TGLT

2Q'19 EARNINGS RELEASE

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Buenos Aires, August 12, 2019 – TGLT S.A. (Buenos Aires Stock Exchange: TGLT; USOTC: TGLTY) reported on August 12, 2019 financial results for the period ended June 30, 2019. Except otherwise stated, the financial and operating information is presented in accordance with International Financial Reporting Standards, in practice in Argentina, and is denominated in inflation-adjusted Argentine Pesos, stated at period end values.

Highlights:

- **TGLT's recapitalization process**

  As informed in our previous releases, TGLT announced an agreement with a substantial majority of the USD 150M Convertible Notes holders with the objective of reconstituting the Company's capital stock (an element of utmost importance to obtain competitive financing conditions and essential to participate in bids, offers and projects in which we are interested) and, at the same time, reducing our financial liabilities, allowing us to allocate our financial resources to the business cycle.

  As of the date of this release, and as a result of these conversations, a large majority of holders of the Convertible Notes agreed to defer the interest payments up to November 8. We also entered into a Recapitalization Agreement, in which the Company committed to the accepting Holders to: launch a public offering of new Class A preferred shares (to be subscribed in cash, kind, or by capitalization of the company´s debt); launch a public offering of new Class B preferred shares (to be subscribed by capitalization of the company´s debt or preemptive rights of Company´s Common Shares, or Company´s common Shares.); and grant an option to subscribe new Class C preferred shares of the company (to be subscribed by capitalization of the company´s debt or preemptive rights of Company´s Common Shares, only if the first two options have been consummated).

  In addition, in support of the Optimized Recapitalization Plan, as of the date of this release, IRSA and PointArgentum entered into certain share subscription commitments with the Company and have jointly committed to subscribe capital contributions to the Company for a total amount of USD 39M, through the subscription of Class A Preferred Shares under the Class A Public Offering.

  Likewise, as evidence of the Accepting Holders confidence in the Company, it was agreed that those Accepting Holders who hold Class B Preferred Shares will have co-investment rights with the Company future projects to be developed by TGLT in Argentina or Uruguay, in which the Company considers necessary to have a partner that subscribe capital contributions in favor of the potential development equal or greater than USD 25M.

- **Construction business**

  During this quarter we signed contract extensions for over ARS 394M for works that include, among others, electrical, sanitary, gas, fire and thermomechanical installations; and provision metallic carpentry. Including these, our backlog is now at ARS 6.3B, which is over 1.03x last twelve months revenue in real terms, while posting the highest revenue in the last five years.

  Gross profit from Construction was ARS 512M in the 2Q, up 21% vs same period last year. Gross margin was 19%, approximately the same when compared to 2Q'18.

- **Real Estate business**

  We continue to deliver apartments in the first five buildings of the *Las Rías* phase of Venice, our masterplan in the city of Tigre, and reached a total of 119 units so far. We note that these deliveries are not part of the Gross Profit and are shown in *Net Income from Subsidiaries*, as figures from this project are not consolidated since our share in such project is 50%. Importantly, we also continue working on general infrastructure and some of the masterplan's key features, such as the navigable canal that connects the project to the river.

  During 2019, in addition to delivering the remainder of Venice's finished units, we will continue delivering units in the first building of Metra Puerto Norte, our project in the city of Rosario, and the last phase of Forum Puerto del Buceo (in Montevideo, Uruguay), that has now delivered 79% of total units.

- **Selling and Administrative expenses**

  Selling and administrative expenses (excluding variable taxes and one-off charges) were ARS 233.5M in the semester (23% lower compared to last year), which is 6.3% of total revenues, improving 570bps vs 2018, mainly driven by the operational synergies from the merge with Caputo.

  On the other hand, 66% of One-off charges in SG&A are related to our recapitalization process.

- **EBITDA**

  EBITDA for the six-month period was ARS 268.6M (-54%), compared to ARS 590M in 2018, driven by the mark-to-market of a portion of our land bank, that generated a net positive impact on 2018 Operating Income of ARS 756.9M (always in real terms).

  When adjusting for the interest capitalized in COGS and the inclusion of Net income from our subsidiaries, EBITDA rises to ARS 499.6M, compared to ARS 896.4M in 2018.

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Operating Income and EBITDA

Total gross profit reached ARS 605M in the semester (up 134% vs 2018), due to an improvement in Real Estate gross profit, which was affected in 2018 by an impairment in Metra Puerto Norte residential project. Gross profit for the construction business line was ARS 512M (+21% vs 2018), resulting in a gross margin of 19.1%.

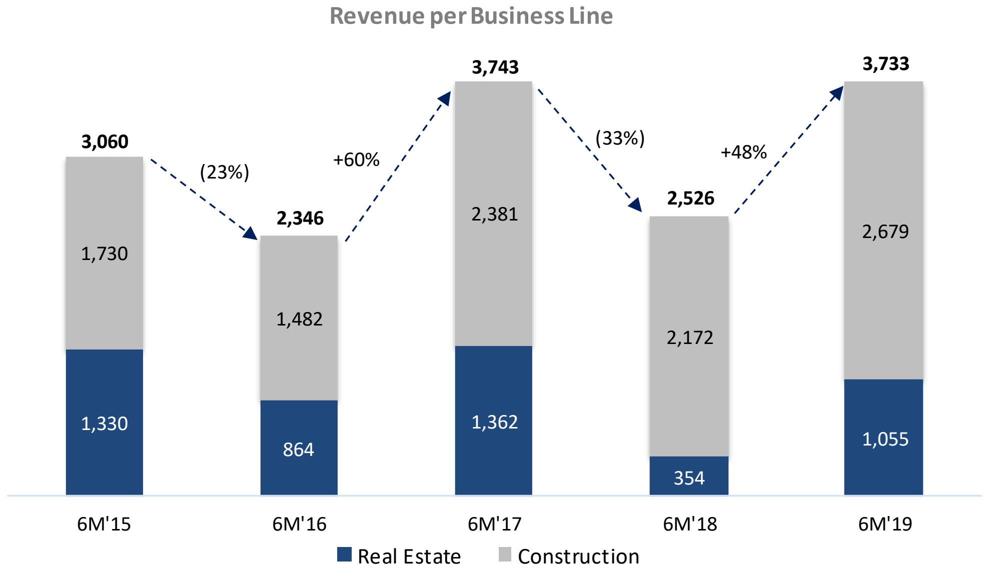
EBITDA for the six-month period was ARS 268.6M (-54%), compared to ARS 590M in 2018, driven by the mark-to-market of a portion of our land bank, that generated a net positive impact on 2018 Operating Income of ARS 756.9M (always in real terms).

When adjusting for the interest capitalized in COGS and the inclusion of Net income from our subsidiaries, EBITDA rises to ARS 499.6M, compared to ARS 896.4M in 2018.

	RE	CONST.	6M'19	RE	CONST.	6M'18	DIFF
Revenue	1,054.5	2,678.7	3,733.2	354.2	2,171.7	2,525.9	1,207.3
Cost of Goods Sold	(961.8)	(2,166.5)	(3,128.2)	(519.2)	(1,748.6)	(2,267.7)	(860.5)
Gross Profit	**92.8**	**512.2**	**605.0**	**(165.0)**	**423.1**	**258.2**	**346.8**
Gross Margin	***8.8%***	***19.1%***	***16.2%***	***(46.6%)***	***19.5%***	***10.2%***	***6.0%***
SG&A expenses (net of taxes & one-offs)	(78.2)	(155.3)	(233.5)	(154.1)	(148.0)	(302.1)	68.6
One-off charges in SG&A	(8.8)	(22.4)	(31.2)	(18.1)	-	(18.1)	(13.0)
Taxes in SG&A	(29.0)	(73.7)	(102.8)	(42.8)	(83.3)	(126.1)	23.3
Other expenses	(31.4)	(39.6)	(71.0)	(756.9)	(29.4)	(786.3)	715.3
Other I&E | Results from Inv .Prop.	(6.9)	80.4	73.5	1,537.1	6.1	1,543.2	(1,469.7)
Operating Income	**(61.6)**	**301.7**	**240.1**	**400.3**	**168.5**	**568.8**	**(328.7)**
(+) D&A | Goodwill impairment	-	28.5	28.5	14.5	6.7	21.3	7.2
EBITDA	**(61.6)**	**330.2**	**268.6**	**414.8**	**175.3**	**590.0**	**(321.5)**
(+) Net income from subsidiaries	90.6	127.3	217.8	183.3	80.7	263.9	(46.1)
(+) Interest in COGS	13.2	-	13.2	42.4	-	42.4	(29.2)
Adjusted EBITDA	**42.2**	**457.5**	**499.6**	**640.5**	**255.9**	**896.4**	**(396.8)**

Split by Business Line

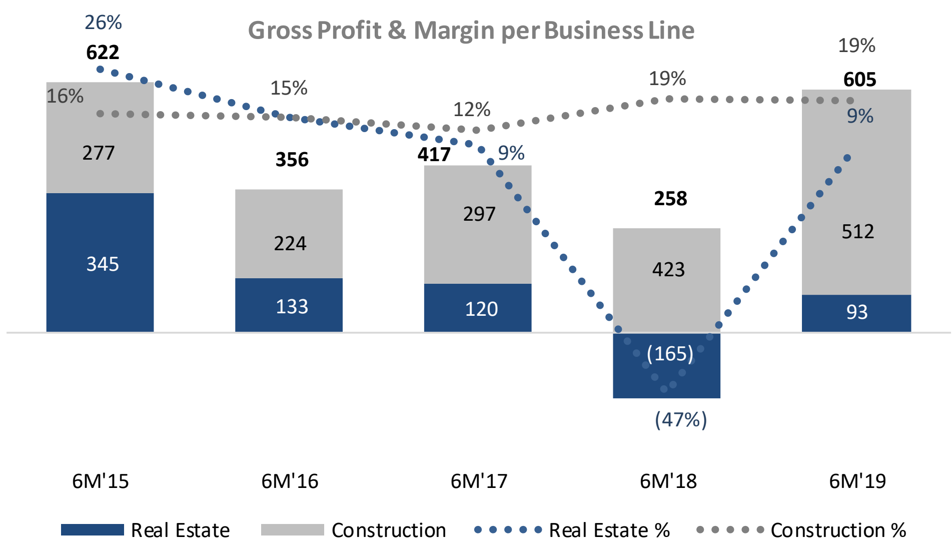
Revenues in the 6 month period reached ARS 3.7B, up 48% vs the same period of 2018 in real terms and 28% higher than the average of the 2015-2018 period. Revenues from Construction in particular grew 23% compared to 2018, or 38% when compared to the average of 2015-2018 (always in real terms).



Note: *all figures at June 2019 values. Figures from 2017 rearwards adjusted by inflation on a pro forma basis, as they were not calculated in our Financial Statements.*

Gross profit at a consolidated level reached ARS 605M, which is up 134% vs 2018 or 46% vs the average of the 2015-2018 period.

As for Construction gross profit in particular, which contributed with the vast majority of total, it reached ARS 512M, which was up 21% vs the same period of 2018, and was the highest in the last 5 years (+68% vs average of previous years). Total Gross margin grew up 598bps when compared to 2018, due to an improvement in Real Estate gross margin, which was affected in 2018 by an impairment in Metra Puerto Norte residential project.



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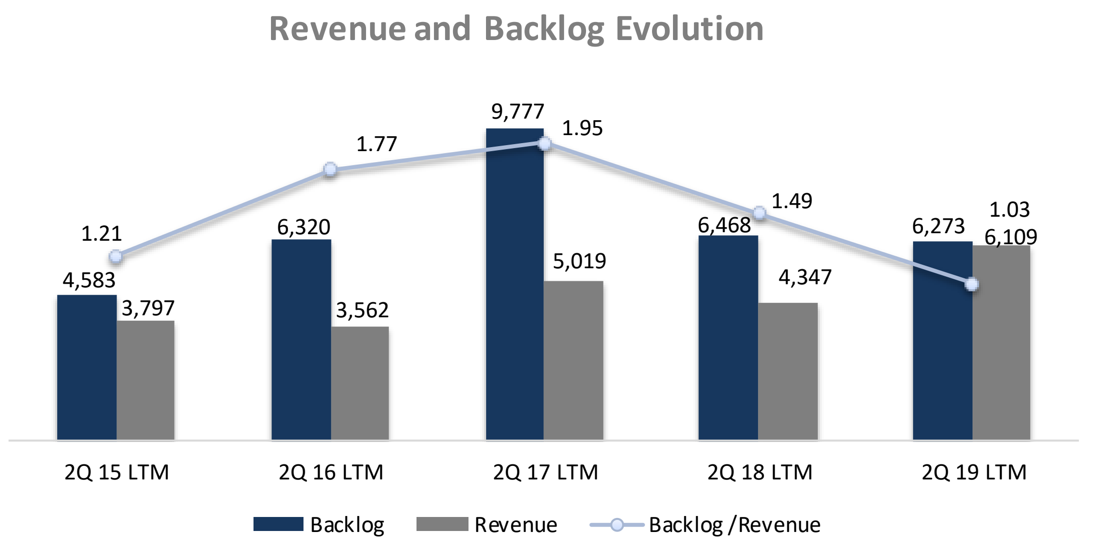
Construction business line

Backlog split

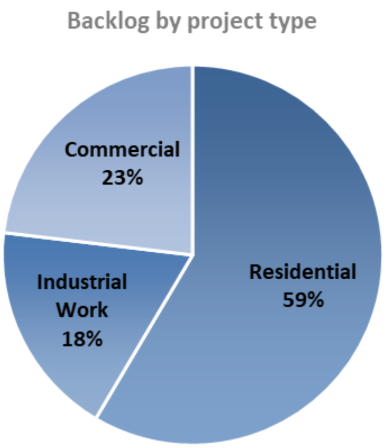
Company has now ARS 6.3B in backlog, which is 1.03x trailing last twelve months revenue in real terms, while having posted an all-time high revenue.

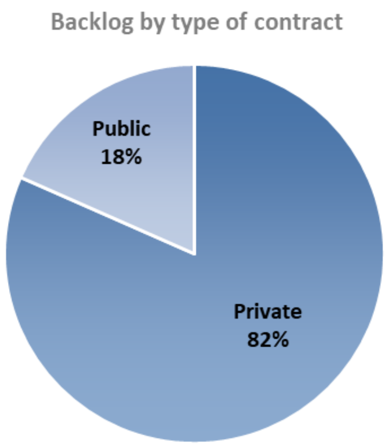
During this semester we signed one new contract of over ARS 564M for the construction of L'Avenue project, a 33-story, upscale residential building in the Palermo neighborhood, and a new contract for the third stage of American Pavilion worth ARS 394M. Importantly, our backlog continues to show a reduced concentration, as it is composed by over 13 projects, none of them accounting for more than 18% of total.

All figures in ARS Mns (at Jun'19 values)



Construction backlog is mostly concentrated in private real estate projects, both residential and commercial, which account for 82% of total backlog. Such projects include, among others, *Concepción Live Art Work, OM Recoleta, Oceana Puerto Madero, Ezeiza Airport Terminal* and the recently signed L'Avenue. Worth noting that only 18% of total backlog comes from public works, such as *Nucleoeléctrica Argentina* and *CNEA (Comisión Nacional de Energía Atómica)*.





Projects under development

PROJECT	COMITENT	TYPE	ARS M	PROGRESS
OM Recoleta (1)	Private	Residential	1,103.5	27.6%
Concepción Live Art Work	Private	Residential	932.1	50.1%
CNEA - Reactor	Public	Industrial Work	803.9	68.2%
Oceana Puerto Madero	Private	Residential	784.1	27.5%
Terminal Ezeiza - AA2000	Private	Commercial	701.8	50.3%
L' avenue (1)	Private	Residential	564.1	14.0%
Sanatorio Itoiz	Private	Commercial	469.4	44.7%
Nucleoeléctrica Argentina (N.A.S.A)	Public	Industrial Work	349.3	69.2%
Hotel IQ - SLS Lux	Private	Residential	180.4	90.4%
Papelera del Plata	Private	Commercial	172.2	57.4%
Swiss Medical Nordelta	Private	Commercial	104.7	30.5%
The Link Towers	Private	Residential	81.8	88.7%
OM Botánico	Private	Residential	23.4	85.3%
Others	n/a	n/a	1.7	n/a
TOTAL			**6,272.5**	

All contracts are periodically adjusted by the evolution of relevant indexes. As such, figures are quoted at period-end values.

(1) Contracts signed during 2019.

Real Estate business line

Projects under development

Forum Puerto del Buceo

- Construction of phase 2 is almost finished, with deliveries taking place since August 2018 and are expected to continue throughout 2019.
- As of June 2019, 111 units from segments F, G, H, I and J (phase 2) have been delivered. Adding up to phases 1 and 3, we have now delivered 266 units (79% of total units).

Astor San Telmo

- Legal injunction limiting the construction height is still in force, so works continue within its boundaries. We continue working on concrete structure, having reached an 80% progress in foundation works, with electric and sanitary installations still in the undergrounds. In addition, we have begun groundworks for phase 3.
- Given a recent court ruling on a similar case, the Company is optimistic on a favorable outcome.

Venice

- We began delivering units in Goletas I, Cruceros I, Falúas, Balandras I and Balandras II buildings, having delivered 119 units so far.
- Concrete structure is soon to be finished in Goletas II, and slabs and roof slabs have already reached the 11^{th} floor.
- We continue with the construction of the Club House and access roads, after having finished pavement, roundabouts and boulevards of internal streets. Stage 1 of the canal piling works are almost complete. Landscaping, irrigation works and exterior lighting are almost finished.

Metra Puerto Norte

- We have delivered 37 units in Tower UNO.
- Concrete structure of Tower DOS has already reached the 15^{th} floor. We already finished the services external network, and we keep working on masonry, pluvial drainage network, sanitary, electric and thermomechanical installations.

Other joint venture projects

In addition to the above mentioned residential developments, the Company participates in other real estate projects through joint ventures with strategic partners.

OM Recoleta

Is a premium residential development, in which the Company has a 20% stake and also acts as main contractor, consisting of a 12-story building of 25,792 sellable sqm, and located in Recoleta, one of the most upscale neighborhoods in Buenos Aires. It features units from 1 to 4 bedrooms, as well as 511 parking units.

Newbery (ex Pol-Ka Producciones)

Is our co-investment with Northbaires S.A. (50% ownership each). The plot was acquired in late 2017 and is located in the former studios of Pol-Ka Production Company. Acquisition price was US$ 8.5M and was fully paid as of April 2018. Both companies are now assessing the best commercial strategy for this project.

Financial Statements

Consolidated Income Statement

	$ M	$ M
(All figures in $ millions, unless otherwise noted)	6M'19	6M'18
Revenue	3,733.2	2,525.9
Cost	(3,128.2)	(2,267.7)
Gross profit	**605.0**	**258.2**
Selling expenses	(152.6)	(150.4)
Administrative expenses	(214.8)	(295.9)
Other operating expenses	(56.7)	(773.2)
Other expenses	(14.3)	(13.1)
Investment property fair value	4.2	1,421.3
Gains from sale of investment properties	(95.5)	-
Other income and expenses, net	164.8	121.9
Operating income	**240.1**	**568.8**
Financial Result	(1,275.2)	(2,122.2)
Investment in Associate and Joint Venture	217.8	263.9
Inflation Adjustment	1,132.4	(671.8)
Income/(Loss) before Income tax	**315.1**	**(1,961.3)**
Income tax	(136.5)	715.9
Net income	**178.6**	**(1,245.4)**
Transaction effect	(24.4)	(69.0)
Net comprehensive income	**154.2**	**(1,314.4)**
Net income attributable to:		
Shareholders of the parent	178.6	(1,344.4)
Minority interests	-	99.0
Net comprehensive income attributable to:		
Shareholders of the parent	154.2	(1,413.3)
Minority interests	-	99.0

	$	$
Income per common share	**6M'19**	**6M'18**
Basic	1.91	(18.26)
Diluted	6.57	(4.54)

Consolidated Balance Sheet

(All figures in $ millions, unless otherwise noted)	Jun 30, 2019	Dic 31, 2018
ASSETS		
Property, plant & equipment	106.1	112.0
Intangible assets	36.3	50.6
Investment property	33.8	421.7
Investment in Associate and Joint Venture	2,620.1	2,512.8
Goodwill	876.6	876.6
Inventory	2,243.1	2,794.3
Tax assets	650.8	813.3
Other credits	95.9	414.5
Receivables from related parties	139.3	39.4
Accounts receivables	42.9	40.6
Total non-current assets	**6,844.8**	**8,075.8**
Contract assets	3.2	2.9
Inventory	1,064.8	1,226.9
Other Assets	-	984.7
Assets held for sale	-	175.8
Other credits	1,245.8	1,461.5
Receivables from related parties	453.0	434.6
Accounts receivables	1,517.8	1,591.0
Other financial assets	-	3.3
Cash and equivalents	187.5	1,032.9
Total current assets	**4,472.1**	**6,913.7**
Total assets	**11,316.8**	**14,989.5**
LIABILITIES		
Other accounts payable	-	1,169.5
Payables to related parties	7.9	8.5
Contract liabilities	1,278.4	1,480.7
Long term loans	4,253.3	5,328.7
Other taxes	5.4	11.0
Total non-current liabilities	**5,545.1**	**7,998.4**
Provisions	94.5	192.8
Other accounts payable	1,207.1	2,595.0
Contract liabilities	1,877.7	2,434.8
Debt with related parties	54.8	30.1
Short term loans	2,284.1	1,654.2
Other taxes	93.3	140.9
Wages and social security contributions	182.4	167.0
Accounts payable	1,416.8	1,368.6
Total current liabilities	**7,210.7**	**8,583.4**
Total liabilities	**12,755.9**	**16,581.8**
SHAREHOLDERS' EQUITY		
Shareholders of the parent	(1,439.0)	(1,592.3)
Minority interests	-	-
Shareholders' equity	**(1,439.0)**	**(1,592.3)**
Total liabilities and Shareholders' equity	**11,316.8**	**14,989.5**

Consolidated Cash Flow Statement (Selected lines)

(All figures in $ millions, unless otherwise noted)	$ M	$ M
Cash variations	**6M'19**	**6M'18**
Cash at the beginning of period	1,032.9	3,267.6
Cash at the end of period	187.5	1,385.3
Net cash changes	**(845.4)**	**(1,882.3)**

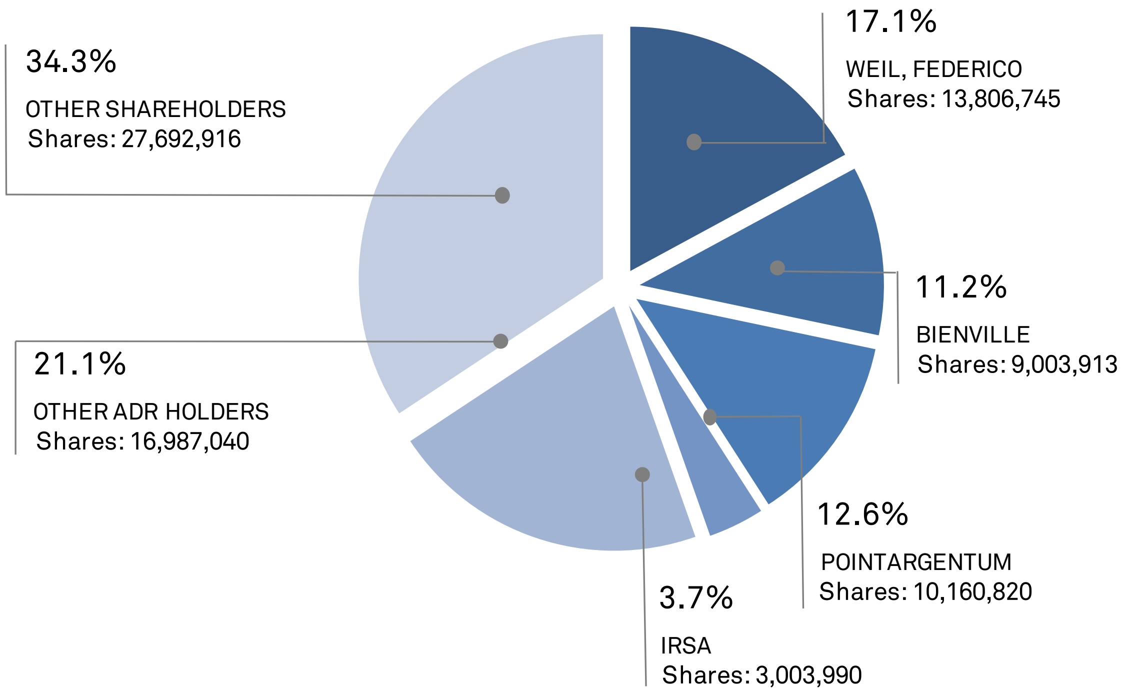
Reasons for cash variations		
Operating activities		
Net income	154.2	(1,314.4)
Adjustments for arriving to the net cash flow from operating activities		
Income tax	136.5	(715.9)
Fixed asset depreciation	14.2	8.2
Amortization of intangible assets	14.3	13.0
Exchange rate differences and accrued interest	1,275.2	1,415.8
Results from Investment in Associate and Joint Venture	(217.8)	(263.9)
Gains from sale of investment properties	-	(158.8)
Valuation gains from investment properties	(4.2)	(1,446.1)
Collections from sale of PP&E	95.5	-
Mark-to-market values	48.5	-
Exchange rate differences	(24.4)	(69.0)
Changes in operating assets and liabilities		
Changes in accounts receivable	70.9	(1,711.9)
Changes in other credits	534.3	(1,006.9)
Changes in credits with related parties	(118.2)	(344.2)
Changes in other assets	984.7	48.9
Changes in inventory	713.3	250.3
Changes in tax assets	162.5	180.2
Changes in contract assets	(0.3)	509.9
Changes in assets held for sale	(44.9)	244.0
Changes in accounts payable	48.2	784.1
Changes in payroll and social security contributions	15.4	49.0
Changes in taxes payable	(189.7)	111.8
Changes in debts with related parties	24.2	77.4
Changes in contract liabilities	(759.4)	1,695.7
Changes in provisions	(98.3)	148.2
Change in tax liabilities	-	(318.2)
Changes in other liabilities	(1,404.8)	280.2
Inflation effect	(1,132.4)	671.8
Net cash flow generated/(used) by operational activities	**300.9**	**(859.9)**

Investment activities		
Collections from sale of other assets	220.7	212.5
Payments for purchase of PP&E	(8.3)	(25.4)
Collections from sale of investment properties	296.6	-
Payments for purchase of controlling interest	(1,240.0)	(2,081.6)
Dividends from Associates and Joint Ventures	33.3	35.3
Increase / reduction in minority interests	-	156.1
Net cash flow generated/(used) by investment activities	**(699.9)**	**(1,708.9)**

Financing activities		
Increase in loans	(445.4)	686.5
Transactions among shareholders	(1.0)	-
Net cash flow generated by financing activities	**(446.4)**	**686.5**

Ownership

There are 80,655,424 shares outstanding, out of which 12.6% owned by PointArgentum.



Total Free Float	87.4%

About TGLT. TGLT S.A. (Buenos Aires Stock Exchange: TGLT, USOTC: TGLTY) TGLT, founded in 2005 and headquartered in Buenos Aires, Argentina, operates as a real estate developer in Argentina and Uruguay. TGLT participates in and controls all aspects of the development process, from land acquisition to construction management, from product design to sales and marketing, ensuring a tight working capital management at every moment. By merging with Caputo S.A.I.C. y F., TGLT incorporated not only a recurrent source of cash flow, but also seeks to improve its construction capabilities and capture construction margins in all its developments. Furthermore, the combined entity is uniquely well-positioned to capitalize the potential opportunities coming from the large infrastructure works segments, including investments in future public-private projects.