

With a minimum conversion of 85%, TGLT would have a manageable cash flow throughout 2019 and 2020 and access to bank credit lines

All figures in USD Mns



	dec-18	jan-19
INITIAL CASH BALANCE	7,2	0,9
Ongoing real estate projects	(1,2)	(1,5)
Cash Flow Catalinas (@ 50%)	(0,1)	(0,1)
Construction cash flow	1,9	0,8
SG&A Taxes	(0,8)	(0,8)
OPERATING CASH FLOW	(0,2)	(1,6)
2020 Bond	(0,5)	-
FINANCING CASH FLOW	(0,5)	-
Non-Core Asset Sale	19,8	6,3
CAPU Acquisition Payments	(25,4)	(4,0)
CASHFLOW FROM INVESTMENTS	(5,6)	2,3
TOTAL CASH FLOW	(6,3)	0,6
ENDING CASH BALANCE	0,9	1,5

Figures using 2Q'18 LTM EBITDA for illustrative purposes

DEBT / RECURRING EBITDA LTM 2Q'18

70%	75%	80%	85%	90%	95%	100%
13,1x	12,3x	11,5x	10,8x	10,0x	9,2x	8,4x

DEBT / RECURRING EBITDA LTM 2Q'18 (POST CAPU TRANCHE 1)

70%	75%	80%	85%	90%	95%	100%
10,0x	9,3x	8,5x	7,7x	7,0x	6,2x	5,4x

DEBT / RECURRING EBITDA LTM 2Q'18 (POST CAPU TRANCHE 2)

70%	75%	80%	85%	90%	95%	100%
7,2x	6,4x	5,7x	4,9x	4,1x	3,3x	2,6x

Key Points

- Short term cash flow marked by the payment of CAPU acquisition first installment in January 2019, mostly funded by sale of non-core asset.
- Tight cash flow profile throughout 2019, not enough to pay Convertible Feb'19 coupon.
- 85% conversion of convertible bond required to address negative net worth and obtain bank credit lines.
- Second installment of CAPU acquisition due in January 2020.
- Senior USD 25M local bond matures in March 2020.
- Finishing ongoing Resi developments.
- Launching CATALINAS and further stages of VENICE.
- Construction business line under a *business as usual* scenario, in line with historical growth. No PPPs or boost in public works considered.
- Reinvesting free cash flow generated by ongoing business to acquire and develop for-lease commercial assets and investing in Resi real estate opportunities, starting mid-2020.

Net Debt/Equity ratios at different levels of Conversion and FX, assuming conversion in 4Q18

CONSOLIDATED SHAREHOLDERS' EQUITY (USD M)

	Conversion percentage (assuming conversion as of 4Q18)							
	70%	75%	80%	85%	90%	95%	100%	
FX Year end 2018	38,0	12,8	18,4	24,1	29,7	35,4	41,0	46,7
	39,0	10,1	15,7	21,4	27,0	32,6	38,3	43,9
	40,0	7,5	13,1	18,8	24,4	30,1	35,7	41,3
	42,0	2,7	8,3	14,0	19,6	25,3	30,9	36,5
	44,0	(1,7)	3,9	9,6	15,2	20,9	26,5	32,2
	46,0	(5,7)	(0,0)	5,6	11,2	16,9	22,5	28,2
	48,0	(9,3)	(3,7)	1,9	7,6	13,2	18,9	24,5
	50,0	(12,7)	(7,1)	(1,4)	4,2	9,9	15,5	21,2
	52,0	(15,8)	(10,2)	(4,5)	1,1	6,8	12,4	18,0

DEBT / EQUITY PRO FORMA AS OF 4Q18

	Conversion percentage (assuming conversion as of 4Q18)							
	70%	75%	80%	85%	90%	95%	100%	
FX Year end 2018	38,0	9,9x	6,5x	4,6x	3,5x	2,7x	2,2x	1,8x
	39,0	12,6x	7,6x	5,2x	3,9x	3,0x	2,3x	1,9x
	40,0	16,9x	9,1x	6,0x	4,3x	3,2x	2,5x	2,0x
	42,0	47,3x	14,3x	8,0x	5,3x	3,8x	2,9x	2,2x
	44,0	n/m	30,2x	11,7x	6,8x	4,6x	3,4x	2,5x
	46,0	n/m	n/m	20,0x	9,3x	5,7x	4,0x	2,9x
	48,0	n/m	n/m	57,5x	13,8x	7,3x	4,7x	3,3x
	50,0	n/m	n/m	n/m	24,7x	9,8x	5,8x	3,9x
	52,0	n/m	n/m	n/m	93,6x	14,3x	7,2x	4,5x
TOTAL DEBT	126,7	119,3	111,8	104,3	96,9	89,4	82,0	

DEBT/EQUITY POST CAPU ACQUISITION TRANCHE 1

	Conversion percentage (assuming conversion as of 4Q18)							
	70%	75%	80%	85%	90%	95%	100%	
FX Year end 2018	38,0	7,6x	4,9x	3,4x	2,5x	1,9x	1,5x	1,1x
	39,0	9,7x	5,7x	3,9x	2,8x	2,1x	1,6x	1,2x
	40,0	13,0x	6,8x	4,4x	3,1x	2,2x	1,7x	1,3x
	42,0	36,4x	10,8x	5,9x	3,8x	2,7x	1,9x	1,4x
	44,0	n/m	22,8x	8,6x	4,9x	3,2x	2,3x	1,6x
	46,0	n/m	n/m	14,7x	6,7x	4,0x	2,7x	1,9x
	48,0	n/m	n/m	42,4x	9,9x	5,1x	3,2x	2,1x
	50,0	n/m	n/m	n/m	17,7x	6,8x	3,9x	2,5x
	52,0	n/m	n/m	n/m	67,2x	10,0x	4,8x	2,9x
TOTAL DEBT	97,3	89,9	82,4	74,9	67,5	60,0	52,6	

DEBT/EQUITY POST CAPU ACQUISITION TRANCHE 2

	Conversion percentage (assuming conversion as of 4Q18)							
	70%	75%	80%	85%	90%	95%	100%	
FX Year end 2018	38,0	5,5x	3,4x	2,3x	1,6x	1,1x	0,8x	0,5x
	39,0	6,9x	4,0x	2,6x	1,8x	1,2x	0,8x	0,6x
	40,0	9,3x	4,7x	2,9x	1,9x	1,3x	0,9x	0,6x
	42,0	26,1x	7,5x	3,9x	2,4x	1,6x	1,1x	0,7x
	44,0	n/m	15,8x	5,7x	3,1x	1,9x	1,2x	0,8x
	46,0	n/m	n/m	9,8x	4,2x	2,4x	1,4x	0,9x
	48,0	n/m	n/m	28,2x	6,2x	3,0x	1,7x	1,0x
	50,0	n/m	n/m	n/m	11,2x	4,0x	2,1x	1,2x
	52,0	n/m	n/m	n/m	42,5x	5,9x	2,6x	1,4x
TOTAL DEBT	69,8	62,3	54,8	47,4	39,9	32,5	25,0	

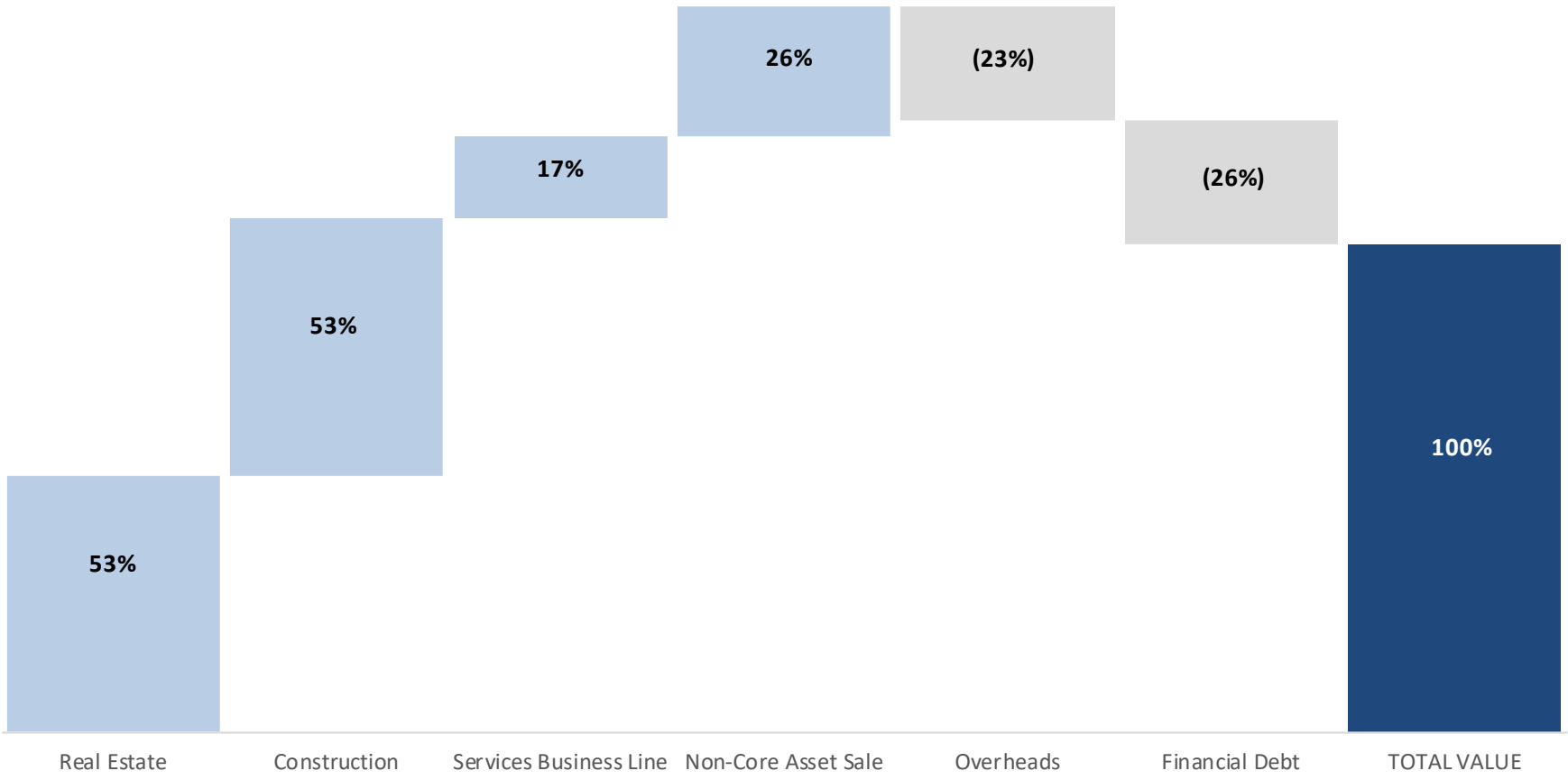
Note 1: Total debt considers only corporate debt (i.e. excluding project financing), including CAPU acquisition debt.

Note 2: Convertible bond considered in full (USD 149.2M). For accounting purposes, one third of the instrument was recorded as equity (fixed in historical ARS at the time of the transaction).

Note 3: All charts with 4Q18 ending Shareholders' equity.

Source of Value

Base business plan assuming going concern and after conversion of a minimum of 85% of Convertible instrument.

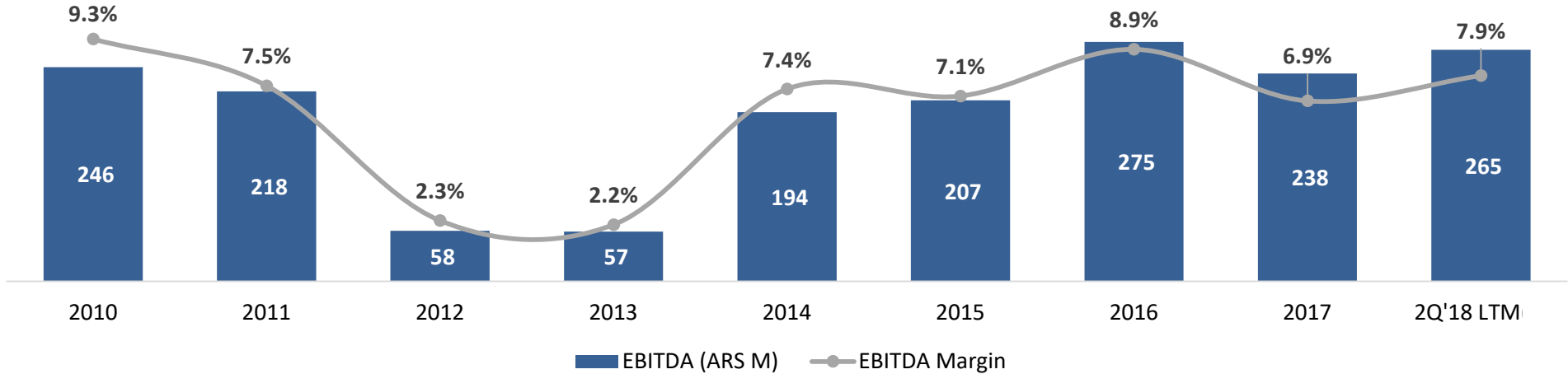


EBITDA remained positive during economic slowdowns. Average working capital needs remain at low levels. 2Q'18 LTM WK needs affected by contracts' price renegotiations

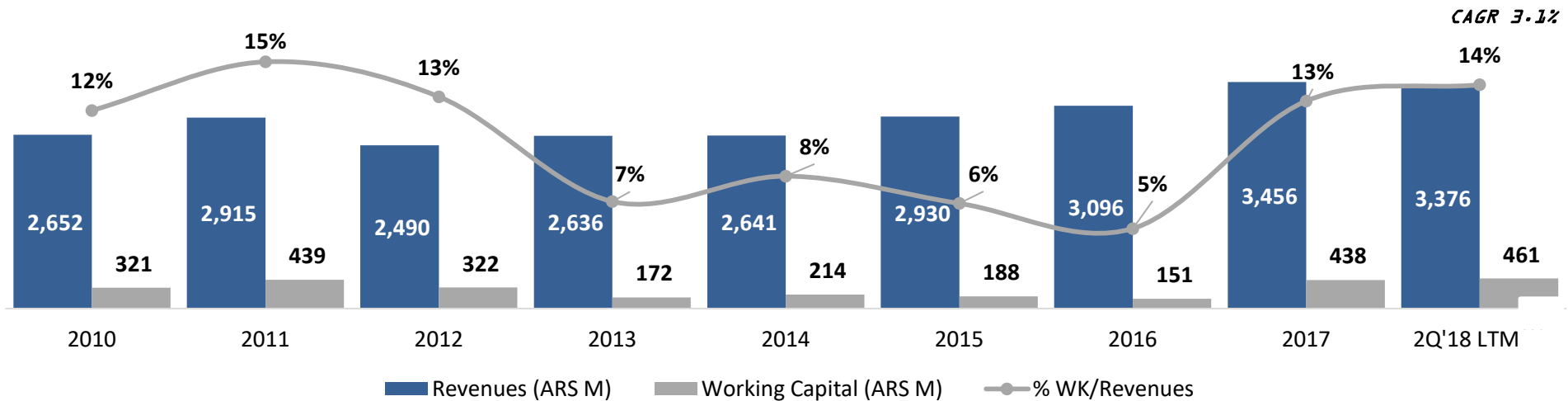


All figures in ARS Mns Constant of Sep'18

EBITDA and EBITDA Margin



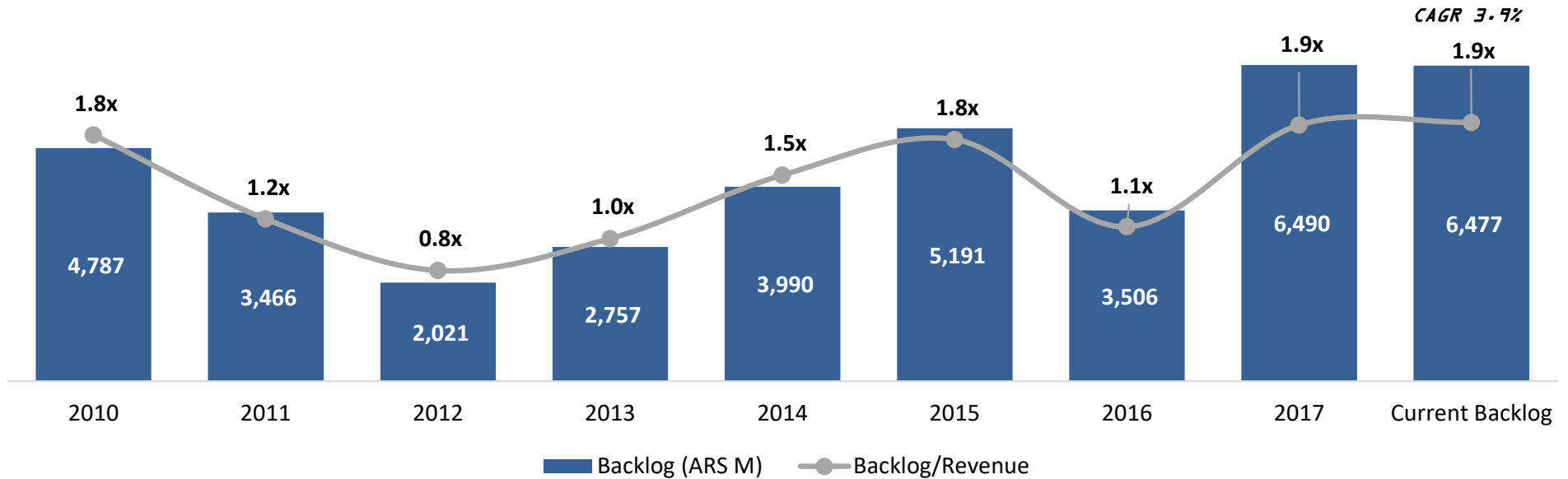
Working Capital (WK) and WK as Revenue %



Even in times of economic slowdown, CAPUTO has managed to maintain a healthy backlog providing +12 month visibility. Current backlog is 2x last twelve months revenues

All figures in ARS Mns Constant of Sep 17

Historical Backlog and Backlog/Revenue



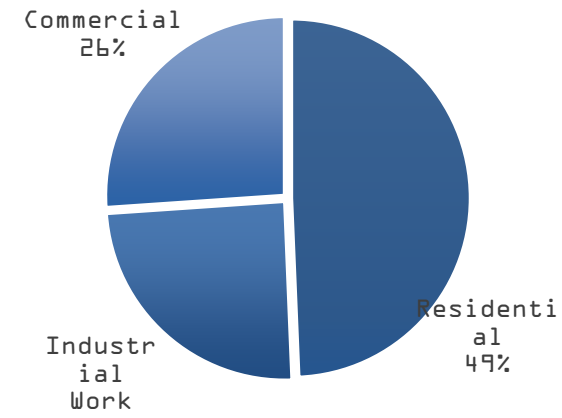
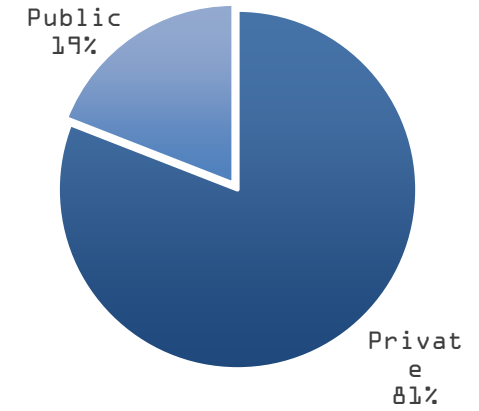
- Backlog mostly concentrated in large-scale private real estate projects, both residential and commercial.
- Low percentage of public works in historical and current backlog (19% of total).
- Backlog with reduced concentration. More than 15 projects with none of them with more than 18% of total.
- Backlog features contracts for large high-end residential developments (Link Towers, Oceana Puerto Madero, Al Río), industrial facilities such as refineries and nuclear plants and a new terminal in Argentina's main airport, among others.
- In the last few years Caputo has widened the scope of doable projects, entering in segments such as Oil & Gas and Nuclear plants.

Backlog with reduced concentration, currently featuring over 15 projects with none of them accounting for more than 18% of total. Recently signed 4 new contracts worth over ARS 2.1B, including one with a direct real estate competitor



All figures in ARS Constant of Sep

PROJECT	COMITENT	TYPE	ARS M	PROGRESS
Concepción Live Art Work	Private	Residential	1.127,6	18,5%
Terminal Ezeiza - AA2000	Private	Commercial	1.027,9	0,4%
Oceana Puerto Madero	Private	Residential	752,3	2,3%
CNEA - Reactor	Public	Industrial Work	665,1	51,1%
OM Recoleta	Private	Residential	588,0	19,2%
Sanatorio Itoiz	Private	Commercial	536,0	14,9%
Nucleoeléctrica Argentina (N.A.S.A)	Public	Industrial Work	511,0	37,3%
Hotel IQ- SLS Lux	Private	Residential	352,0	68,7%
Papelera del Plata	Private	Industrial Work	267,0	0,0%
The Link Towers	Private	Residential	141,8	66,6%
Axion Energy Refinery	Private	Industrial Work	115,3	88,2%
Harbour Tower	Private	Residential	110,2	68,4%
Swiss Medical Nordelta	Private	Commercial	84,4	1,6%
OM Botánico	Private	Residential	78,7	20,3%
Al Río Tower 1	Private	Residential	44,2	88,6%
Conseccionaria Lexus	Private	Commercial	40,2	41,3%
Toyota Argentina	Private	Industrial Work	13,0	73,4%
Others	n/a	n/a	22,7	n/a
TOTAL ARS M			6.477,5	



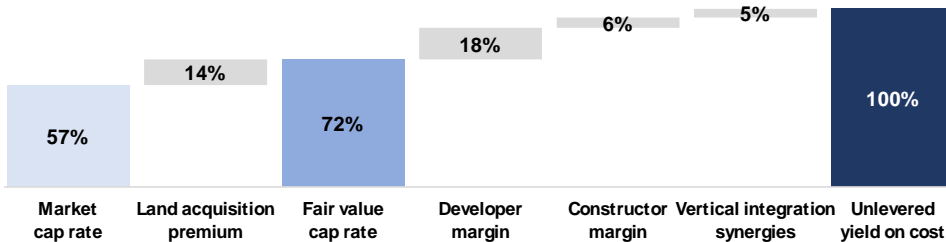
Completing existing Resi projects, launch Catalinas (high-end mixed-uses) and allocate proceeds to transition to developing for-lease office spaces

TGLT

Office development and lease

Strategy

- Class A buildings in BA top business districts are scarce.
 - Adds a **steady source** Cash flows and EBITDA
 - Captures asset appreciation from **cap rate compression** (decreasing EMBI spread) and lease rate expansion (REER appreciation).
 - **Easier to construct** than residences, while dealing with few, institutional clients.
- A new office brand can **lever on Caputo's +80-year experience** which includes the construction of many iconic towers in BA.



Opportunistic residential plays

Strategy

- **Mid-high** segment only, where TGLT has been successful:
 - **Low complexity** in terms of designs, approvals, infrastructure, phasing and business cycle (30 months from breaking ground).
 - Local investors demand increases in times of turmoil as **safe heaven**, and final users demand in times expansion.
 - **Does not require mortgage financing**, but could be boosted by availability of mortgages if market develops.
- In-house construction accelerates execution and reduces risk of construction cost overruns.
- Limit JV partner risk by either fully controlling the project or providing developer services.

Targets

- Location: **BA Metropolitan Area**
- Size: 10K to 15K sellable sqm blocks
- Land partially paid in swap
- **Easy infrastructure. No building retrofit**
- Selling prices: 2.5K-5K USD/sqm
- Gross margin: 20%-30%