raghsa S.A.

REITs and Other Commercial Real Estate Firms Industry Scorecard [1][2]	Current 2/28/2025		Moody's 12-18 Month Forward View [3]	
Factor 1 : Scale (5%)	**Measure**	**Score**	**Measure**	**Score**
a) Gross Assets (USD Billion)	$1.1	Ba	$1.2	Ba
Factor 2 : Business Profile (25%)				
a) Asset Quality	Baa	Baa	Baa	Baa
b) Market Characteristics	Ba	Ba	Ba	Ba
Factor 3 : Access To Capital (20%)				
a) Access to Capital	Ba	Ba	Ba	Ba
b) Asset Encumbrance	A	A	A	A
Factor 4 : Leverage and Coverage (35%)				
a) Debt / Gross Assets	13.1%	Aa	12.80%	Aa
b) Net Debt / EBITDA	4.9x	A	4.8x	A
c) EBITDA/ Interest Expense	2.7%	Baa	2.6%	Baa
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Rating:				
a) Scorecard-Indicated Outcome		Baa2		Baa2
b) Actual Rating Assigned		B2		B2

[1] All ratios are based on adjusted financial data and incorporate Moody's global standard adjustments for non-financial corporations. Net debt excludes short-term marketable securities.
[2] LTM = Last 12 Months.
[3] This represents Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics™ and Moody's Ratings forecasts

Ratings

Exhibit 7

Category	Moody's Rating
RAGHSA S.A.	
Outlook	Stable
Corporate Family Rating -Dom Curr	B2
Senior Unsecured	B2

Source: Moody's Ratings

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