



**CONDENSED INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS**

TGLT S.A.

AS OF SEPTEMBER 30, 2018

(PRESENTED COMPARATIVELY)

A handwritten signature in blue ink, appearing to read "Manuel Luis Moreno". The signature is stylized with several loops and a long horizontal stroke at the end.

Manuel Luis Moreno

TABLE OF CONTENTS

REPORTING SUMMARY	4
I. Brief comments on the Company's operations for the period ended September 30, 2018	5
II. Balance sheet structure	21
III. Profit and loss structure	21
IV. Cash flow structure	21
V. Statistical data	22
VI. Main indicators, ratios or indexes	22
VII. Perspectives	22
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	25
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE PROFIT OR LOSS	26
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	27
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	29
Note 1. Corporate information	30
1.1. Introduction	30
1.2. Business model	30
1.3. Real property development	30
1.4. Corporate structure	31
Note 2. Statement of compliance with IFRS	31
Note 3. Basis for the presentation of the consolidated financial statements	31
Note 4. Summary of the main accounting policies applied	32
4.1. Applicable accounting standards	32
4.2. Consolidation criteria	33
Note 5. Property, Plant and Equipment	34
Note 6. Intangible assets	35
Note 7. Goodwill	35
Note 8. Inventories	36
Note 9. Deferred tax assets	36
Note 10. Other receivables	37
Note 11. Accounts receivable from sales	37
Note 12. Cash and cash equivalents	38
Note 13. Other accounts payable	39
Note 14. Contract liabilities	39
Note 15. Loans	39
Note 16. Other tax burden	44
Note 17. Trade payables	45
Note 18. Provisions and allowances	45
Note 19. Payroll and social security contributions	46
Note 20. Capital stock	46
Note 21. Reserves, accumulated income and dividends	46
Note 22. Income from ordinary activities	47
Note 23. Cost of ordinary activities	47
Note 24. Selling expenses	47
Note 25. Administrative expenses	48
Note 26. Financial results	48
Note 27. Other income and expenses, net	49
Note 28. Income tax and deferred tax	49
Note 29. Related parties	51
Note 30. Receivables, tax assets and payables broken down by maturity and interest rates	53
Note 31. Restricted assets and guarantee transactions	54
31.1 Restricted assets	54
31.2 Guarantee transactions	55
Note 32. Lawsuits	55
32.1. Health and safety	55
32.2. Labor issues	55
32.3. Ingeniero Guillermo Milia S.A. (IGM)	56
32.4. Other claims	56
Note 33. Ownership interests in other companies – Acquisitions and transfers	59
33.1 Merger between companies: TGLT S.A. and Green Urban Homes S.A.	59
33.2 Acquisition of Sitia S.A.'s shares by TGLT and subsequent liquidation of Sitia S.A.	59
33.3 Acquisition of Caputo S.A.I.C. y F.'s shares by TGLT	59
Note 34. Risks - Financial risk management	61
Note 35. Investment property	63
Note 36. Segment information	64
Note 37. Earnings per share	65
Note 38. Astor Caballito - Agreement to annul previous contractual obligation	66
Note 39. Assets and liabilities in foreign currency	67

Note 40. Determination of fair value	69
Note 41. Refund of Minimum Presumed Income Tax credit	71
Note 42. Accounting policy used by the Company to recognize and measure the issuance of convertible corporate notes	71
Note 43. Resolutions at Shareholders' Meetings	72
Note 44. CNV General Resolution No. 622	73
Note 45. Newly Issued Standards and Interpretations	74
Note 46. Changes in projects	78
Note 47. Real property awarded in a public bidding process and Trust creation	78
Note 48. Information on investments in companies	79
48.1 Investment in associates	79
48.2 Joint operations	81
48.3 Investment in joint operations	82
Note 49. Negative shareholders' equity attributable to parent company's owners, negative working capital and business plans	83
Note 50. Financial statements approval	83
Note 51. Subsequent events	83
CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS	84
CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION	85
CONDENSED SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE PROFIT OR LOSS	86
CONDENSED SEPARATE STATEMENT OF CASH FLOWS	89
Note 1. Purpose of the financial statements	90
Note 2. Statement of compliance with IFRS	90
Note 3. Company's business	90
Note 4. Basis for the presentation of the separate financial statements	90
Note 5. Property, plant and equipment	92
Note 6. Intangible assets	92
Note 7. Investment property	93
Note 8. Investments in companies	95
Note 9. Goodwill	95
Note 10. Information on investments in companies	96
Note 11. Inventories	97
Note 12. Deferred tax assets	97
Note 13. Other receivables	97
Note 14. Accounts receivable from sales	98
Note 15. Cash and cash equivalents	99
Note 16. Deferred tax liabilities	99
Note 17. Other accounts payable	99
Note 18. Contract liabilities	100
Note 19. Loans	100
Note 20. Other tax burden	101
Note 21. Payroll and social security contributions	101
Note 22. Trade payables	102
Note 23. Provisions and allowances	102
Note 24. Capital stock	103
Note 25. Income from ordinary activities	103
Note 26. Cost of ordinary activities	103
Note 27. Selling expenses	104
Note 28. Administrative expenses	104
Note 29. Financial results	105
Note 30. Other income and expenses, net	106
Note 31. Income tax and deferred tax	106
Note 32. Related parties	108
Note 33. Receivables, tax assets and payables broken down by maturity and interest rates	110
Note 34. Negative shareholders' equity, negative working capital and business plans	111
Note 35. CNV General Resolution No. 622	111
Note 36. Lawsuits	112
Note 37. Assets and liabilities in foreign currency	112
Note 38. Risks - Financial risk management	113
Note 39. Subsequent events	115



REPORTING SUMMARY

TGLT S.A.

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

I. Brief comments on the Company's operations for the period ended September 30, 2018

I.1. Significant events occurred during the period

I.1.1 TGLT S.A. becomes the parent company of and merges with Caputo S.A.I.C. y F.

On January 19, 2018, the Company acquired from certain shareholders of Caputo Sociedad Industrial, Comercial y Financiera (the "Sellers" and "Caputo", respectively) 138,267,489 common, registered shares of nominal value \$1 each and one vote per share, representing 82.32% of the capital stock and voting rights of Caputo (the "Shares") in accordance with the provisions of the share purchase agreements applicable to the transaction referred to above (the "Transaction Documents" and the "Transaction", respectively). Consequently, by virtue of the Transaction, the Company has become the parent company of Caputo.

The price agreed amounted to US\$ 0.7914 per Share (equivalent to \$ 15.116 per Share), which represents a total value of US\$ 109,424,891 (equivalent to \$ 2,090,051,363.7) for the Shares. 48.90% of the Price was paid on the Transaction date, while the remaining balance will be paid as follows: (a) 25.92% of the Price on January 19, 2019; and (b) the remaining 25.18% of the Price on January 19, 2020. The Price was subject to potential adjustments as provided for in the Transaction Documents.

In accordance with the provisions of section 87 of the Capital Markets Law No. 26831 and section 8, article II, chapter II of title III of CNV Rules, on January 26, 2018 TGLT addressed a Public Offering in cash and Voluntary Share Swap (jointly, the "Offer") to all holders of common, registered shares of nominal value \$1 and one vote per share.

The Offer consisted of (i) a mandatory acquisition of Shares in a public offering at a price per Share payable in cash (the "Mandatory Acquisition of Shares in a Public Offering"), and (ii) a voluntary share swap in a public offering for common shares of TGLT, at a swap ratio to be determined (the "Voluntary Share Swap in a Public Offering"). Shareholders could choose to participate in the Mandatory Acquisition of Shares in a Public Offering and/or the Voluntary Share Swap in a Public Offering and/or maintain their shares.

On April 12, 2018 the Board of Directors of the Company resolved to approve the formalization by the Company of a letter of credit or stand by letter of credit, issued by Banco Itaú Argentina S.A. and Itaú Unibanco S.A. Nassau Branch (jointly, the "Issuing Bank"), in favor of the shareholders selling shares of Caputo S.A.I.C. y F. ("Caputo") as collateral for the balance of the agreed price of the share purchase agreements dated January 19, 2018.

As counter-guarantees for the aforementioned stand by letter of credit, TGLT created in favor of the Issuing Bank: (i) a first degree pledge on 82.32% of Caputo shares, currently owned by TGLT; (ii) the transfer as collateral of the proceeds of certain construction contracts of which Caputo is a party; and (iii) the transfer as collateral of the proceeds of a contract of which TGLT is a party.

The operation described, approved by the Board of Directors of the Company on April 12, includes the execution of a contract with its subsidiary Caputo for the assignment of rights as security interest to implement the transfer as collateral of the proceeds of certain construction contracts mentioned above, in favor of the Issuing Bank of the stand by letter of credit. The execution of this contract between TGLT and Caputo and, in particular, the commission to be paid by TGLT to Caputo as consideration for the transfer as collateral of collection rights under the contracts subject-matter of the assignment, was duly submitted for the consideration of the Audit Committee of TGLT. Having received the favorable opinion of two independent appraisal firms (Columbus MB S.A. and BACS Banco de Crédito y Securitización S.A.), the Audit Committee resolved that the terms and conditions of the contract could be considered adequate and of an arm's length nature vis-à-vis similar transactions between independent parties in accordance with sections 72 and 73 of Capital Markets Law No. 26831.

On May 28, 2018, by application of the price adjustment procedure set forth in each of the Purchase Agreements, the price payable by TGLT to each of the Sellers per share of Caputo increased from US\$ 0.7914 to US\$ 0.799. Consequently, as the intention of TGLT is to offer under the Mandatory Acquisition of Shares in a Public Offering ("OPA") a price per Share equivalent to at least the price paid to the Sellers under the Purchase Agreements, TGLT decided to increase the Price timely offered in the announcement published on the Financial Information Highway of the Argentine Securities Commission ("CNV") and the information systems of the relevant markets on January 26, 2018 and on the newspaper El Cronista Comercial on January 29, 30 and 31, 2018 (the "Announcement") and to offer to pay to the holders who decided to participate in the OPA a fixed price of US\$ 0.799 per Share, which would all be paid in pesos at the retail offer exchange rate published by Banco de la Nación Argentina at the close of business on the business day immediately preceding the Settlement Date.

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

In this regard, the on May 28, 2018, TGLT decided to waive the Voluntary Share Swap in a Public Offering because (a) TGLT has sufficient own resources to purchase all the Shares delivered to it as a result of the OPA; (b) due to the substantial difference in the changes in the price of shares of TGLT and Caputo (in the last case, a stable price resulting from the hedge implied by the price in US dollars offered under the OPA), any swap ratio attracting the shareholders of Caputo would include a dilution of the ownership interests of the current shareholders of TGLT in the Company's capital; (c) the current situation of the Argentine financial market reveals that investors are migrating massively from variable income assets to fixed income assets, which entail that the shareholders of Caputo would not be interested in participating in the Voluntary Share Swap; and (d) finally, the Voluntary Share Swap would make the Company incur in additional costs and processes that would not bring any substantial benefits either to TGLT, or to its shareholders, or to the holders of Shares of Caputo.

On July 24, 2018, the Board of the CNV approved the Public Offering for the acquisition of registered, common shares of Caputo S.A.I.C y F., with a nominal value of one peso (\$1) each, and granting one vote per share, currently issued and outstanding, free of any encumbrance, pledge or injunction, not directly or indirectly owned by TGLT upon the offer launch, within the framework of File No. 347/2018 "CAPUTO S.A. S/ Oferta Pública de Adquisición por TGLT S.A.". The Shares are listed on Bolsas y Mercados Argentinos S.A. ("BYMA") under the symbol "CAPU".

Pursuant to Section 33, Chapter II, Title III of the CNV Rules, the Company agreed with Banco Santander Río S.A. that a guarantee be granted as security for its obligations under the OPA, the standard form of which is accompanied as Exhibit I to the offering memorandum of the OPA (the "Guarantee" and the "Offering Memorandum", respectively). For more information, please refer to section "Objective Elements of the Offer - Guarantees of the Mandatory Acquisition of Shares in a Public Offering" of the Offering Memorandum.

On August 3, 2018, the Company announced the commencement of the Public Offering for a total term of twenty-five business days ("Business Days") consisting of a General Term of twenty Business Days and an Additional Term of five Business Days. The shareholders not accepting the Offer within the General Term of the Offer could accept it during the Additional Term of the Offer, by performing the same procedures and under the same conditions as in the General Term of the Offer. The Offer started at 10 am on August 8, 2018 and ended at 3 pm on September 12, 2018 (time zone of the City of Buenos Aires, Argentina).

The payment of the Offered Price was made on September 18, 2018 (within seven Business Days after the end of the Additional Term of the Offer) for 24,719,128 shares, amounting to US\$ 19,750,583.27. The retail offer exchange rate published by Banco de la Nación Argentina at the close of business on the business day immediately preceding the Settlement Date (as defined in the offering memorandum of the OPA) amounted to \$ 40.20 per each US dollar. Consequently, the price payable under the OPA was Pesos 32.12 per each share of Caputo.

Therefore, as a result of the Offer and under the terms of section 92 (e) of Law 26831, TGLT is the direct and indirect owner of the Shares of Caputo, representing 97.04% of the capital stock and voting rights of Caputo, and thus acquired almost total control thereof.

On September 17, 2018, the Company's Board of Directors approved, subject to the corresponding shareholders' meeting decisions and the related authorizations of regulators, a corporate reorganization involving the merger between TGLT, as surviving company, and Caputo S.A.I.C. y F. ("Caputo"), as merged company, in accordance with section 82 and related sections of Companies Law 19550, section 77 and following sections of Income Tax Law 20628, as amended, CNV Rules and BYMA Listing Regulations. In addition, the Board of Directors decided to approve the terms and conditions of the Preliminary Merger Agreement, the Merger Memorandum to be approved by the CNV and the Separate Special Statements of Financial Position financial statements for Merger Purposes as of June 30, 2018 and the Consolidated Statement of Financial Position for Merger Purposes as of June 30, 2018.

The Company's Board of Directors also resolved, subject to the corresponding shareholders' meeting decisions and the related authorizations of regulators, to establish the merger swap ratio at 1.55 common, registered shares of TGLT of nominal value \$1 each and one vote per share, per each common, registered share of Caputo, of nominal value \$1 each and one vote per share. The parameters considered by the companies at issue to establish the swap ratio derived from an analysis conducted by independent appraisal firms, consisting in initially estimating a value range and, on that basis, setting a range to determine the value ratio between both companies. To perform these valuations, the criteria and methodologies applied by the Argentine Securities Commission ("CNV") to Public Offerings were taken as a reference (such as: 1. Discounted cash flows; 2. Multiples applicable to comparable companies; 3. Average market value of the share; and 4. Equity value of the share), and each of them was assigned certain weighted average based on its representativeness of the value of Shares; however, such criteria and methodologies are not mandatorily applicable to Mergers.

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

As from 12 am on October 1, 2018, the merger of TGLT and Caputo was performed and, therefore, the Board of Directors of TGLT assumed the management of Caputo under the terms of section 84 of the Argentine Companies Law. All the acts performed by Caputo as from October 1, 2018 as a consequence of the business to be merged shall be deemed as performed on account of TGLT until the registration of the final merger agreement with the applicable Public Registry of Commerce.

On October 19, 2018, the Company's Board of Directors approved, subject to the corresponding shareholders' meeting decisions and the related authorizations of regulators, a change in the swap ratio established within the framework of the corporate reorganization reported on September 17, 2018, involving the merger between TGLT, as surviving company, and Caputo S.A.I.C. y F. ("Caputo"), as merged company, in accordance with section 82 and related sections of Companies Law 19550, section 77 and following sections of Income Tax Law 20628, as amended, CNV Rules and BYMA Listing Regulations.

In this sense, the Company's Board of Directors resolved, subject to the corresponding shareholders' meeting decisions and the related authorizations of regulators, to establish the merger swap ratio at 1.77 common, registered shares of TGLT of nominal value \$1 each and one vote per share, per each common, registered share of Caputo, of nominal value \$1 each and one vote per share. Moreover, the Board of Directors approved an addendum to the Preliminary Merger Agreement that had been signed on September 17, 2018, to reflect the new swap ratio. The addendum was signed by the Company's and Caputo's legal representatives.

The Memorandum and Summary Merger Memorandum between TGLT S.A. (as Surviving Company) and Caputo S.A.I.C. y F. (as Merged Company) are available on the web page of the CNV (www.cnv.gob.ar) in the "Relevant Events" section of the Company published under ID 4-593047-D and 4-593048-D, respectively, on October 22, 2018. They are also available to any interested party at the Company's office, located at Raúl Scalabrini Ortiz 3333, 1st floor, City of Buenos Aires, and on the Company's web page: www.tgl.com.

For more information on the Offer, please refer to the prospectus "Oferta Pública de Adquisición Obligatoria de CAPUTO S.A.I.C. y F.", which is available to any interested party at the Company's office, located at Raúl Scalabrini Ortiz 3333, 1st floor, City of Buenos Aires, and on the Company's web page: www.tgl.com. It is also available on the CNV's web page (www.cnv.gob.ar) in the "Relevant Events" section, published under ID 4-581595-D on August 3, 2018.

1.1.2 Suspension of works related to the Astor San Telmo project

On September 7, 2018, the Company was notified by the General Bureau of Works Supervision and Control of the City of Buenos Aires that all works related to the Astor San Telmo project had to be stopped, in compliance with the instructions received by the Government of the City of Buenos Aires from the Court with jurisdiction over Administrative and Tax Matters No. 3, Clerk's Office No. 5, of the City of Buenos Aires in case "Asociación Civil Basta de Demoler c/ GCBA s/ Amparo".

The Company considers that all feasibility and environmental impact studies required by the applicable regulations have been performed, and that all necessary approvals from the Government of the City of Buenos Aires have been obtained assuring the project's technical, environmental and legal feasibility.

The Company has filed several pleas in the case records in order to object to the resolution that gave rise to the preliminary injunction. On October 12, 2018, the court hearing the case decided to modify the scope of the preliminary injunction applied, and ordered the partial suspension of the effects of the administrative acts that authorized the construction of the Astor San Telmo building with respect to any construction that may exceed certain maximum heights.

1.1.3 Calls for Annual and Extraordinary Shareholders' Meeting of TGLT S.A.

At the meeting held on January 25, 2018, the Company's Board of Directors decided, among other matters, to call an Annual General and Extraordinary Shareholders' Meeting, to be held on February 28, 2018, at 10 am on first call, or March 14, 2018 at 10 am on second call (the second call only for the purposes of the Annual Meeting, in compliance with the provisions of section 237 of the Argentine Companies Law), at the registered offices of the Company located at Scalabrini Ortiz 3333, 1st floor, City of Buenos Aires, to discuss the following Agenda:

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

1) Appointment of shareholders to approve and sign the Minutes of the Meeting;

2) Consideration of the issuance of up to twenty-five million (25,000) new common, registered shares of nominal value \$1 (one peso) each and one vote per share, to be paid in kind by transferring to the Company the shares held in Caputo by the shareholders who choose to participate in the Swap of Shares. Determination of the terms and range of prices where the Board of Directors would establish the final subscription price, the stock premium and would decide on the issuance of additional shares (including an adjustment to the swap ratio by +/-10%). Delegation on the Company's Board of Directors of the power to determine the other terms and conditions on the issuance of the Share Swap. Authorization granted to the Board of Directors to sub-delegate the powers referred to above on one or more of the Company's directors and/or managers. Consideration of the suspension of the right of first refusal with respect to the shares to be issued in relation to this item of the agenda (with respect to this matter, an extraordinary shareholders' meeting would be held).

3) Ratification of the capital increase approved by the Annual and Extraordinary Shareholders' Meetings held on April 14, 2016 and April 20, 2017. Increase in the amount to be issued to a value of up to Pesos Five Hundred and Fifty Million (AR\$ 550,000,000). Authorization granted to the Board of Directors to issue additional shares of TGLT S.A. in case the requests for the subscription of shares in TGLT S.A. exceeded the amount of shares originally issued. Determination of the terms and range of prices where the Board of Directors would establish the final subscription prices, the stock premiums and shall decide on the issuance of additional shares. Two (2) year extension of the delegation on the Board of Directors of the power to determine the dates and other terms and conditions on the issuances, up to the total authorized amount. Authorization granted to the Board of Directors to sub-delegate the powers referred to above on one or more of the Company's directors and/or managers. Consideration of the reduction in the term available to exercise the right of first refusal with respect to the shares to be issued in relation to this item of the agenda (with respect to this matter, the meeting would be held as an extraordinary shareholders' meeting).

4) Authorizations required to complete the proceedings and filings necessary to obtain the applicable registrations.

At the meeting held on March 8, 2018, the Company's Board of Directors decided, among other matters, to call an Annual General and Extraordinary Shareholders' Meeting, to be held on April 26, 2018, at 10 am on first call, and 11 am on second call (the second call only for the purposes of the Annual Meeting, in compliance with the provisions of section 237 of the Argentine Companies Law), at the registered offices of the Company located at Scalabrini Ortiz 3333, 1st floor, City of Buenos Aires, to discuss the following Agenda:

1) Appointment of two Shareholders to approve and sign the Minutes of the Meeting;

2) Consideration of the Letter to Shareholders and Reporting Summary; Inventory; Stand-alone Statements of Financial Position, Profit or Loss and Other Comprehensive Income, Changes in Shareholders Equity, and Cash Flows, and the related Notes to the Stand-alone Financial Statements; the Consolidated Statements of Financial Position, Profit or Loss and Other Comprehensive Income, Changes in Shareholders' Equity, and Cash Flows, and the related Notes to the Consolidated Financial Statements; the Auditor's Opinion; the Supervisory Committee's Report; and the Additional Information required by section 68 of the Rules of the Buenos Aires Stock Exchange for the fiscal year ended on December 31, 2017;

3) Destination of the loss for the fiscal year ended December 31, 2017;

4) Consideration of the performance of the Company's Board of Directors and Supervisory Committee for the fiscal year ended December 31, 2017 and as of the date of the Shareholders' Meeting;

5) Consideration of Directors' fees (\$ 2,576,282.68, allocated amount) for the fiscal year ended December 31, 2017, which recorded a loss computable according to the rules of the Argentine Securities Commission (CNV). Consideration of Supervisory Committee members' fees.

6) Confirmation of the acts of the Supervisory Committee, according to section 258 of Law No. 19550, regarding the appointment of two (2) regular directors and two (2) alternate directors of the Company to replace the resigning directors, which was made on December 12, 2017;

7) Appointment of a new regular supervisory auditor and an alternate supervisory auditor in case of vacancies;

8) Consideration of the advance payment of Directors' fees for 2018;

9) Consideration of the fees payable to the auditor of the financial statements as of December 31, 2017;

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

- 10) Appointment of the external auditor for the fiscal year ending December 31, 2018, and determination of the related fees;
- 11) Consideration of the Audit Committee's budget for 2018;
- 12) Approval of the amendments to articles 7, 8, 9, and 10 of the Company's Bylaws (Extraordinary Shareholders' Meeting);
- 13) Consideration of the issue of purchase options for up to 5% of the shares to be issued as a result of the capital increase approved by the Annual General and Extraordinary Shareholders' Meeting held on February 28, 2018 (point 3) in favor of some executives and employees of the Company, with the simultaneous and implicit decision to increase capital in the proportion necessary to meet outstanding purchase options. Delegation to the Board of Directors of the authority to establish the issue terms and conditions and the rights to be granted.
- 14) Authorizations required to complete the proceedings and filings necessary to obtain the applicable registrations."

At the meeting held on September 17, 2018, the Company's Board of Directors decided, among other matters, to call an Annual General and Extraordinary Shareholders' Meeting, to be held on November 2, 2018, at 12 pm on first call, and 1 pm on second call (the second call only for the purposes of the Annual Meeting, in compliance with the provisions of section 237 of the Argentine Companies Law), to be held at Miñones 2177, City of Buenos Aires, to discuss the following Agenda:

- 1) Appointment of Shareholders to approve and sign the Minutes of the Meeting.
- 2) Consideration of the merger between TGLT S.A., as merging company, and Caputo S.A., as merged company, under the terms of sections 82 and subsequent sections of the Argentine Companies Law, and section 77 and subsequent sections of the Income Tax Law (Extraordinary Shareholders' Meeting).
- 3) Consideration of the Company's separate special financial statements for merger purposes as of June 30, 2018, and the consolidated special financial statements for merger purposes as of June 30, 2018, together with the related external auditor's reports and the Supervisory Committee's reports. Consideration of the allocation of unappropriated retained losses, and of the Company's financial position, since the requirements established by sections 94(5) and 206 of Law 19550 have been met. Treatment of the preliminary merger agreement executed on September 17, 2018. (Extraordinary Shareholders' Meeting).
- 4) Consideration of the Company's capital increase in an amount of up to \$15,500,000, nominal value, by issuing up to fifteen million five hundred thousand new common, registered shares of a nominal value of \$1 each, granting one vote per share and dividends on the same terms as the rest of the shares outstanding at the time of issuance, with a stock premium resulting from the swap ratio applicable as a consequence of the merger. Request for public offering and listing of new shares to be issued. Delegation to the Board of Directors of the duties necessary to implement the capital increase and public offering and listing of the shares to be issued.
- 5) Consideration of the authorizations necessary to execute the final merger agreement.
- 6) Consideration of Mr. Fernando Saúl Zoppi's performance as Director of the Company. Appointment of a new alternate director to fill the vacancy created.
- 7) Confirmation of the withdrawal of the voluntary swap offer made by the Board of Director on May 28, 2018. Cancellation of the capital increase and the delegation of duties approved in Point 2 of the Company's Annual and Extraordinary General Shareholders' Meeting held on February 28, 2018 (Extraordinary Shareholders' Meeting).
- 8) Confirmation of or amendment to the stock premium per share range approved in Point 3 of the Annual and Extraordinary General Shareholders' Meeting held on February 28, 2018.
- 9) Consideration of the amendments to articles 4, 5, 7, and 9 of the Company's Bylaws. Approval of the Restated Corporate Bylaws (Extraordinary Shareholders' Meeting).
- 10) Authorizations required to complete the proceedings and filings necessary to obtain the applicable registrations.

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

1.1.4 Summary of GLT S.A.'s Annual and Extraordinary Shareholders' Meeting

The Company's Annual and Extraordinary Shareholders' Meeting was held on November 2, 2018, with the presence of 4 shareholders with a total of 51,140,315 common, registered shares of a nominal value of \$1 each and granting one (1) vote per share, which represented 71.034% of the Company's capital and voting stock.

Below, there is a detail of each of the points on the Agenda, as considered in the Meeting:

1) Appointment of Shareholders to approve and sign the Minutes of the Meeting.

It was unanimously approved, with 782,925 abstentions, to appoint (i) Federico Nicolás Weil and (ii) Fernando Padilla Ledesma, representative of the shareholder Bank of New York Mellon (depository of the contract for the deposit of American Depositary Receipts), to sign the Minutes of the Meeting together with the directors and members of the Supervisory Committee.

2) Consideration of the merger between TGLT S.A., as merging company, and Caputo, as merged company, under the terms of sections 82 and subsequent sections of the Argentine Companies Law, and section 77 and subsequent sections of the Income Tax Law.

The merger between TGLT and Caputo was unanimously approved, with 782,925 abstentions. As a result of such merger, the merged company will be dissolved without being liquidated, and absorbed by TGLT, in compliance with sections 82 and subsequent sections of the Argentine Companies Law, and sections 77 and subsequent sections of the Income Tax Law, under the terms and conditions included in the preliminary merger agreement and the prospectus. It is evidenced that as from October 1, 2018, the effective date of the merger, and until the registration of the final merger agreement with the Public Registry of Commerce, TGLT's Board of Directors has assumed the management of Caputo under the terms of section 84 of the Argentine Companies Law.

3) Consideration of the Company's separate special financial statements for merger purposes as of June 30, 2018, and the consolidated special financial statements for merger purposes as of June 30, 2018, together with the related external auditor's reports and the Supervisory Committee's reports. Consideration of the allocation of unappropriated retained losses, and of the Company's financial position, since the requirements established by sections 94(5) and 206 of Law 19550 have been met. Treatment of the preliminary merger agreement executed on September 17, 2018.

The following was unanimously resolved, with 782,925 abstentions:

- (i) Not to read the documents under consideration, since they have been made available to the Company's Shareholders sufficiently in advance and within the applicable legal terms;
- (ii) To approve the Company's special stand-alone statement of financial position for merger purposes as of June 30, 2018 (separate special financial statements for merger purposes as of June 30, 2018), and the consolidated statement of financial position for merger purposes as of June 30, 2018 (consolidated financial statements for merger purposes as of June 30, 2018), as they have been prepared by the Board of Directors and made available to the Shareholders, together with the related external auditor's report, confirming the appointment of the public accountant who signed such financial statements, and the Supervisory Committee's report as well as the preliminary merger agreement executed on September 17, 2018 between TGLT and Caputo (the "Preliminary Merger Agreement"), including without limitation, the addendum to the Preliminary Merger Agreement (the "Addendum to the Preliminary Merger Agreement"), including without limitation the swap ratio established: 1.77 common registered shares of TGLT, with a nominal value of \$1 each and granting 1 vote per share per each common registers shares of Caputo, with a nominal value of \$1 each and granting one vote per share (the "Swap Ratio");
- (iii) To authorize the Board of Directors controlled by the Company to accept the potential formal changes that the related controlling bodies may require in the documents under consideration, provided always that such changes are not objected to by the Supervisory Committee or the acting accountant.
- (iv) To continue the Company's business and eventually restore the capital stock.

4) Consideration of the Company's capital increase in an amount of up to \$15,500,000, nominal value, by issuing up to fifteen million five hundred thousand new common, registered shares of a nominal value of \$1 each, granting one vote per share and dividends on the same terms as the rest of the shares outstanding at the time of issuance, with a stock premium resulting from the swap ratio applicable as a consequence of the merger. Public offering and listing of new shares to be issued. Delegation to the Board of Directors of the duties necessary to implement the capital increase and public offering and listing of the shares to be issued.

The following was unanimously resolved, with 782,925 abstentions:

- (i) To increase the Company's capital in an amount of up to \$15,500,000, from a capital of \$71,993,485 to a capital of up to \$87,493,485 (or the higher amount resulting from the conversion of the convertible corporate notes issued by TGLT

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

on August 3, 2017), by issuing up to fifteen million five hundred thousand new common, registered shares of a nominal value of \$1 each, granting one vote per share and dividends on the same terms as the rest of the shares outstanding at the time of issuance, with a stock premium resulting from the swap ratio applicable as a consequence of the merger;

- (ii) To request the CNV that the public offering of the new shares to be issued be authorized, and that such shares be listed in Bolsas y Mercados Argentinos S.A. ("BYMA"), all in compliance with the applicable laws and regulations;
- (iii) To delegate to the Board of Directors, for the term of two (2) years, with authority to sub-delegate to one or more Board of Directors members, or to one or more first line managers of the Company, the necessary powers to implement the capital increase and public offering request and the listing of the shares to be issued, including without limitation, the following powers: (i) determine the amount of the issuance of shares within the cap established in the Shareholders' Meeting, in compliance with the terms and conditions for the issuance and payment of the shares to be offered for subscription; (ii) request the CNV that the public offering of the new shares in the country be authorized and that such shares be listed and/or traded in the BYMA or other stock markets in the country and/or abroad; (iii) approve and execute any documents necessary for the issuance and listing of the new shares of TGLT, and perform any related act aimed at complying with the resolutions of the Shareholders' Meetings.

5) Consideration of the authorizations necessary to execute the final merger agreement.

It was unanimously approved, with 782,925 abstentions, to authorize the Chairman of the Board of Directors or the Regular Director Mr. Carlos Palazón so that any of them, acting separately and indistinctively, agrees and executes in the name and on behalf of the Company the applicable Final Merger Agreement.

6) Consideration of Mr. Fernando Saúl Zoppi's performance as Director of the Company. Appointment of a new alternate director to fill the vacancy created.

It was unanimously approved, with 9,786,838 abstentions:

- (i) To approve Mr. Fernando Saúl Zoppi's performance as Director of the Company; and
- (ii) To appoint Mr. Santiago Daireaux as replacement. Mr. Daireaux will have "no independent" status, according to the criteria established by CNV Regulations.

7) Confirmation of the withdrawal of the voluntary swap offer made by the Board of Directors on May 28, 2018. Cancellation of the capital increase and the delegation of duties approved in Point 2 of the Company's Annual and Extraordinary General Shareholders' Meeting held on February 28, 2018.

It was unanimously approved, with 9,786,838 abstentions, to:

- (i) Confirm the withdrawal of the voluntary swap offer decided by the Company's Board of Directors on May 28, 2018;
- (ii) Cancel the capital increase and the delegation of duties approved in Point 2 of the Company's Annual and Extraordinary General Shareholders' Meeting held on February 28, 2018.

8) Confirmation of or amendment to the stock premium per share range approved in Point 3 of the Annual and Extraordinary General Shareholders' Meeting held on February 28, 2018.

The confirmation of the stock premium per share range approved in Point 3 of the Annual and Extraordinary General Shareholders' Meeting held on February 28, 2018 was unanimously approved, with 782,925 abstentions.

9) Consideration of the amendments to articles 4, 5, 7, and 9 of the Company's Bylaws. Approval of the Restated Corporate Bylaws.

It was unanimously approved, with 37,003,913 abstentions, to:

- (i) Amend the bylaws; and
- (ii) Approve a new restated text.

10) Authorizations required to complete the proceedings and filings necessary to obtain the applicable registrations.

It was unanimously approved, with 782,925 abstentions, to authorize Messrs. Federico Wilensky, Luciano Alexis Loprete, Cristopher Eliseo Bobadilla, Diego Serrano Redonnet, Danilo Parodi Logioco, Tomás Fernández Madero, Nicolás Aberastury, Paula Balbi, Bárbara

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Santori, Santiago Lentino, Pablo Vidal Raffo, Tomás Rago, Alicia Codagnone, Estefanía Paula Balduzzi, Juan Negri, Valeria Stemkauskas, and Guido Meirovich to register the resolutions approved in the Shareholders' Meetings with the competent authorities and to perform any necessary procedure before such authorities (including without limitation the CNV, the relevant markets, the Supervisory Board of Companies, and the Tax Authorities, among others).

1.1.5 Meeting of holders of subordinated corporate notes convertible into shares maturing in 2027, issued by TGLT S.A. in the total principal amount of US\$ 150,000,000

At the meeting held on March 8, 2018, the Company's Board of Directors decided, among other matters, to call a meeting of holders of notes convertible into new common shares in the amount of US\$ 150,000,000, maturing in 2027, authorized by Resolution No. 18773 of the Argentine Securities Commission ("CNV") dated June 13, 2017, and issued under the trust agreement dated August 3, 2017 entered into between TGLT, The Bank of New York Mellon and Banco Santander S.A. ("Indenture"), to be held March 27, 2018, at 10 am on first call, and at 11 am on second call, at the registered office of the Company located at Raul Scalabrini Ortiz No. 3333, 1st floor, City of Buenos Aires, in order to discuss the following Agenda:

1) Appointment of two holders to sign the minutes.

2) Amendment to paragraph (10) of the definition of "Permitted Indebtedness" included in article 101 of the Indenture, so that it reads as follows: "Debt incurred by the Company or any of its Subsidiaries in connection with the financing, refinancing, surety and/or guarantee of all or part of the purchase price, or cost of construction, development or improvement, of any asset of the Company or any of its Material Subsidiaries, including the acquisition of shares, units or interests in a trust that represents a special investment vehicle (including the purchase price of, and acquisition cost related to, materials, equipment and other goods required to complete constructions, developments or improvements, and any costs, expenses, interest or fees incurred in relation thereto)";

3) Addition of the following wording as paragraph (12) of the definition of "Permitted Indebtedness" included in article 101 of the Indenture: "Debt incurred by a Subsidiary of the Company prior to the date on which such Subsidiary became a Subsidiary of the Company, by any means whatsoever (including, but not limited to, the acquisition of shares of stock or units of interest by the Company or any of its Subsidiaries, or through a merger or consolidation with the Company or any of its Subsidiaries)";

4) Amendment to paragraph (13) of the definition of "Permitted Indebtedness" included in article 101 of the Indenture (former paragraph 12), so that it reads as follows: "Other debts not permitted by paragraphs 1 to 12 above, in a total amount not to exceed (from the Date of Issue) (a) US\$ 40,000,000 (or its equivalent in other currencies), and (b) the Additional Capitalization, multiplied by 1.5";

5) Amendment to paragraph (13) of the definition of "Permitted Liens" included in article 101 of the Indenture, so that it reads as follows: "Liens created or levied on any property acquired or constructed by the Company or any of its Subsidiaries, but only if (a) the Lien guarantees only the principal amount (limited to the cost of acquisition or construction) incurred to finance or guarantee that acquisition or construction, together with the other costs, expenses, interest or fees incurred in relation thereto; and (b) the Lien (i) is created or levied within 120 days after the completion of the acquisition or construction; or (ii) it is created or levied in substitution of a Lien created or levied within the terms of subsection (i) above; or (iii) is an extension, renewal or refinancing of the Liens provided for in subsections (i) and (ii) above";

6) Addition of the following wording as paragraph (14) of the definition of "Permitted Liens" included in article 101 of the Indenture: "Liens on property as of the date on which the Company or any of its Subsidiaries acquired such property, including any acquisition through a merger or consolidation with the Company or any of its Subsidiaries";

7) Authorization of certain Company officers to sign with the Trustee (as such term is defined in the Indenture) a supplement to the Indenture that reflects the aforementioned modifications and any other document evidencing the consent of the holders to the modifications above, and to perform any other additional act that is necessary or convenient to implement those modifications, including any additional filing; and

8) Appointment of a member of the Supervisory Committee as Chairman of the aforementioned meeting of holders.

On April 10, 2018, the meeting of holders of subordinated notes convertible into shares, issued by TGLT for a total initial amount of US\$ 150,000,000, maturing in 2027, was held at the registered offices of the Company on second call. The issuance was authorized by Resolution No. 18773 of the Argentine Securities Commission ("CNV") dated June 13, 2017 (the "Convertible Notes") (the "Meeting").

The following modifications to the trust agreement signed between Bank of New York Mellon, Banco Santander Río and the Company for the issuance of the Notes (the "Indenture") were unanimously approved by the Meeting:

1) Amendment to paragraph (10) of the definition of "Permitted Indebtedness" included in article 101 of the Indenture, so that it reads as follows: "Debt incurred by the Company or any of its Subsidiaries in connection with the financing, refinancing, surety and/or guarantee of all or part of the purchase price, or cost of construction, development or improvement, of any asset of the Company or

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

any of its Material Subsidiaries, including the acquisition of shares, units or interests in a trust that represents a special investment vehicle (including the purchase price of, and acquisition cost related to, materials, equipment and other goods required to complete constructions, developments or improvements, and any costs, expenses, interest or fees incurred in relation thereto);

2) Addition of the following wording as paragraph (12) of the definition of "Permitted Indebtedness" included in article 101 of the Indenture: "Debt incurred by a Subsidiary of the Company prior to the date on which such Subsidiary became a Subsidiary of the Company, by any means whatsoever (including, but not limited to, the acquisition of shares of stock or units of interest by the Company or any of its Subsidiaries, or through a merger or consolidation with the Company or any of its Subsidiaries)";

3) Amendment to paragraph (13) of the definition of "Permitted Indebtedness" included in article 101 of the Indenture (former paragraph 12), so that it reads as follows: "Other debts not permitted by paragraphs 1 to 12 above, in a total amount not to exceed (from the Date of Issue) (a) US\$ 40,000,000 (or its equivalent in other currencies), and (b) the Additional Capitalization, multiplied by 1.5";

4) Amendment to paragraph (13) of the definition of "Permitted Liens" included in article 101 of the Indenture, so that it reads as follows: "Liens created or levied on any property acquired or constructed by the Company or any of its Subsidiaries, but only if (a) the Lien guarantees only the principal amount (limited to the cost of acquisition or construction) incurred to finance or guarantee that acquisition or construction, together with the other costs, expenses, interest or fees incurred in relation thereto; and (b) the Lien (i) is created or levied within 120 days after the completion of the acquisition or construction; or (ii) it is created or levied in substitution of a Lien created or levied within the terms of subsection (i) above; or (iii) is an extension, renewal or refinancing of the Liens provided for in subsections (i) and (ii) above";

Addition of the following wording as paragraph (14) of the definition of "Permitted Liens" included in article 101 of the Indenture: "Liens on property as of the date on which the Company or any of its Subsidiaries acquired such property, including any acquisition through a merger or consolidation with the Company or any of its Subsidiaries";

In addition, it was resolved to authorize certain Company officers to sign with the Trustee (as such term is defined in the Indenture) a supplement to the Indenture that reflects the aforementioned modifications and any other document evidencing the consent of the holders to the modifications above, and to perform any other additional act that is necessary or convenient to implement those modifications, including any additional filing.

On April 20, 2018, the Company executed with the Bank of New York Mellon an addendum (the "Supplemental Indenture") to the trust agreement entered into between Bank of New York Mellon, Banco Santander Río S.A. and the Company, for the issue of the subordinated notes convertible into shares, issued by TGLT for a total initial amount of US\$ 150,000,000, maturing in 2027. The issuance was authorized by Resolution No. 18773 of the Argentine Securities Commission dated June 13, 2017 (the "Convertible Notes").

It is hereby informed that the amendments approved by the holders of Convertible Notes in the meeting held on April 10, 2018, which have been duly communicated, were incorporated to the Supplemental Indenture

1.1.6 Issue of Series XIV and XV Corporate Notes

On March 5, 2018, the Company filed with the CNV the price supplement for the issue of Series XIV and XIV under the Corporate Notes Program, which was approved on that same date. On March 20, 2018, Series XV was issued in the amount of US\$ 25,000,000 at the annual rate of 7.95%, maturing on March 20, 2020, and a quarterly coupon. Series XIV had no subscriptions.

	Class XV
Issue date	3/20/2018
Amount issued	US\$ 25,000,000
Outstanding principal amount	US\$ 25,000,000
Payment currency	US dollars
Outstanding amount - Current (principal and interest)	US\$ 1,987,500
Outstanding amount - Non-current (principal and interest)	US\$ 25,991,027
Interest rate	7.95%
Maturity	3/20/2020
Amortization	Single payment March 20, 2020
Payment of interest	Quarterly coupon
Payment of principal	At par
Rating	BBB by FIX SCR S.A. Risk Rating Agent

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

For more information on the Corporate Notes Program, please refer to the prospectus relating to the “global program for the issuance of corporate notes in a maximum outstanding amount of up to US\$ 50,000,000 (or its equivalent in other currencies)”, which is available for any interested party in the Company’s offices, located at Raúl Scalabrini Ortiz 3333, 1st floor, City of Buenos Aires, and on the Company’s webpage: www.tgl.com. It is also available on the CNV’s webpage (www.cnv.gob.ar) in the “Financial Information” [Información Financiera] section, published under ID 4-558768-D on January 18, 2018.

1.1.7 Change of the parties to TGLT S.A. Shareholders Agreement

In relation to the shareholders agreement of TGLT formalized through the “Irrevocable Offer of Shareholders Agreement No. 001-2015”, dated May 27, 2015 (the “Agreement”), duly informed as Relevant Event 4-309068-D of that same date, as amended through an addendum dated July 7, 2017, informed as Relevant Event 4-499911-D, we have been notified on April 23, 2018 by the shareholder Bienville Argentina Opportunities Master Fund LP of its intention to cease being a party to the Agreement, as it had reduced its shareholding in the Company below 13.50% of the share capital and the votes thereof, in accordance with the provisions of clause 6.13 (iv) of the Agreement.

1.1.8 Resignation and appointment of new members of the Board of Directors, supervisory auditors and senior managers. Appointment of the Company’s new Market Relationship Leader

On April 26, 2018, Mariano Gonzalez and Pablo Alejandro Melhem Marcote resigned as regular directors; Gustavo Casir and Pablo Ferraro Mila resigned as alternate directors; and Pablo Di Iorio resigned as regular supervisory auditor. All such resignations were grounded on personal reasons.

Therefore, at the Annual and Extraordinary Shareholders’ Meeting held on that day, the Company decided to: (i) appoint Fernando Gustavo Sasiain as regular supervisory auditor and Alfredo Germán Klein and Diego María Serrano Redonnet as alternate supervisory auditors to fill the vacancies created; and (ii) approve the amendment of section seven of the Company’s Bylaws, whereby it was resolved to reduce the number of Board Members to six (6) regular directors and six (6) alternate directors, thus maintaining the individuals appointed as such as of that date.

In addition, on August 10, 2018, the Company’s Board of Directors, jointly with the Supervisory Committee, decided to appoint Federico Wilensky as the Company’s alternate Market Relationship Leader, replacing Rodrigo Javier Loes Arnaiz.

On September 11, 2018, we were notified of Fernando Saul Zoppi’s resignation from his position of alternate director, effective as from the date of the next Shareholders’ Meeting on which such resignation will be addressed and approved. On November 2, the Shareholders’ Meeting approved the resignation of Fernando Saúl Zoppi and the appointment of Santiago Dairea. Mr. Dairea will be a “non-independent” director as provided for by the CNV’s standards.

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Consequently, the Company's Board of Directors will now be composed by:

DIRECTOR	POSITION AT TGLT S.A.	TERM OF OFFICE	DATE OF APPOINTMENT	AS
Federico Nicolás Weil	President and Regular Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 14, 2016.	Non-independent
Darío Ezequiel Lizzano	Vice-president and Regular Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 14, 2016.	Non-independent
Mariano Sebastián Weil	Regular Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 14, 2016.	Non-independent
Carlos Alberto Palazón	Regular Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 14, 2016.	Non-independent
Alejandro Emilio Marchionna Faré	Regular Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 14, 2016.	Independent
Mauricio Wior	Regular Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 14, 2016.	Independent
Alejandro Belio	Alternate Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 14, 2016.	Non-independent
Rodrigo Javier Lores Arnaiz	Alternate Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 20, 2017.	Non-independent
Fernando Saúl Zoppi (1)	Alternate Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 14, 2016.	Non-independent
Pedro Eugenio Aramburu	Alternate Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 14, 2016.	Non-independent
Daniel Alfredo Vicien	Alternate Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 14, 2016.	Independent
Luis Rodríguez Villasuso	Alternate Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Annual Shareholders' Meeting held on April 14, 2016.	Independent

- (1) On November 2, the Shareholders' Meeting approved the resignation of Fernando Saúl Zoppi and the appointment of Santiago Daireaux. Mr. Santiago Daireaux will be a "non-independent" director as provided for by the CNV's standards.

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Moreover, the Supervisory Committee will be structured as follows:

MEMBER	POSITION	PROFESSION	AS
Ignacio Fabián Gajst	Supervisory Auditor	Public Accountant	Regular
Ignacio Arrieta	Supervisory Auditor	Lawyer	Regular
Fernando Gustavo Sasiain	Supervisory Auditor	Lawyer	Regular
Silvana Elisa Celso	Supervisory Auditor	Public Accountant	Alternate
Diego María Serrano Redonnet	Supervisory Auditor	Lawyer	Alternate
Alfredo Germán Klein	Supervisory Auditor	Lawyer	Alternate

In addition, in order to facilitate the consolidation of the activities and structures of TGLT and Caputo, the Company's Board of Directors decided to appoint Teodoro José Argerich (who has been serving as Caputo's President since 2005) as TGLT's General Manager as from October 1, 2018. Federico Weil, who served as TGLT's General Manager as of such date, will remain in his position of Chairman of the integrated company's Board of Directors focused on the development of new businesses and on obtaining the necessary financing for the furtherance of such purposes.

Moreover, on October 10, 2018, Alberto López Gaffney discontinued his position of Finance Director and Market Relationship Leader being replaced by Manuel Luis Moreno, who over the last 17 years has been serving as Finance and Planning Manager and Deputy CFO of Transportadora de Gas del Norte S.A. (TGN). At TGN, he lead activities related to finances, investments, capital markets, restructuring of liabilities, relationships with investors, banks and the market, treasury, planning, management control, costs control and energy infrastructure projects. Mr. Moreno holds a Bachelor's Degree on Economics from the Universidad Nacional de La Plata, a Master's Degree on Finances from the Universidad Torcuato Di Tella, and graduated from the Executive Development Program of the IAE. The Company's top management will be composed as follows:

NAME	POSITION	DATE AS FROM WHICH THEY HOLD OFFICE
Teodoro José Argerich	General Director	October 1, 2018
Manuel Luis Moreno	Finance Director	October 10, 2018
Alejandro Belio	Operations Director	January 22, 2010
Rodrigo Javier Lores Arnaiz	Human Resources, Technology and Processes Director	July 17, 2006
Federico Wilensky	Legal Director	November 1, 2017

1.1.9 Sale of an item of real property previously identified as Metra Devoto located between streets Mercedes, Santo Tome and Arrequi of the City of Buenos Aires.

On May 8, 2018, the Company executed title deed No. 45, before notary public Adriana B. Colombo, in order to transfer title to two (2) adjoining pieces of land located in the City of Buenos Aires and identified as: (a) premises located facing Mercedes street No. 2346 / 2354 / 2360, corner of Santo Tomé street No. 4256 / 4260, corner of Arrequi street No. 4219 / 4235; Real property registration number: District 15; section 81; block: 29; division: E; Real property identification number: 313059-04; and (b) item of real property located facing Santo Tomé street No. 4264, between Mercedes and Gualeguaychú streets; Real property registration number: District 15; section 81; block: 29; Parcel: 6-B; Real property identification number: 313061-09. The selling price of the item of real property amounted to six million one hundred thousand US dollars (USD 6,100,000).

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

1.2. Major landmarks in our real estate business during the period

These are the major landmarks in our real estate business during the period:

Venice

- Construction works show a progress level of 97% in 4 out of 5 buildings, except for Falúas, where the level of progress reaches 90%.
- In building Goletas II, the company Obras y Sistemas is working to complete the concrete structure. A bidding process for aluminum carpentry, outside railing and elevators related works was organized.
- The Club House started to be built. Foundation piles were completed and the grade beam is currently under construction. The entry structure to the building has already been assembled, and construction works are moving forward.
- As to infrastructure, the concrete base of the boulevard and roundabout has been completed, and internal streets pavement works have moved forward as well.
- In addition, a company named Coripa was hired to perform sheet-piling works at the channel. Bidding processes for landscape, irrigation, external lightning and entrance gate works were organized as well.
- Works in the sewage system and storm drains continue, and the internal gas pipes will start to be installed. As to electricity, the power conversion rooms that provide electricity to the building's general services boards were supplied with power.
- As of September 30, 2018, 345 units have already been sold, out of a total of 469 units offered.

Forum Puerto del Buceo

- Stage 2 continues advancing as planned. Some units have already been handed over, while others are undergoing the last stages of construction. Final cleaning works are being conducted on core H, and some work related observations are being made with respect to units. Cores F and G are completing the last works to start handing over units shortly.
- Thirty-two units of cores J and I have been handed over as of October, also during Stage 2. Use of the second underground and the pedestrian access to core J have been approved. During Stage 1, 180 units have been handed over (53% of the total units).
- Gourmet spaces will be handed over by the end of November. All utilities are ready to be used by unit owners.
- As of September 30, 2018, a total of 275 units (81% of the total) were sold.

Astor San Telmo

- On September 7, 2018, the Company was notified by the General Bureau of Works Supervision and Control of the City of Buenos Aires that all works related to the Astor San Telmo project had to be stopped, in compliance with the instructions received by the Government of the City of Buenos Aires from the Court with jurisdiction over Administrative and Tax Matters No. 3, Clerk's Office No. 5, of the City of Buenos Aires in case "Asociación Civil Basta de Demoler c/ GCBA s/ Amparo".
- The Company considers that all feasibility and environmental impact studies required by the applicable regulations have been performed, and that all necessary approvals from the Government of the City of Buenos Aires have been obtained assuring the project's technical, environmental and legal feasibility.
- The Company has filed several pleas in the records of the case in order to object to the resolution that gave rise to the preliminary injunction. On October 12, 2018, the court hearing the case decided to modify the scope of the preliminary injunction applied, and ordered the partial suspension of the effects of the administrative acts that authorized the construction of the Astor San Telmo building, with respect to any construction that may exceed certain maximum heights.

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Metra Puerto Norte (Masterplan Brisario)

- As of October, 25 units were handed over in MPN Stage 1 (Tira), several of which are already occupied by their owners.
- As of October, construction works at the MPN Stage 2 (Tower) are in progress, and the reinforced concrete structure has reached the second floor. In addition, masonry works and installations on the underground and ground floor are being performed.

Forum Alcorta

- The survey plans to subdivide into a condominium property the remaining area of Tower Building Two (Torre dos y Barra) will be prepared, and they are estimated to be completed by the end of November. In addition, we are expecting to have the Fire and Work Authorization Plans registered, as they were submitted to the Government of the City of Buenos Aires on April 11, 2018.
- All apartments were sold, and only 12 parking spots remain unsold in stock. All units were handed over. A total of 42 title deeds were executed for Tower Building ONE and 18 remain pending execution.

Astor Núñez

- The Modification and Extension blueprints filed on April 11, 2018 are pending registration by the Government of the City of Buenos Aires, in order to restart and complete final works at Vedia Street.
- One unit in floor 29th (out of 298) have not been handed over yet (in process).

Astor Palermo

- We are waiting for the Government of the City of Buenos Aires to register the subdivision plan that has already been submitted.
- In addition, the Fire and Work Authorization Plans are expected to be approved.
- The building construction has been completed and all units were sold. Only 3 units granted to providers in exchange for their work are yet to be handed over.

Forum Puerto Norte

- The Building blueprints were already registered with the Municipal Registry of Titles to Real Property, and as of October, they are being registered in the Provincial Registry of Titles to real property, as this is one of the requirements to execute the title deed.

I.3. Major landmarks in our construction business during the period

Concepción Live Art Work – La Manzana

- Trust "Concepción 2931" accepted our offer to build the building "Edificio Concepción Arenal 2931" located in Colegiales, City of Buenos Aires. It involves five purchase orders for each one of the stages: 1) Construction work organization and concrete quality control in the amount of \$ 144,687,206 (level of progress as of September 30, 2018: 18.75%); 2) Earthmoving, groundwater drilling, shoring, demolitions, structure up to ground floor in the amount of \$210,885,132, level of progress as of September 30, 2018: 67.12%; 3) Reinforced concrete structures from slab on first floor to roof and complementary items in the amount of \$ 238,791,775 (level of progress as of September 30, 2018: 3.55%); 4) Masonry, concrete partitions, parameters of gypsum rock, insulation, ventilation ducts, internal and external plasters and others in the amount of \$ 150,823,408; and 5) Ceiling, subfloors, floor, floors, baseboards, coatings, plaster, provisions and installation in the amount of \$ 139,792,854. The offer amounted to \$ 884,980,377 plus VAT, and indicated an execution term of 48 months. The work is under full development.

OM Botánico

- In May 2018, Los Azabaches S.A. accepted our offer to implement the first stage of a building for multiple purposes (housing and business) located in Barrio Norte, City of Buenos Aires. Works during this first stage involve excavations, earthmoving, reinforced concrete structure up to the slab on the first underground inclusive and isolations. The amount of the contract is \$ 67,208,860, plus VAT. To the date of this report, the demolition stage has been completed. As of September 30, 2018, the level of progress of the work is 20%.

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Consultatio Argentina S.A.U

- In June 2018, Consultatio Argentina S.A.U. accepted our offer to build the OCEANA Building at Puerto Madero. Such works involve the construction of a concrete structure, and the performance of masonry and other related works on a piece of real property owned by the Principal, which is located at Dique 2, Puerto Madero, City of Buenos Aires. The housing complex will be composed of two nine-story buildings with a salable surface of 26,000 m2. The offer amounted to \$ 694,057,596 plus VAT, and indicated an execution term of 26 months.

Swiss Medical S.A.

- In July, Swiss Medical S.A. accepted our offer to build the first stage of a 20,000 m2 building in Nordelta (gated community in the Province of Buenos Aires) where a clinic would operate. This first stage comprises the completion of the foundations of a reinforced concrete structure, including piles and groundwater drilling. The contract amounted to \$ 72,810,807 plus VAT, and indicated an execution term of 100 days. The selling department is currently working in the presentation of offers for the following stages.

Lexus Dealer - Toyota Argentina S.A

- On August 8, 2018, Toyota Argentina S.A. has retained our services to coordinate, build and complete the entire civil works of the Lexus Dealer. It includes proving the entire labor, procedures, tools, materials, installations, equipment, transport, services and all ancillary activities required to perform and complete such works with the required quality, to prepare plans, specifications, notes, service orders from the Technical Bureau of Construction Works, as well as other contractual documents prepared for the works at issue. The working site has been visited and inspected, and we are familiarized with all its particular conditions; as well as with the national, provincial and municipal standards that may have an impact on the performance of such works. The work amounted to \$ 57,482,000, and it involves an execution term of 12 months. Works will be performed following the lump sum system.

Aeropuertos Argentina 2000 S.A.

- In August, 2008, Aeropuertos Argentina 2000 S.A. accepted our proposal to perform civil works and signaling tasks, install sanitary and gas, fire detection and fire-fighting systems, external sewage systems and storm drains at the New Departures Terminal, Group A, and completing the thermo-mechanical installation at Group C of the International Airport "Ministro Pistarini" Ezeiza, Province of Buenos Aires. The price for these works totals \$876,995,000 plus VAT, and they will be completed in 12 months.

I.4. Major landmarks in our investments in associates during the period

Desarrollos Caballito S.A.

- The Company acquired the premises located in the Seventh Circumscription of the City of Buenos Aires, facing Federico García Lorca street numbers 210, 234, 250, 254, 260, 284 and 290, the corner of General Martín de Gainza street numbers 209, 253, 279, 281, 283, 287 and 291, with a total surface of 10,447.25 m2, (Real property registration number: District 7; section 45; block 3; fraction D; Real property identification number: 177742), that will be allocated to the construction of a multi-family housing project composed of two tower buildings of 33 floors each with several amenities. In March 2008, the Company was engaged in the launching of the "Dos Plaza" project. As of September 30, 2018, the Company handed over possession of 263 units, out of a total of the 264 units of Tower Building I. The pre-sale of Tower Building II was launched in August 2014, after several months of delays resulting the complex scenario of the Argentine real estate market. As of June 30, 2018, the Company executed 164 purchase-sale agreements. Possession of 141 units was granted during this first half of the year, and the related title deeds are pending execution. In 2018, the Company is expected to hand over all units for which a purchase and sale agreement has been signed, and to make their best efforts to sell all other remaining units.

Altos del Puerto S.A.

- Caputo S.A.I.C y F holds 32% of "Altos Del Puerto S.A.", represented into 32,000 non-endorsable, registered, common shares, with a nominal value of ARS 1 each and one vote per share. The Company's subscribed and paid-in capital totals 100,000. All shares are non-endorsable, registered, common shares, with a nominal value of ARS 1 each and one vote per share. It has a broad corporate purpose that allows the performance of activities related to the construction industry and the development of real estate projects, among others. As of the date of this Reporting Summary, the company is undergoing a liquidation process.

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Logística Ambiental Mediterránea S.A

- On June 22, 2018, a new company named Logística Ambiental Mediterránea S.A., Argentine Branch was incorporated. Vega Engenharia Ambiental S.A., Argentine Branch holds 49% of the latter's capital stock, while Caputo holds the remaining 51%. The company's exclusive purpose will be providing urban hygiene and waste management services, including the collection of urban, household and other solid waste, their transport, streets sweeping, and cleaning of public roads and public spaces, related to the service contract to be entered into with the Municipality of Córdoba. The company's capital stock amounts to twenty-eight million Argentine pesos (\$28,000,000), represented into 280,000 non-endorsable, registered, common shares, with a nominal value of \$ 100 each and one vote per share

Newbery 3431 S.A.

- On September 25, 2017, a new company was incorporated jointly with Northbaires S.A. The company's name is "Newbery 3431 S.A". The shareholders are: Caputo S.A.I.C. y F. holding 50% of the capital and voting stock; and Northbaires S.A. holding 50% of the capital and voting stock. The capital stock amounts to \$400,000 (four hundred thousand Argentine pesos) represented into 400,000 non-endorsable, registered, common shares, with a nominal value of ARS 1 each and one vote per share. On November 24, title deed for the purchase of three items of real property located at streets Maure and Jorge Newbery was executed. The purchase price is USD 8,500,000; out of which, USD 1,275,000 were paid when executing the title deed, and a first-degree mortgage was created in favor of seller for the unpaid balance of USD 7,225,000. In April 2018, the outstanding balance of the title deed was finally settled.

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

II. BALANCE SHEET STRUCTURE

(Amounts stated in thousands of Argentine pesos)

	Sep 30, 2018	Sep 30, 2017	Sep 30, 2016	Sep 30, 2015	Sep 30, 2014
Non-current assets	6,554,210	1,006,233	392,756	415,109	415,109
Current assets	5,619,770	5,831,527	4,322,373	2,989,924	2,989,924
Total assets	12,173,980	6,837,760	4,715,129	3,405,033	3,405,033
Non-current liabilities	7,375,610	1,659,015	233,381	328,447	328,447
Current liabilities	6,606,303	4,025,734	4,424,745	2,795,146	2,795,146
Total liabilities	13,981,913	5,684,749	4,658,126	3,123,593	3,123,593
Attributable to parent company's owners	(1,866,893)	887,832	33,795	236,293	236,293
Attributable to the holders of non-controlling interest	58,960	265,179	23,208	45,147	45,147
Total shareholders' equity	(1,807,933)	1,153,011	57,003	281,440	281,440
Total liabilities and shareholders' equity	12,173,980	6,837,760	4,715,129	3,405,033	3,405,033

III. PROFIT AND LOSS STRUCTURE

(Amounts stated in thousands of Argentine pesos)

	Sep 30, 2018	Sep 30, 2017	Sep 30, 2016	Sep 30, 2015	Sep 30, 2014
Operating income/loss	472,990	(105,604)	(25,163)	34,623	34,623
Investments in companies	374,874	-	-	-	-
Financial results					
Exchange gains/losses	(2,836,988)	(48,400)	4,409	(30,324)	(30,324)
Financial income	112,779	16,688	6,061	47,217	47,217
Financial costs	(530,783)	(131,755)	(90,338)	(53,532)	(53,532)
Income/(loss) before income tax	(2,407,128)	(269,071)	(105,031)	(2,016)	(2,016)
Income tax	852,453	75,436	(16,849)	3,053	3,053
Income (loss) for the period	(1,554,675)	(193,635)	(121,880)	1,037	1,037
Other comprehensive profit or loss	(108,001)	(4,640)	(13,066)	(3,163)	(3,163)
Total comprehensive loss for the period	(1,662,676)	(198,275)	(134,946)	(2,126)	(2,126)

IV. CASH FLOW STRUCTURE

(Amounts stated in thousands of Argentine pesos)

	Sep 30, 2018	Sep 30, 2017	Sep 30, 2016	Sep 30, 2015	Sep 30, 2014
Cash (used in) provided by operating activities	(345,938)	(583,480)	(148,834)	39,954	39,954
Cash (used in) provided by investing activities	(1,043,416)	2,375	(50,450)	(3,026)	(3,026)
Cash (used in) provided by financing activities	(198,635)	2,575,198	237,705	16,488	16,488
Total cash (used in) provided during the period	(1,587,989)	1,994,093	38,421	53,416	53,416

TGLT S.A.

REPORTING SUMMARY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

V. STATISTICAL DATA

Production volume and sales in the local market (covered m2)

	Sep 30, 2018	Sep 30, 2017	Sep 30, 2016	Sep 30, 2015	Sep 30, 2014
Residential M2 handed over (1)	7,417	21,222	10,591	24,677	18,652
Certified m2 of work and construction (2)	82,792	97,221	79,867	77,683	65,011

(1) Square meters handed over.

(2) In order to provide information on activity levels, and taking into account the differences between the works performed by the Company, certified amounts are stated based on the cost of the covered square meter prevailing at each year-end.

VI. MAIN INDICATORS, RATIOS OR INDEXES

Ratios	Formula	Sep 30, 2018	Sep 30, 2017	Sep 30, 2016	Sep 30, 2015	Sep 30, 2014
Liquidity	Current assets / Current liabilities	0.85	1.45	0.98	1.07	1.07
Solvency	Shareholder's equity / Liabilities	(0.13)	0.20	0.01	0.09	0.09
Fixed asset-to-equity capital ratio	(Non-current assets/total assets)	0.54	0.15	0.08	0.12	0.12

VII. PERSPECTIVES

After the merger with Caputo, the company is focused on integrating both transactions, by completing IT teams, processes and best practices, seeking to reach different operating synergies, which will be reflected in the coming months.

In addition, by acquiring Caputo, we seek to improve projects' construction capacity, while streamlining the cost structure and capturing construction margins. Furthermore, it enables us to achieve an optimal position to capitalize the opportunities posed by the construction sector's growth in Argentina, both in the real estate and the large infrastructure works segments, including investments in public-private projects.



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

TGLT S.A.

AS OF SEPTEMBER 30, 2018

(For the nine-month period)

TGLT S.A.

Registered office: Av. Scalabrini Ortiz 3333 – 1st Floor

City of Buenos Aires, Republic of Argentina

FISCAL YEAR NO. 14 BEGINNING JANUARY 1, 2018

CONDENSED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2018

OF TGLT GROUP, PRESENTED COMPARATIVELY

(amounts stated in Argentine pesos)

Company's main business Management of real property projects and undertakings, urban developments; planning, evaluation, scheduling, formulation, development, implementation, administration, coordination, supervision, management, organization, direction and performance in real property businesses; exploitation of trademarks, patents, methods, formulae, licenses, technologies, know-how, models and designs; any type of commercialization; study, planning, projection, advice and/or execution of any kind of public and/or private, national, provincial and/or municipal works, in rural real property, urban housing, offices, premises, neighborhoods, roads, engineering and/or architectural works in general and their administration, plan and project drawing, participation in biddings of public or private works, and taking over of works already started; import and export of construction machinery, tools and materials; acting as a non-financial trustee.

Date of registration with Superintendence of Corporations (Inspección General de Justicia – IGJ):

- Bylaws: June 13, 2005

- Last amendment: August 9, 2016

Registration number with the IGJ: 1,754,929

Bylaws expiration date: June 12, 2104

Taxpayer Identification Number: 30-70928253-7

Information on subsidiaries: See Note 4.2 to the consolidated financial statements.

Information on parent company: See Note 20 to the consolidated financial statements.

Capital Structure		
(amounts stated in pesos)		
Shares	Issued, subscribed and paid in	Registered
Common, registered shares, one vote per share at a nominal value of \$ 1 each \$1	71,993,485	70,349,485
	71,993,485	70,349,485

TGLT S.A.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2018 AND DECEMBER 31, 2017

(amounts stated in thousands of Argentine pesos)

	Notes	Sept 30, 2018	Dec 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	5	42,076	1,407
Intangible assets	6	32,876	575
Investment property	35	1,872,818	15,828
Investments in companies	48	1,971,393	262,412
Goodwill	7	716,152	-
Inventories	8	779,596	929,723
Deferred tax assets	9	804,946	84,840
Other receivables	10	204,390	151,362
Receivables from related parties	29	40,055	-
Accounts receivable from sales	11	89,908	-
Total non-current assets		6,554,210	1,446,147
Current assets			
Contract assets		2,902	-
Inventories	8	3,108,206	1,752,430
Other assets	38	-	26,990
Assets held for sale	46.1	-	73,331
Other receivables	10	745,583	274,256
Receivables from related parties	29	477,746	204,406
Receivables from sales	11	1,073,338	10,031
Other financial assets		-	194
Cash and cash equivalents	12	211,995	1,803,718
Total current assets		5,619,770	4,145,356
Total assets		12,173,980	5,591,503
NET EQUITY			
Attributable to parent company's owners		(1,866,893)	449,146
Non-controlling interest		58,960	-
Total shareholders' equity		(1,807,933)	449,146
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	28	4,284	115,530
Other accounts payable	13	1,041,680	22,508
Payables to related parties	29	1,799	-
Contract liabilities	14	1,687,751	733,117
Loans	15	4,614,074	1,667,602
Other tax burden	16	9,856	12,168
Trade payables	17	16,166	21,997
Total non-current liabilities		7,375,610	2,572,922
Current liabilities			
Provisions and allowances	18	153,535	47,281
Other accounts payable	13	1,253,895	40,402
Contract liabilities	14	2,607,140	1,661,924
Payables to related parties	29	11,326	287
Loans	15	1,534,523	645,139
Other tax burden	16	126,449	18,503
Payroll and social security contributions	19	74,423	24,984
Trade payables	17	845,012	130,915
Total current liabilities		6,606,303	2,569,435
Total liabilities		13,981,913	5,142,357
Total shareholders' equity and liabilities		12,173,980	5,591,503

Notes 1 to 51 are an integral part of these financial statements.

TGLT S.A.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE PROFIT OR LOSS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

(amounts stated in thousands of Argentine pesos)

	Notes	NINE MONTHS		THREE MONTHS	
		Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Income from ordinary activities	22	2,733,627	851,016	1,156,242	204,074
Cost of ordinary activities	23	(2,542,405)	(774,359)	(1,109,826)	(183,997)
Gross profit		191,222	76,657	46,416	20,077
Selling expenses	24	(151,447)	(96,041)	(45,036)	(47,555)
Administrative expenses	25	(333,263)	(130,688)	(139,357)	(67,204)
Other operating costs		(554,272)	(54,702)	(78,887)	(11,714)
Other expenses		(13,226)	(417)	(4,851)	(108)
Investment property appraisal at fair value	35	1,257,332	47,450	344,779	12,401
Income from sale of investment property	35	-	43,627	-	-
Other income and expenses, net	27	76,644	8,510	(2,109)	5,224
Operating income/loss		472,990	(105,604)	120,955	(88,879)
Gain/loss on investments in companies	48	374,874	-	212,106	-
Financial results					
Exchange gains/losses	26	(2,836,988)	(48,400)	(1,715,843)	(47,978)
Financial income	26	112,779	16,688	73,784	10,039
Financial costs	26	(530,783)	(131,755)	(267,375)	(86,535)
Income/loss for the period before income tax		(2,407,128)	(269,071)	(1,576,373)	(213,353)
Income tax	28	852,453	75,436	516,672	59,023
Income/loss for the period		(1,554,675)	(193,635)	(1,059,701)	(154,330)
Other comprehensive profit or loss to be reclassified as profit or loss					
Exchange gain/loss from a net investment abroad		(108,001)	(4,640)	(63,728)	(2,387)
Total other comprehensive gain/loss		(108,001)	(4,640)	(63,728)	(2,387)
Total comprehensive loss for the period		(1,662,676)	(198,275)	(1,123,429)	(156,717)
Income/loss for the period attributable to:					
Controlling interest		(1,632,561)	(205,221)	(1,074,054)	(158,419)
Non-controlling interest		77,886	11,586	14,353	4,089
Total for the period		(1,554,675)	(193,635)	(1,059,701)	(154,330)
Income/loss per share attributable to parent company's owners					
Basic	37	(22.68)	(2.92)	(15.27)	(2.25)
Diluted	37	(2.98)	(1.47)	(1.38)	(0.80)
Total comprehensive loss for the period attributable to:					
Controlling interest		(1,740,562)	(209,861)	(1,137,782)	(160,806)
Non-controlling interest		77,886	11,586	14,353	4,089
Total income/loss for the period		(1,662,676)	(198,275)	(1,123,429)	(156,717)

Notes 1 to 51 are an integral part of these financial statements.

TGLT S.A.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

(amounts stated in thousands of Argentine pesos)

	Capital				Transactions between shareholders	Reserves		Income/loss	Shareholders' equity attributable to		Total
	Capital stock	Stock premium	Buyback premium	Capital contribution		Legal reserve	Optional reserve		Controlling interest	Non-controlling interest	
Balance as of January 1, 2018	70,349	123,350	-	669,964	863,567	239	4,538	(351,974)	449,143	-	449,143
IFRS 15 transition effect (1)	-	-	(96)	-	-	-	-	(85,717)	(85,717)	-	(85,717)
Adjusted balances as of January 1, 2018	70,349	123,350	(96)	669,964	863,567	239	4,538	(437,691)	363,426	-	363,426
Income/loss for the period	-	-	-	-	-	-	-	(1,632,561)	(1,632,561)	77,886	(1,554,675)
Translation of shares (2)	1,644	14,761	-	(4,654)	11,751	-	-	-	11,751	-	11,751
Acquisition of companies (3)	-	-	-	-	-	-	-	-	(501,508)	(18,926)	(520,434)
Other comprehensive loss for the period, net of income tax	-	-	-	-	-	-	-	(108,001)	(108,001)	-	(108,001)
Comprehensive loss for the period	-	-	-	-	-	-	-	(1,632,561)	(1,740,562)	77,886	(1,662,676)
Balance as of September 30, 2018	71,993	138,111	(96)	665,310	875,318	239	4,538	(2,070,252)	(1,866,893)	58,960	(1,807,933)

(1) See Note 45

(2) See Note 42

(3) See Note 33.3

Notes 1 to 51 are an integral part of these financial statements.

TGLT S.A.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

(amounts stated in Argentine pesos)

	Capital						Transactions between shareholders	Reserves		Income/loss	Shareholders' equity attributable to		Total	
	Capital stock	Treasury stock	Stock premium	Irrevocable contribution	Buyback premium	Capital contribution		Total	Legal reserve		Optional reserve	Foreign currency translation reserve		Unappropriated retained income/loss
Balance as of January 1, 2017	70,339	10	123,350	7,238	-	-	200,937	(19,801)	-	(38,171)	4,777	147,742	253,698	401,440
Resolution of Shareholders' Meeting (1)	-	-	-	-	-	-	-	-	239	4,538	(4,777)	-	-	-
Write-off of irrevocable contribution	-	-	-	(7,453)	-	-	(7,453)	-	-	-	-	(7,453)	-	(7,453)
Sale of treasury stock	10	(10)	-	215	(96)	-	119	-	-	-	-	119	-	119
Transactions with owners	-	-	-	-	-	76	76	-	-	-	-	76	(106)	(30)
Equity component of convertible notes	-	-	-	-	-	957,208	957,208	-	-	-	-	957,208	-	957,208
Income/loss for the period	-	-	-	-	-	-	-	-	-	-	(205,221)	(205,221)	11,586	(193,635)
Other comprehensive loss for the period, net of income tax	-	-	-	-	-	-	-	-	-	(4,640)	-	(4,640)	-	(4,640)
Comprehensive loss for the period	-	-	-	-	-	-	-	-	-	(4,640)	-	(4,640)	-	(4,640)
Balance as of September 30, 2017	70,349	-	123,350	-	(96)	957,284	1,150,887	(19,801)	239	4,538	(205,221)	887,831	265,178	1,153,009

(1) The income/loss for the year 2016 was dealt with at the Annual and Extraordinary Shareholders' Meeting held on April 20, 2017.

Notes 1 to 51 are an integral part of these financial statements.

TGLT S.A.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

(amounts stated in thousands of Argentine pesos)

	Sept 30, 2018	Sept 30, 2017
Operating activities		
Income/loss for the period	(1,554,675)	(193,635)
Adjustments to obtain the cash flow from operating activities		
Income tax	(852,453)	(75,436)
Depreciation of property, plant and equipment	7,100	2,084
Impairment of goodwill	-	54,702
Amortization of intangible assets	13,225	417
Depreciation of investment property for rent	706	-
Gain/loss on investments in companies	(374,874)	-
Loss from sale of other assets	(97,740)	-
Investment property appraisal at fair value	(1,257,332)	(47,450)
Gain/loss on sale of investment property	-	(43,627)
Gain/loss on sale of property, plant and equipment	-	(95)
Fair value of investments in companies	(15,908)	-
Effect of financial statements conversion	(108,001)	(4,640)
Effect of conversion on cash flows	(245)	(72)
Exchange gains/losses and accrued interest	3,193,983	-
Other expenses	552,927	-
Changes in operating assets and liabilities		
Accounts receivable from sales	(484,694)	7,974
Other receivables	(190,153)	(70,027)
Receivables from related parties	(371,773)	(438)
Other assets	194	(1,664)
Other financial assets	-	(709)
Inventories	(1,325,676)	181,057
Tax assets and liabilities	(120,622)	(7,431)
Contract assets	(2,902)	-
Assets held for sale	73,331	-
Trade payables	393,322	(36,195)
Payroll and social security contributions	20,742	(4,741)
Other tax burden	43,634	(36,053)
Payables to related parties	11,233	(33,087)
Contract liabilities	1,055,803	(245,853)
Provisions and allowances	(8,806)	9,913
Other accounts payable	1,053,716	(37,255)
Minimum presumed income tax	-	(1,219)
Net cash flows provided by / (used in) operating activities	(345,938)	(583,480)
Investment activities		
Investments not considered as cash	3,734	(286)
Payments for purchase of investment property	(4,216)	(17,098)
Collections from sale of property, plant and equipment	-	95
Collections from sale of investment property	-	20,130
Collections from sale of assets	136,416	-
Payments for purchase of property, plant and equipment	(21,284)	(390)
Payments for purchase of intangible assets	(658)	(76)
Payments for purchase of companies	(990,511)	-
Dividends in associates	28,678	-
Increase in non-controlling interest	100,206	-
Contributions in associates	(295,781)	-
Net cash flow provided by / (used in) investment activities	(1,043,416)	2,375
Financing activities		
Loans	595,338	1,617,900
Transactions between shareholders	(501,508)	76
Decrease in non-controlling interest	(292,465)	(106)
Collections from the sale of treasury stock	-	120
Capital contribution	-	957,208
Net cash flow provided by / (used in) financing activities	(198,635)	2,575,198
Increase / (decrease) in cash and cash equivalents	(1,587,989)	1,994,093
Cash and cash equivalents at beginning of the period	1,799,984	81,098
Cash and cash equivalents at period-end (See Note 12)	211,995	2,075,191

Notes 1 to 51 are an integral part of these financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 1. Corporate information

1.1. Introduction

TGLT S.A. is a corporation incorporated under the laws of Argentina, engaged in the development of residential real property. TGLT operates in the main urban centers of Argentina and Uruguay. TGLT was founded in 2005 by Federico Weil. In April 2015, PointArgentum Master Fund LP became a shareholder. TGLT initially focused on projects for high-income segments, and is now gradually extending its offering to medium income segments and commercial offices.

TGLT is a leader developer in the Argentine residential market and expects to get the same position in Uruguay. It is currently developing eight projects in high in-demand urban areas in Argentina and Uruguay, undergoing pre-construction, construction and delivery phases.

In November 2010, the Company conducted an Initial Public Offering ("IPO") of its shares in Argentina and abroad. Currently, the shares of the Company are listed on the Buenos Aires Stock Exchange. In addition, the American Depositary Receipts (ADRs) Level I, representing the Company's shares, are traded in the US over-the-counter market. Common shares of the Company may be converted into ADRs at 15:1.

1.2. Business model

TGLT is focused on the development of residential housing and commercial offices in Argentina and Uruguay.

TGLT's business model is based on its ability to identify the best plots of land and build residential projects for medium income social segments, high quality offices and residential housing supported by a team of first-rate professionals, standardization of processes, and management tools which enable the Company to launch new projects on an on-going basis and to operate a large number of projects simultaneously.

TGLT participates exclusively or substantially in each of the projects it develops, and is committed to each project aligning with the interests of its shareholders.

TGLT's team controls and is involved in all tasks related to real property development, from the search and acquisition of land to product design, marketing, sales, construction management, purchase of supplies, post-sale services and financial planning, with the advice of specialized firms in each development stage. Although TGLT decides on and supervises each and every task, some of them, such as architecture and construction, are delegated to specialized companies, which are closely supervised by TGLT. This business model allows the Company to ensure production excellence for each location and segment, efficient working capital management at all times and to choose the best partner for each phase of development, while maintaining an organizational size able to face changes according to volume of business.

In order to expand the Company's activities to the construction business, on January 19, 2018 the Company acquired 82.32% of the shares in Caputo Sociedad Anónima Industrial, Comercial y Financiera (hereinafter "Caputo"), one of the most active and well-known construction companies in the country, which has carried out more than 500 works in 80 years, and is listed on the Buenos Aires Stock Exchange since 1955. Moreover, after the OPA (Public Offering) made on December 12, 2018, TGLT acquired 14.72% additional share, totaling 97.04% of the capital stock.

The objective of this acquisition is to improve the construction capacity of projects, streamlining the cost structure and giving the possibility of capturing the construction margin given the significant expansion of the industry. Furthermore, it enables us to achieve an optimal position to capitalize the opportunities posed by the construction sector growth in Argentina, both in real property segments and in large infrastructure works, including public-private projects.

1.3. Real property development

Please refer to the Reporting Summary, included in these financial statements, for more information about real property projects developed by the Company.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

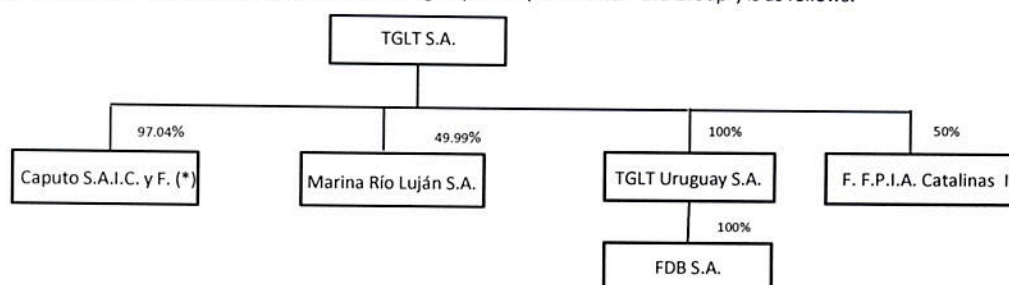
AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 1. Corporate information (Cont.)

1.4. Corporate structure

As of September 30, 2018, the structure of the business group TGLT (hereinafter "the Group") is as follows:



The Group carries out the development of its real property projects through TGLT S.A. or its subsidiaries. TGLT Uruguay S.A. is an investment company in Uruguay acting as a holding company for our projects in that country. FDB S.A. is a company domiciled in Montevideo, Uruguay.

(*) See in Note 48 the corporate structure of Caputo S.A.I.C. y F.

Note 2. Statement of compliance with IFRS

These condensed interim consolidated financial statements of the Group have been prepared in accordance with the International Financing Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), with the only exception of application of International Accounting Standard (IAS) 29, which was excluded by the CNV from its accounting framework.

Note 3. Basis for the presentation of the consolidated financial statements

The condensed consolidated statement of financial position as of September 30, 2018 and December 31, 2017 and the condensed consolidated statements of profit or loss and other comprehensive profit or loss, changes in shareholders' equity and cash flows as of September 30, 2018 and 2017 have been prepared in accordance with IFRS.

The condensed consolidated financial statements of TGLT S.A. have been prepared on the basis of the application of IFRS. The adoption of these standards, as issued by the International Accounting Standards Board (IASB), was decided by Resolution No. 26 (restated text) of the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) and the Rules of the National Securities Commission (CNV). Moreover, certain additional matters required by the Companies Law and/or CNV rules have been included. This information is included in the Notes to these consolidated financial statements, only for the purpose of compliance with regulatory requirements.

These condensed consolidated financial statements are related to the nine-month period beginning January 1, 2018 and ended September 30, 2018. As per IFRS, the financial information is comparatively presented with the most recent fiscal year ended December 31, 2017, and the statements of profit or loss and other comprehensive profit or loss, changes in shareholders' equity and cash flows for the period ended September 30, 2018 are comparatively presented with the same previous period. The information as of September 30, 2017 is not comparative, as in such period the Company presented consolidated financial statements with Marina Río Luján S.A., and this situation changed as of December 31, 2017, as it was understood that the conditions set by IFRS 10 in relation to the "control" principle were not met.

The amounts and other information for the fiscal year ended December 31, 2017 and the period ended September 30, 2017 are an integral part of the above mentioned financial statements and are intended to be interpreted exclusively in connection with those financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 3. Basis for the presentation of the consolidated financial statements (Cont.)

These condensed consolidated financial statements as of September 30, 2018, have been prepared by the Company's Board of Directors in order to comply with the requirements of the CNV and the BCBA within the framework of the authorization process for the public offering of its shares. For the preparation of these financial statements, the Company has adopted the option provided for in IAS 34, and has prepared them in a condensed form. Therefore, these condensed consolidated financial statements do not include all the information required for a set of annual complete financial statements and, consequently, their reading together with the annual financial statements as of December 31, 2017, is recommended. Such financial statements may be found in the Company's web page www.tgl.com.ar.

IAS 29 "Financial reporting in hyperinflationary economies" requires the financial statements of an entity with a functional currency that is hyperinflationary, regardless of whether they are based on the historical cost method or the current cost method, to be stated in terms of the measuring unit current at the statement of financial position date.

As per IAS 29, the characteristics of the economic environment of a country which indicate the existence of hyperinflation include: (i) the cumulative inflation rate over three years approaches, or exceeds, 100%, (ii) interest rates, wages, and prices are linked to a price index, or (iii) amounts of local currency held are immediately invested to maintain purchasing power, among others. These characteristics are not conclusive but judgment shall be exercised to determine whether there is a hyperinflation environment. Regardless of the foregoing, the standard states that it is preferable that all entities that report in the currency of the same hyperinflationary economy apply the requirements of IAS 29 from the same date and using the same price index to reflect changes in general purchasing power.

On September 29, 2018, the Argentine Federation of Professional Councils of Economic Sciences issued Resolution 539/18 which considering that : i) from the permanent monitoring of price indexes the cumulative inflation rate over the last three years exceeds 100% measured by taking into account the different possible combinations of available indexes, among others, with the IPIM; ii) the projection made shows that it is highly probable that the three-year cumulative rate will be over 100% for the remaining 2018; iii) macroeconomic evidence shows that the qualitative factors established by the regulations are being met, decided to apply financial statements in constant currency for the annual or interim financial statements ended as from July 1, 2018.

In addition, the CNV established that it will not accept the presentation of financial statements with adjustments after March 1, 2003, excluding IAS 29 from its accounting framework.

The Company's Board of Directors is analyzing the potential effects of IAS 29.

Note 4. Summary of the main accounting policies applied

4.1. Applicable accounting standards

These consolidated financial statements have been prepared by using the specific IFRS measurements for each type of asset, liability, income and expense. Consolidated and stand-alone reporting hereto attached is presented in pesos, legal tender in Argentina, based on the accounting records of TGLT S.A. and its subsidiaries. The Board of Directors of the Company is responsible for the preparation of financial reporting which requires to make certain accounting estimates and decide on the application of certain accounting standards, except for the disclosures made in Note 2.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 4. Summary of the main accounting policies applied (Cont.)

4.2. Consolidation criteria

TGLT's condensed consolidated financial statements include financial information on the Company and its subsidiaries.

In the case of the financial statements of certain companies that were prepared in accordance with other accounting standards, standards used by subsidiaries and standards resulting from the application of Technical Resolution No. 26 were reconciled for the following items a) total shareholders' equity and b) net profit or loss for the fiscal year (according to the standard applied) to net profit or loss for the fiscal year (according to IFRS), and that amount to the total comprehensive profit or loss for the year.

The Boards of Directors that approved the financial statements of such companies was subject to the application of monitoring and confirmation procedures at management level, which include all significant items with different treatment between the standards used and IFRS, according to the provisions of General Resolution No. 611 of the CNV. Therefore, amounts reported in the condensed separate financial statements of the subsidiaries have been adjusted where measurement consistent with the accounting policies adopted by TGLT was required.

In the case of TGLT Uruguay S.A. and its subsidiary FDB S.A., assets and liabilities were converted to Argentine pesos at the exchange rates prevailing to the date of those condensed financial statements. Income statement accounts were converted to Argentine pesos at the exchange rates prevailing to the dates of those transactions.

In every case, receivables and payables and transactions among entities of the consolidated group were eliminated during consolidation. Profit or loss resulting from transactions among members of the consolidated group not disclosed to third parties and recorded in the final asset balances have been fully eliminated.

Subsidiaries whose financial statements have been included in these consolidated financial statements are the following:

Company	Type of control	9/30/2018	12/31/2017
Caputo Sociedad Anónima, Industrial, Comercial y Financiera	Exclusive	97.04%	-
TGLT Uruguay S.A.	Exclusive	100.00%	100.00%

Non-controlling interests, presented as part of shareholder's equity, represent the portion of profits or losses and net assets of a subsidiary not owned by TGLT. The Company's Board of Directors records total profit or loss and other comprehensive profit or loss of subsidiaries among the owners of the subsidiary and the non-controlling interests based on their respective interests.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 5. Property, Plant and Equipment

	Furniture and fixtures	Hardware	Machinery and equipment	Improvements in third-party property	Vehicles	Showrooms	Formwork	Total
Original value								
Balance as of 1/1/2018	1,560	2,238	-	2,510	-	14,686	-	20,994
Acquisitions	125	696	10,643	-	4,194	-	5,626	21,284
Conversion adjustment	439	578		1,473		4,612		7,102
Acquisition of companies	438	1,149	28,401	11,602	8,109		1,887	51,586
Decreases	(137)	(832)	(373)	-	(1,877)	-	-	(3,219)
Total	2,425	3,829	38,671	15,585	10,426	19,298	7,513	97,747
Depreciation and impairment								
Balance as of 1/1/2018	(963)	(1,974)	-	(2,322)	-	(14,328)	-	(19,587)
Depreciation	(100)	(299)	(2,852)	(1,778)	(1,059)	(357)	(655)	(7,100)
Conversion adjustment	(380)	(518)		(1,472)		(4,613)		(6,983)
Acquisition of companies	(199)	(1,051)	(9,722)	(8,265)	(4,288)		(1,499)	(25,024)
Decreases	137	834	372	-	1,680	-	-	3,023
Total	(1,505)	(3,008)	(12,202)	(13,837)	(3,667)	(19,298)	(2,154)	(55,671)
Residual value as of Sept 30, 2018	920	821	26,469	1,748	6,759	-	5,359	42,076

	Furniture and fixtures	Hardware	Improvements in third-party property	Facilities	Showrooms	Total
Original value						
Balance as of 1/1/2017	1,530	2,319	2,105	6	20,056	26,016
Acquisitions	28	37	225	-	151	441
Conversion adjustment	54	71	180	-	564	869
Transfers	-	-	-	-	(2,536)	(2,536)
MRL deconsolidation	(52)	(189)	-	(6)	(3,549)	(3,796)
Total	1,560	2,238	2,510	-	14,686	20,994
Depreciation and impairment						
Balance as of 1/1/2017	(798)	(1,740)	(1,982)	(6)	(13,216)	(17,742)
Depreciation	(163)	(318)	(160)	-	(2,357)	(2,998)
Conversion adjustment	(44)	(58)	(180)	-	(517)	(799)
MRL deconsolidation	42	142	-	6	1,762	1,952
Total	(963)	(1,974)	(2,322)	-	(14,328)	(19,587)
Residual value as of Dec 31, 2017	597	264	188	-	358	1,407

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 6. Intangible assets

	Software	Software development	Trademarks	Contractual rights	Total
Original value					
Balance as of January 1, 2018	950	2,786	39	-	3,775
Acquisitions	352	306	-	43,546	44,204
Acquisition of companies	4,044	-	-	-	4,044
Conversion adjustment	755	-	29	-	784
Decreases	(1,229)	-	-	-	(1,229)
Total	4,872	3,092	68	43,546	51,578
Amortization and impairment					
Balance as of January 1, 2018	(706)	(2,459)	(35)	-	(3,200)
Amortization	(1,324)	(24)	(1)	(11,876)	(13,225)
Acquisition of companies	(2,848)	-	-	-	(2,848)
Conversion adjustment	(629)	-	(29)	-	(658)
Decreases	1,229	-	-	-	1,229
Total	(4,278)	(2,483)	(65)	(11,876)	(18,702)
Residual value as of Sept 30, 2018	594	609	3	31,670	32,876

	Software	Software development	Trademarks	Total
Original value				
Balance as of January 1, 2017	810	2,793	36	3,639
Acquisitions	48	60	(1)	107
Conversion adjustment	92	-	4	96
MRL deconsolidation	-	(67)	-	(67)
Total	950	2,786	39	3,775
Amortization and impairment				
Balance as of January 1, 2017	(517)	(2,128)	(26)	(2,671)
Amortization	(127)	(398)	(6)	(531)
Conversion adjustment	(62)	-	(3)	(65)
MRL deconsolidation	-	67	-	67
Total	(706)	(2,459)	(35)	(3,200)
Residual value as of Dec 31, 2017	244	327	4	575

Note 7. Goodwill

	Caputo S.A.I.C. y F.
Original value	
Balance as of January 1, 2018	-
Increases	716,152
Decreases	-
Total	716,152
Impairment	
Balance as of January 1, 2018	-
Impairment loss	-
Total	-
Residual value as of Sept 30, 2018	716,152

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 7. Goodwill (Cont.)

	Marina Río Lujan S.A.	Pico y Cabildo S.A.	Canfot S.A.	Total
Original value				
Balance as of January 1, 2017	21,487	10,559	79,399	111,445
MRL deconsolidation	(21,487)	-	-	(21,487)
Total	-	10,559	79,399	89,958
Impairment				
Balance as of January 1, 2017	-	(1,092)	(29,601)	(30,693)
Impairment loss	-	(9,467)	(49,798)	(59,265)
Total	-	(10,559)	(79,399)	(89,958)
Residual value as of Dec 31, 2017	-	-	-	-

Note 8. Inventories

	Notes	Sept 30, 2018	Dec 31, 2017
Non-current			
<i>Projects under construction</i>			
Astor San Telmo	31.1.1	599,532	353,935
Metra Puerto Norte	31.1.2	202,851	354,842
Proa	31.1.2	95,839	220,833
Other projects		-	113
<i>Impairment</i>			
Metra Puerto Norte		(118,626)	-
Total Inventory – Non-current		779,596	929,723
Current			
<i>Projects under construction</i>			
Forum Puerto del Buceo	31.1.3	2,972,269	1,405,193
Metra Puerto Norte	31.1.2	-	193,911
Other inventory		102	-
<i>Projects completed</i>			
Astor Núñez		2,521	103,601
Astor Palermo	31.1.4	26,408	34,429
Forum Alcorta		21,548	45,450
Forum Puerto Norte		4,219	4,390
Metra Puerto Norte	31.1.2	117,185	-
<i>Impairment</i>			
Astor Palermo		(2,040)	(8,201)
Forum Alcorta		(4,802)	(21,953)
Forum Puerto Norte		(4,219)	(4,390)
Metra Puerto Norte		(24,985)	-
Total Inventory - Current		3,108,206	1,752,430
Total Inventory		3,887,802	2,682,153

Note 9. Deferred tax assets

		Sept 30, 2018	Dec 31, 2017
Minimum presumed income tax		54,752	54,752
Income tax		27,567	12,579
Minimum presumed income tax credit	41	18,169	17,509
Deferred tax assets	28	704,458	-
Total tax assets		804,946	84,840

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 10. Other receivables

Non-current	Notes	Sept 30, 2018	Dec 31, 2017
Advance payments to work suppliers		55,792	31,245
Prepayments for the purchase of real property		-	119,222
Accounts receivable from exchanges		141,041	-
Tax credits UTES		1,458	-
Security deposits	39	4,614	895
Insurance to be accrued in foreign currency	39	1,485	-
Subtotal other receivables – Non-current		204,390	151,362
Current			
Value added tax in local currency		67,765	45,747
Security deposits in foreign currency	39	259,520	124,217
Turnover tax		24,227	2,344
Net worth tax	39	7,149	7,325
Advance payments to work suppliers in local currency		172,538	2,116
Advance payments to work suppliers in foreign currency	39	110,225	52,793
Security deposits in local currency		327	255
Security deposits in foreign currency	39	25	-
Insurance to be accrued in local currency		2	118
Insurance to be accrued in foreign currency	39	1,933	650
Loans granted in local currency		1,277	-
Loans granted in foreign currency	39	41,469	-
Expenses to be rendered in local currency		25	14
Expenses to be rendered in foreign currency	39	2,921	1,061
Expenses to be recovered		4,965	3,341
Maintenance fees to be recovered in local currency		33,957	23,207
Maintenance fees to be recovered in foreign currency	39	10	-
Receivables from the sale of investment property	39 and 35	18,548	19,380
Receivable from a judgment	32.3	1,980	2,026
Accounts receivable from exchanges		6,400	-
Sundry receivables UTES		15,161	-
Tax credits UTES		4,059	-
Collectible equipment fund in local currency		1	1,118
Collectible equipment fund in foreign currency	39	2,401	1
Collectible operative fund in local currency		136	82
Collectible operative fund in foreign currency	39	11	5
Sundry		234	20
Allowance for doubtful receivables		(31,684)	(11,564)
Subtotal other receivables – Current		745,582	274,256
Total other receivables		949,972	425,618

Note 11. Accounts receivable from sales

Non-current	Sept 30, 2018	Dec 31, 2017
Receivables from sale of units	22,715	-
Receivables from services rendered	67,193	-
Subtotal accounts receivable from sales - Non-current	89,908	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 11. Accounts receivable from sales (Cont.)

Current	Notes	Sept 30, 2018	Dec 31, 2017
Accounts receivable from sales of units in local currency		14,496	1,382
Accounts receivable from sales of units in foreign currency	39	33,875	11,939
Accounts receivable from services rendered in local currency		1,035,981	163
Accounts receivable from services rendered in foreign currency	39	109	17
Allowance for bad debts in local currency		(7,797)	(2,709)
Allowance for bad debts in foreign currency	39	(3,326)	(761)
Subtotal accounts receivable from sales - Current		1,073,338	10,031
Total accounts receivable from sales		1,163,246	10,031

Maturity of accounts receivable from sales is the following:

	Sept 30, 2018	Dec 31, 2017
To become due		
0 to 90 days	1,043,215	10,031
91 to 180 days	12,534	-
181 to 270 days	1,134	-
271 to 365 days	807	-
More than 365 days	54,122	-
Past due		
0 to 90 days	11,137	-
More than 365 days	40,297	-
Total	1,163,246	10,031

Note 12. Cash and cash equivalents

	Notes	Sept 30, 2018	Dec 31, 2017
Cash in local currency		962	106
Cash in foreign currency	39	1,707	699
Banks in local currency		8,976	8,946
Banks in foreign currency	39	62,924	22,793
Checks to be deposited in local currency		811	237
Checks to be deposited in foreign currency	39	-	387
Time deposits	31.1.5 and 39	-	3,734
Mutual funds in local currency		-	41,985
Mutual funds in foreign currency	39	10,264	692,981
Bonds and government securities in local currency		-	-
Bonds and government securities in foreign currency	39	126,351	1,031,850
Total cash and cash equivalents		211,995	1,803,718

In the statement of cash flows, cash and cash equivalents include the following:

	Sept 30, 2018	Sept 30, 2017
Total cash and cash equivalents	211,995	126,961
Time deposits in foreign currency due over 90 days	31.1.5	(3,328)
Total cash and cash equivalents according to the statement of cash flows	211,995	123,633

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 13. Other accounts payable

Non-current	Notes	Sept 30, 2018	Dec 31, 2017
Payable for purchase of shares	33.3 and 39	1,024,648	22,379
Sundry creditors	39	16,928	-
Security deposits in local currency		104	-
Security deposits in foreign currency	39	-	129
Subtotal other accounts payable – Non-current		1,041,680	22,508
Current	Notes	Sept 30, 2018	Dec 31, 2017
Sundry creditors in foreign currency	39	4,767	8,340
Payable for purchase of shares	33.3 and 39	1,184,220	22,379
Security deposits in local currency		30	-
Security deposits in foreign currency	39	7,445	-
Dividends to be paid in cash		295	-
Contributions to be subscribed		7	-
Provision for Directors' fees		6,584	1,127
Deferred income		8,556	8,556
Other payables		38,806	-
Other payables - UTES		3,185	-
Subtotal other accounts payable – Current		1,253,895	40,402
Total other accounts payable		2,295,575	62,910

Note 14. Contract liabilities

Non-current	Sept 30, 2018	Dec 31, 2017
Advanced collections	1,755,256	801,927
Equipment fund	99	33
Operative fund	2	2
Other contract liabilities	16,816	-
Value added tax	(84,422)	(68,845)
Total contract liabilities - Non-current	1,687,751	733,117
Current		
Advanced collections	2,575,111	1,645,217
Equipment fund	23,435	23,873
Operative fund	12,729	7,751
Value added tax	(4,135)	(14,917)
Total contract liabilities - Current	2,607,140	1,661,924
Total contract liabilities	4,294,891	2,395,041

Note 15. Loans

Non-current	Notes	Sept 30, 2018	Dec 31, 2017
Loans borrowed	1.1	8,015	-
Corporate notes	2 and 39	4,602,503	1,666,921
Finance lease in local currency	3	3,152	681
Finance lease in foreign currency	3 and 39	404	-
Subtotal loans – Non-current		4,614,074	1,667,602

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (Cont.)

Current	Notes	Sept 30, 2018	Dec 31, 2017
Loans received in local currency	1.1	18,249	-
Loans received in foreign currency	1.1 and 39	127,518	56,250
Mortgage backed banking loans	1.2 and 39	728,485	246,057
Overdraft on checking account in local currency		95,330	-
Overdraft on checking account in foreign currency	39	327	-
Other financial liabilities	1.3 and 39	1,198	-
Corporate notes in local currency	2.1	-	132,019
Corporate notes in foreign currency	2 and 39	558,609	210,417
Finance lease in local currency	3	4,562	396
Finance lease in foreign currency	3 and 39	245	-
Subtotal loans – Current		1,534,523	645,139
Total loans		6,148,597	2,312,741

The following is a breakdown of loans:

FOR THE FISCAL PERIOD/YEAR	9 MONTHS Sept 30, 2018	12 MONTHS Dec 31, 2017
Balance at beginning of year	2,312,741	718,136
Inclusion of balances from the purchase of Caputo	58,287	-
New disbursements under existing loans	2,561,147	1,897,203
Accrued interest	432,374	183,240
Effects of exchange rate variation	2,761,609	132,335
Bank overdrafts	77,666	(32,022)
Payment of principal	(2,022,710)	(347,215)
Payment of interest	(388,477)	(153,690)
MRL deconsolidation	-	(134,540)
Conversion of corporate notes	(10,581)	-
Effect of financial statements conversion	366,542	49,294
Balance at period-end	6,148,597	2,312,741

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY
(amounts stated in thousands of Argentine pesos)

Note 15. Loans (Cont.)

1. Loans borrowed

The main characteristics of the loans taken out from Banks and third parties by TGLT and/or its subsidiaries are summarized below:

1.1 Loans borrowed

Entity	Loans	Maturity	Disbursemen t	Repayment	Annual rate	Outstanding amount in pesos			
						Sept 30, 2018		Dec 31, 2017	
						Non-current	Current	Non-current	Current
BBVA (a)	20,000	8/22/2020	20,000	(5,403)	21.82%	8,015	6,582	-	-
Provincia (a)	20,000	4/5/2019	20,000	(8,333)	28.07%	-	11,667	-	-
Total in local currency						8,015	18,249	-	-
Itaú (b)	3,000	10/22/2018	3,000	-	2.94%	-	127,518	-	56,250
Total in foreign currency						-	127,518	-	127,518

a) Purchased by Caputo S.A.I.C. y F.

b) Purchased by FDB S.A.

1.2 Mortgage backed banking loans

Bank	Loan amount	Maturity	Disburseme nt	Repayment	Amount pending settlement			
					Sept 30, 2018		Dec 31, 2017	
					Non-current	Current	Non-current	Current
BBVA	15,000	(a)	14,121	(5,268)	-	364,482	-	122,986
Itaú	15,000	(a)	14,121	(5,295)	-	364,003	-	123,071
Total in foreign currency					-	728,485	-	246,057

a) FDB S.A. arranged for two credit lines under the following conditions:

Date of execution of the agreement	12/18/2015	1/24/2017
Banks	Banco Bilbao Vizcaya Argentaria Uruguay S.A. (BBVA) and Banco Itaú Uruguay S.A.	
Maximum amount	US\$ 16,000	US\$ 14,000
Amount disbursed by each Bank	US\$ 8,000 each	US\$ 7,000 each
Term	April 30, 2017	April 1, 2018
Interest rate	90-day Libor at the close of bank business day prior to each payment date, plus 3 percentage points, effective annually, with a minimum annual effective rate of 5%.	
Disbursements	According to the construction progress	
Amortization of principal and interest	Through partial payments according to the effective delivery of units to buyers, and for the amount necessary for the cancellation (or novation) of the mortgage of any unit sold.	
First mortgages in favor of Banks:	Up to US\$ 16,000, on all the units comprising Stages I and III of Forum Puerto del Buceo project.	Up to US\$ 14,000 on all the units comprising Stage II of the Forum Puerto del Buceo project.
Assignment	As collateral for each Bank's share in the Credit Line, of the outstanding amounts of the Purchase and Sale agreements of all the mortgaged units.	

TGLT S.A.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (Cont.)

1. Loans received (Cont.)

1.2 Mortgage-backed bank loans (Cont.)

According to TGLT S.A.'s Minutes of the Board of Directors' Meeting, dated December 15, 2015, the Board of Directors approved the posting of a bond in the amount of US\$ 3,000 in favor of BBVA as security for the loans granted to FDB S.A.

1.3 Other financial assets and liabilities

In TGLT Uruguay S.A., investments are made in different banks, which secure the disbursement of loans granted to FDB S.A. For the purposes of disclosure in the financial statements, such transactions are offset by recording their net position. As of September 30, 2018, the net position was a financial asset of \$ 1,198, which is broken down as follows:

Bank	Type	Maturity	Rate	Principal plus interest in US\$	Sept 30, 2018
BBVA	TB USA	12/6/2018	1.43%	9,610	395,451
BBVA	BTB	12/6/2018	2.13%	(9,661)	(397,541)
BBVA	TB USA	12/6/2018	1.00%	502	20,661
BBVA	BTB	12/6/2018	1.75%	(504)	(20,731)
BBVA	TB USA	12/6/2018	1.00%	301	12,386
BBVA	BTB	12/6/2018	1.75%	(302)	(12,419)
ITAU	CD Itau London	10/25/2018	2.49%	614	25,266
ITAU	BTB	10/25/2018	2.99%	(617)	(25,374)
ITAU	TB London	1/14/2019	2.75%	611	25,149
ITAU	BTB	1/14/2019	3.25%	(614)	(25,249)
ITAU	TB London	1/22/2019	2.77%	2,364	97,264
ITAU	BTB	1/22/2019	3.27%	(2,372)	(97,598)
ITAU	TB London	2/28/2019	3.05%	204	8,412
ITAU	BTB	2/28/2019	3.55%	(204)	(8,400)
ITAU	TB London	4/1/2019	3.12%	507	20,866
ITAU	BTB	4/1/2019	3.62%	(509)	(20,926)
ITAU	TB London	5/16/2019	3.11%	303	12,476
ITAU	BTB	5/16/2019	3.61%	(304)	(12,510)
Santander	Time deposits	10/31/2018(*)	1.92%	9,729	400,338
Santander	BTB	10/31/2018(*)	2.45%	(9,689)	(398,719)
Total Other financial liabilities					(1,198)

(*) These loans were renewed as of the date of these financial statements.

2. Corporate notes

On December 20, 2011, the Shareholders Meeting approved the creation of a global program for the issuance of simple corporate notes, non-convertible into shares, in the short, medium and/or long term, subordinated or not, secured or unsecured, pursuant to Law No. 23576, as amended (the "ONs") for a maximum amount of up to fifty million United States dollars (US\$ 50,000), or its equivalent in other currencies at any time. On November 10, 2017, the Shareholders' Meeting approved (i) the update of the prospectus relating to the global program for the issuance of corporate notes; and (ii) the issuance of corporate notes under the program for a nominal value of up to US\$ 50,000 in one or more classes and/or series, as timely determined in the related price supplement.

Different classes and/or series denominated in US Dollars or other currencies may be issued, and the successive classes and/or series repaid may be re-issued (the "Program"). The Program shall be in effect until April 20, 2022 pursuant to the approval of the Annual and Extraordinary Shareholders' Meeting held on April 20, 2017.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (Cont.)

2. Corporate notes (Cont.)

The following is a summary of the main characteristics of the of the Company's issues, effective as from the approval of the Program until September 30, 2018.

Class	IX	XII	XV
Issue date	5/12/2015	7/22/2016	3/20/2018
Amount issued	\$ 57,230	\$ 96,667	US\$ 25,000.
Outstanding principal amount	-	-	US\$ 25,000.
Payment currency	Pesos	Pesos	US dollars
Interest rate	The higher of: a) A 0.90 by the variation of the CAC Index; and b) Badlar + 600 bps.		7.95%
Maturity	5/14/2018	1/23/2018	3/20/2020
Amortization	4 equal and consecutive payments from 08/14/2017 in months 27, 30, 33, and 36	One-off payment 18 months from the issue and settlement date	One-off payment 24 months from the issue and settlement date
Payment of interest	Quarterly coupon		
Payment of principal	At par		
Rating	BBB by FIX SCR S.A. Risk Rating Agent		

Class	Sept 30, 2018		Dec 31, 2017	
	Non-current	Current	Non-current	Current
IX	-	-	-	29,528
XII	-	-	-	102,491
Total in local currency	-	-	-	132,019
XV	963,688	58,878	-	-
Convertible corporate notes	3,638,815	499,731	1,666,921	210,417
Total in foreign currency	4,602,503	558,609	1,666,921	210,417

As mentioned in Note 43 to these financial statements, the amounts determined for such registration are as follows:

Component	Amount in US\$	Amount in \$
Liabilities (Loan in foreign currency)	US\$ 93,930	\$ 1,657,734
Capital contribution	US\$ 54,159	\$ 956,983

3. Finance leases

The Company maintains three finance leases for the acquisition of:

- A power unit installed the Astor Núñez project. The agreement was signed with Banco Supervielle. The value of the asset acquired was \$ 1,132. It is repayable in 5 years, in 60 consecutive and monthly installments. The rate set is Badlar for 30 to 35-day term deposits of over one million pesos paid by private banks, adjusted by 3 basis points, with an annual minimum base rate of 27.19%. Under the terms of the agreement, no contingent rentals are payable.
- 60 rooms to be installed in Axion Campana project, signed with Banco Comafi. The value of the asset acquired was US\$ 1,772. It is repayable in 49 years, in 49 consecutive and monthly installments. The rate set is Badlar for term deposits of over one million pesos, daily series adjusted by 4.8 basis points, with an annual minimum base rate of 26.89%.
- A backhoe to be used in CNEA-Reactor Ezeiza project, signed with BBVA Frances bank. The value of the asset acquired was \$ 1,644. It is repayable in 4 years, in 48 consecutive and monthly installments. The annual nominal rate amounts to 27%.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (Cont.)

3. Finance lease (Cont.)

The following table shows the future minimum payments to be made:

	Sept 30, 2018	Dec 31, 2017
Up to 1 year	6,576	458
Over 1 year and up to 5 years	4,195	1,279
	10,771	1,737
Future finance charges	(2,408)	(660)
Present value of finance lease liabilities	8,363	1,077

The fair value of finance lease liabilities is as follows:

	Sept 30, 2018	Dec 31, 2017
Up to 1 year	4,807	396
Over 1 year and up to 5 years	3,535	681
Fair value of finance lease liabilities	8,363	1,077

Note 16. Other tax burden

	Notes	Sept 30, 2018	Dec 31, 2017
Non-current			
National tax payment plan		9,790	11,971
Municipal tax payment plan		66	197
Subtotal other tax burden - Non-current		9,856	12,168
Current			
Value added tax		2	-
Turnover tax		36,210	1,572
Wealth tax		-	11
Provincial taxes		2,307	3,597
Municipal taxes		1	13
Stamp tax		2,185	2,790
National tax payment plan		58,059	2,488
Provincial tax payment plan		30	-
Municipal tax payment plan		168	3,495
National tax provision		3,779	-
Wealth tax provision in foreign currency	39	-	8
Withholdings and collections to be deposited in local currency		22,305	3,106
Withholdings and collections to be deposited in foreign currency	39	702	1,423
Other tax burden UTES		701	-
Subtotal other tax burden - Current		126,449	18,503
Total other tax burden		136,305	30,671

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 17. Trade payables

	Notes	Sept 30, 2018	Dec 31, 2017
Non-current			
Contingency fund in local currency		-	4,455
Contingency fund in foreign currency	39	16,166	17,542
Subtotal trade payables - Non-current		16,166	21,997
Current			
Suppliers in local currency		234,145	5,548
Suppliers in foreign currency	39	217,125	24,979
Deferred checks in local currency		49,825	34,953
Deferred checks in foreign currency	39	1,162	184
Provision for expenses in local currency		3,097	3,128
Provision for expenses in foreign currency	39	4,889	4,553
Provision for works in local currency		205,485	21,410
Provision for works in foreign currency	39	49,427	22,385
Insurance payable in local currency		117	6
Insurance payable in foreign currency	39	2,135	50
Contingency fund in local currency		53,835	13,414
Contingency fund in foreign currency	39	676	305
Trade payables - UTES		23,094	-
Subtotal trade payables - Current		845,012	130,915
Total trade payables		861,178	152,912

Note 18. Provisions and allowances

	Notes	Legal claims	Onerous contracts (I)	Sept 30, 2018	Dec 31, 2017
In local currency					
Balance as of January 1, 2018		46,908	-	46,908	2,778
Acquisition of companies		115,060	-	115,060	-
Additions (II)		9,746	-	9,746	45,726
Recoveries (II)		(17,574)	-	(17,574)	-
Used during the period		(1,430)	-	(1,430)	(1,596)
Provisions in local currency		152,710	-	152,710	46,908
In foreign currency					
Balance as of January 1, 2018		-	373	373	4,862
Used during the period		-	-	-	(5,566)
Effect of exchange rate variation		-	452	452	1,077
Provisions in foreign currency	39	-	825	825	373
Total provisions		152,710	825	153,535	47,281

(I) They relate to provisions for liabilities under contractual obligations

(II) Additions and recoveries are included in the statement of profit or loss, under Contractual agreements, and in Note 25 - Selling expenses.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 19. Payroll and social security contributions

	Notes	Sept 30, 2018	Dec 31, 2017
Salaries payable in local currency		21,445	12,148
Salaries payable in foreign currency	39	3,036	1,582
Social security contributions payable in local currency		10,808	5,550
Social security contributions payable in foreign currency	39	390	255
Provision for thirteenth month salary and vacation pay in local currency		36,569	4,853
Provision for thirteenth month salary and vacation pay in foreign currency	39	2,421	911
Advances to personnel		(246)	(315)
Total payroll and social security contributions		74,423	24,984

Note 20. Capital stock

The Company's capital stock is distributed as follows:

	Sept 30, 2018		Dec 31, 2017	
	Shares	Interest	Shares	Interest
Federico Nicolás Weil	13,806,745	19.2%	13,806,745	19.6%
The Bank of New York Mellon ADRS (1)				
<i>PointArgentum Master Fund LP</i>	10,160,820	14.1%	9,560,830	13.6%
- <i>Bienville Argentina Opportunities Master Fund LP</i>	-	-	9,560,830	13.6%
- <i>Other holders of ADRS (2)</i>	18,556,400	25.8%	20,554,935	29.2%
Bienville Argentina Opportunities Master Fund LP (3)	9,003,913	12.5%	-	-
IRSA Propiedades Comerciales S.A.	3,003,990	4.2%	5,310,237	7.5%
Other holders of common shares	17,461,617	24.2%	11,555,908	16.5%
Total capital stock	71,993,485	100%	70,349,485	100%

(1) US deposit certificates representative of common shares under the custody of The Bank of New York Mellon.

(2) It includes shareholders such as Michael Tennenbaum, Serengeti Asset Management, among others.

(3) It comprises MSCO for Bienville Global OPP Fund and MSCO for Bienville QP LP.

Due to the expansion potential and financing needs to meet future challenges, the Company issued a convertible bond for US\$ 150 million; thus, a change in the shareholding composition may occur in the future.

Note 21. Reserves, accumulated income and dividends

- Restriction on the payment of dividends

In order to safeguard the interests of financial creditors who hold corporate notes, the Company may not declare or perform, nor agree to perform, whether directly or indirectly, any payment of dividends prior to any scheduled full payment of principal of its corporate notes.

- Restriction on the distribution of unappropriated retained income/loss

As provided by section 8 of the CNV's rules, whenever the net balance of other accumulated comprehensive income (difference of conversion of net investments abroad) at the end of a fiscal year or period is negative, distribution of unappropriated retained income/loss shall be restricted in the same amount.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 22. Income from ordinary activities

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Income from the delivery of units	615,224	841,475	396,186	201,044
Income from services rendered	2,118,403	9,541	760,056	3,030
Total income from ordinary activities	2,733,627	851,016	1,156,242	204,074

Note 23. Cost of ordinary activities

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Units completed at the beginning of fiscal year	132,695	494,621	95,812	207,365
Plus:				
Cost capitalized during the period	720,700	443,824	429,799	141,790
Cost of services rendered	1,824,845	1,706	720,050	634
Minus:				
Units completed at fiscal period-end	(135,835)	(165,792)	(135,835)	(165,792)
Total cost of ordinary activities	2,542,405	774,359	1,109,826	183,997

Note 24. Selling expenses

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Payroll and social security contributions	33,229	12,647	7,758	5,849
Other payroll expenses	204	1,072	62	865
Rent and building maintenance fees	808	802	297	342
Professional fees	6,801	2,140	1,700	511
Taxes, rates and contributions	72,063	14,129	22,154	4,046
Transport and per diem	456	273	(1,197)	93
Information technology and service expenses	554	1,338	(124)	878
Equipment maintenance expenses	97	-	19	-
Contractual agreements	8,258	17,074	4,216	13,905
Depreciation of property, plant and equipment	357	1,571	106	506
Office expenses	352	493	128	268
Insurance	68	164	28	96
Advertising expenses	6,558	6,212	2,922	1,750
Sales expenses	2,725	14,586	(584)	5,258
Building maintenance fees	10,171	12,789	2,712	8,271
Bid expenses	2,267	-	1,278	-
Post sales expenses	6,206	10,751	3,523	4,917
General expenses	273	-	38	-
Total selling expenses	151,447	96,041	45,036	47,555

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 25. Administrative expenses

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Payroll and social security contributions	172,659	49,229	70,295	17,371
Other payroll expenses	1,501	631	583	(273)
Rent and building maintenance fees	16,847	3,543	7,611	1,164
Professional fees	26,392	31,203	6,358	25,143
Directors' fees	8,165	3,154	4,642	960
Supervisory audit committee's fees	1,148	1,143	376	432
Public offering expenses	5,630	1,030	4,580	592
Taxes, rates and contributions	4,259	8,241	(988)	2,170
Transport and per diem	1,181	581	454	150
Information technology and service expenses	4,984	2,587	2,401	584
Depreciation of property, plant and equipment	6,743	513	2,399	167
Office expenses	3,894	2,702	1,482	1,111
Investment property maintenance expenses	460	1,006	460	976
Equipment maintenance expenses	401	-	131	-
Bank expenses	4,484	1,449	984	464
Tax on bank account debits and credits	36,447	10,770	13,583	5,131
Other bad debts	24,816	11,396	18,394	10,325
Insurance	3,527	1,510	519	737
General expenses	9,725	-	5,093	-
Total administrative expenses	333,263	130,688	139,357	67,204

Note 26. Financial results

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Exchange gains/losses				
Exchange gains	1,270,387	131,306	548,471	81,668
Exchange losses	(4,107,375)	(179,706)	(2,264,314)	(129,646)
Total exchange gains/losses	(2,836,988)	(48,400)	(1,715,843)	(47,978)
Financial income				
Interest	51,546	10,863	26,069	4,456
Gain from holding cash equivalents	14,488	5,535	4,375	5,535
Gain from sales of cash and cash equivalents	16,149	191	13,714	-
Index adjustment	3,234	1	2,828	1
Present value	507	98	(57)	47
Gain from financial instruments	26,855	-	26,855	-
Total financial income	112,779	16,688	73,784	10,039
Financial costs				
Interest	(441,344)	(127,821)	(225,458)	(84,622)
Subtotal interest	(441,344)	(127,821)	(225,458)	(84,622)
Other financial costs				
Loss from discounted trade documents	-	(133)	-	-
Gain from holding cash equivalents	-	(44)	-	-
Gain from sales of cash and cash equivalents	-	(3,757)	1,900	(1,913)
Present value	(89,439)	-	(43,817)	-
Subtotal other financial costs	(89,439)	(3,934)	(41,917)	(1,913)
Total financial costs	(530,783)	(131,755)	(267,375)	(86,535)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 27. Other income and expenses, net

	Profit/(Loss)			
	NINE MONTHS		THREE MONTHS	
	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Rental income	3,342	6,749	1,174	4,382
Debt forgiveness	-	(35)	-	(3)
Recovery of expenses	9,002	1,513	2,213	635
Recovery of provision for expenses	1,948	-	-	-
Contract termination	(329)	981	(794)	147
Contract compliance guarantee	(42,017)	-	(14,516)	-
Sale of property, plant and equipment	2,124	95	1,863	95
Sale of other assets	89,655	-	(8,085)	-
Depreciation of investment property	(706)	-	(236)	-
Lawsuits and other contingencies	(1,451)	(681)	(1,357)	(8)
Sundry	15,076	(112)	17,629	(24)
Total other income and expenses, net	76,644	8,510	(2,109)	5,224

Note 28. Income tax and deferred tax

Income tax assessed in accordance with IAS 12, which is included in the statement of profit or loss as of September 30, 2018 and 2017, is broken down as follows:

	Sept 30, 2018	Sept 30, 2017
Income tax	1,379,673	87,949
Deferred tax	(527,220)	(11,218)
Statute of limitations on tax loss carryforwards	-	(1,295)
Total income tax	852,453	75,436

Deferred tax as of fiscal year-end has been determined on the basis of the temporary differences between accounting and tax-related measurements. Deferred tax assets and liabilities at each fiscal year-end are broken down as follows:

	Sept 30, 2018	Dec 31, 2017
Deferred tax assets		
Tax loss from national source income	1,799,311	301,398
Tax loss from foreign source income	49,464	15,959
Property, plant and equipment	2,338	2,184
Finance lease valuation	11	11
Provision for sundry expenses	210,225	18,386
Deferred income	114,942	37,969
Subtotal deferred tax assets	2,176,291	375,907
Deferred tax liabilities		
Bad debts	(345)	(346)
Cash equivalent	(2,489)	(38,286)
Inventories	(110,050)	(47,838)
Foreign currency	(280,130)	(64,609)
Financial costs	(42,546)	(17,817)
Investment property	(453,753)	(16,035)
Corporate notes	(543,766)	(306,506)
Other receivables	(35,120)	-
Intangible assets	(7,918)	-
Subtotal deferred tax liabilities	(1,476,117)	(491,437)
Net position of deferred tax assets/(liabilities) (1)	700,174	(115,530)

(1) The net position includes Deferred tax asset of \$ 704,458 and Deferred tax liability of \$ 4,284.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 28. Income tax and deferred tax (Cont.)

The Company estimates its taxable income to determine the use of its deferred tax assets within five years, in accordance with Argentine and Uruguayan Income Tax laws, which represent the basis for the recognition of our deferred tax assets. The assumptions, among other factors, that the Company's Board of Directors considered in the preparation of these projections include the completion of the commercialization of units of the Forum Puerto del Buceo project, completing all deliveries of the Astor Núñez project during this fiscal year, and starting deliveries of the Metra Puerto Norte and Venice project. The recoverability of the remaining losses and of the credit recorded as minimum presumed income tax will depend on the due and timely compliance with the delivery of units under the other projects, and on compliance with business projection allowing for their recoverability. TGLT complies with the provisions of paragraph 34 of IAS 12, which states that tax losses from tax returns expected to be offset against future tax profits are presented as the amount of taxes expected to be recovered with tax losses for the period, in accordance with paragraph 54 (n) of IAS 1, classified in accordance with IAS 12.

The reconciliation between the income tax expense for the year and that resulting from applying the prevailing tax rate to income before tax is as follows:

	Sept 30, 2018	Sept 30, 2017
Income tax calculated at the tax rate prevailing in each country:	846,724	80,141
Impairment of and statute of limitations on income tax loss carryforwards	-	(3,984)
Understated provision for income tax	12	78
Non-deductible expenses	(71,732)	(4,377)
Presumed interest	(456)	(408)
Directors' fees	(255)	(1,069)
Inventories	8,940	8,435
Effect of the conversion of financial statements	52,225	4,833
Loans valuation	-	(8,213)
Adjustment Tax Reform Law No. 27,430	18,589	-
Sundry	(1,594)	-
Income tax	852,543	75,436

Tax losses from national and foreign-source income accumulated as of September 30, 2018 may be used up to the dates indicated below:

	Pesos
Year	2018
2019	90,760
2020	66,522
2021	11,281
2022	163,768
2023	1,497,460
Total	1,829,791

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 29. Related parties

As of September 30, 2018 and December 31, 2017, the balances with Companies under section 33 - Law No. 19550 and other related parties, classified according to the nature of the transaction, are as follows:

RECEIVABLES FROM RELATED PARTIES – Non-current	Notes	Sept 30, 2018	Dec 31, 2017
OTHER RECEIVABLES			
América Pavilion S.A.		40,055	-
Total receivables from related parties – Non-current		40,055	-
Receivables from related parties – Current			
ACCOUNTS RECEIVABLE FROM SALES			
AGL Capital S.A. in local currency		-	173
AGL Capital S.A. in foreign currency	39	-	1,059
Marina Río Luján S.A.		2	14
		2	1,246
OTHER RECEIVABLES			
Marina Río Lujan S.A.		130,401	9,577
Marina Río Lujan S.A. in foreign currency	39	160,130	187,537
Individual shareholders		2,505	2,505
Other shareholders		3,528	3,541
Inversiones y Representaciones S.A.	39	35,223	-
Newbery S.A.		99,258	-
Limp Ar Rosario S.A.		1,689	-
SES S.A.		6,000	-
Logística Ambiental Mediterránea S.A.		9,350	-
UTE Echeverría		13,369	-
UTE Procrear		15,877	-
Eleprint S.A.		414	-
Total receivables from related parties – Current		477,746	204,406
Total receivables from related parties		517,801	204,406
PAYABLES TO RELATED PARTIES – Non-current			
OTHER ACCOUNTS PAYABLE			
Altos del Puerto S.A.		1,041	-
América Pavilion S.A.		758	-
Total payables to related parties – Non-current		1,799	-
PAYABLES TO RELATED PARTIES – Current			
OTHER ACCOUNTS PAYABLE			
Marina Río Lujan S.A.		287	287
Fideicomiso Catalinas		2,538	-
Limp Ar Rosario S.A.		8,501	-
Total payables to related parties – Current		11,326	287
Total payables to related parties		13,125	287

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 29. Related parties (Cont.)

b) As of September 30, 2018 and 2017, the main transactions with Companies under section 33 - Law No. 19550 and other related parties, classified according to the nature of the transaction, are as follows:

- Transactions and their effects on cash flow

Name of related party		Sept 30, 2018	Sept 30, 2017
Newbery S.A.	Loans granted	(81,069)	-
Logística Ambiental Mediterránea S.A.	Financial contributions	(9,351)	-
Altos del Puerto S.A.	Loans borrowed	4,402	-
Individual shareholders	Loans borrowed	-	7,453
UTE Echeverría	Repayment of financial contributions	3,635	-
UTE Echeverría	Financial contributions	(277)	-
UTE Procrear	Financial contributions	(7,199)	-
UTE Procrear	Repayment of financial contributions	296	-
Sucursal Uruguay	Financial contributions	(535)	-
AGL S.A.	Collections received	2,934	585
Limp Ar Rosario S.A.	Collections from services rendered	805	-
Marina Río Luján S.A.	Collections received	66	-
Senior Directors and Managers	Receivables from sale of units	-	1,978
Comisiones y Corretajes S.A.	Receivables from sale of units	-	5,796
Individual shareholders	Payments made	-	(7,804)
Comisiones y Corretajes S.A.	Payments made	-	(34,606)
Limp Ar Rosario S.A.	Loans borrowed	5,781	-
AGL S.A.	Payments made	(295)	-
SES S.A.	Dividend collection	15,182	-
Limp Ar Rosario S.A.	Dividend collection	6,350	-
Fideicomiso Nuevo Quilmes	Dividend collection	658	-
Marina Río Luján S.A.	Write-off due to capitalization	191,061	-
Total		132,444	(26,598)

- Transactions and their effects on profit/loss

Name of related party	Transaction	Profit/(Loss) Sept 30, 2018	Sept 30, 2017
SES S.A.	Dividends	21,182	-
Limp Ar Rosario S.A.	Dividends	6,840	-
Newbery S.A.	Financial results	4,148	-
AGL S.A.	Services provided	1,220	-
Limp Ar Rosario S.A.	Services provided	1,200	-
Individual shareholders	Financial results	-	(343)
Marina Río Luján S.A.	Financial results	116,495	-
Sucursal Uruguay	Financial results	(1,850)	-
Altos del Puerto S.A.	Financial results	(5,110)	-
AGL S.A.	Financial results	(100)	36
Comisiones y Corretajes S.A.	Financial results	-	(3,444)
Limp Ar Rosario S.A.	Overhead expenses	(1,974)	-
Other shareholders	Losses from bad debts	(12)	-
Senior Directors and Managers	Income from the delivery of units	-	5,162
AGL S.A.	Income from ordinary activities	-	762
Comisiones y Corretajes S.A.	Commissions	-	(2,861)
Directors	Professional fees	(913)	(3,923)
Total		141,126	(4,611)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 29. Related parties (Cont.)

c) As of September 30, 2018 and 2017, transactions with key personnel are as follows:

	Sept 30, 2018	Sept 30, 2017
Payroll	16,745,082	9,675,856
Social security contributions	3,185,791	1,448,177
Total	19,930,873	11,124,033

c) As of September 30, 2018 and 2017, transactions with key personnel are as follows:

On December 13, 2011, the Company's Board of Directors established that senior management, under the provisions of section 270 of the Companies Law, are the following:

- General Management
- Administrative and Financial Management
- Operations Management
- Business Support Management
- Legal Management

Accordingly, TGLT's key personnel is made up of individuals responsible for each of these Management Offices (five people).

In April 2016, Federico Well signed an employment contract with the Company. Under such contract, Federico Well will assume the position of CEO (Chief Executive Officer) of TGLT, and will be responsible for the management and administration of the Company. The contract includes clauses on exclusivity, non-competition and confidentiality obligations to be complied with by Federico Well.

Note 30. Receivables, tax assets and payables broken down by maturity and interest rates

a) Receivables, tax assets and payables broken down by maturity:

Receivables/Tax assets	Sept 30, 2018	Dec 31, 2017
To become due		
Up to 3 months	1,322,396	124,072
From 3 to 6 months	85,991	54,701
From 6 to 9 months	82,814	30,814
From 9 to 12 months	161,079	75,256
Over 12 months	1,139,299	236,202
Without any established term	582,728	187,840
Past due		
Up to 3 months	30,717	16,199
From 3 to 6 months	12,291	-
Over 12 months	18,651	-
Total	3,435,966	725,085

Payables (except for contract liabilities)	Sept 30, 2018	Dec 31, 2017
To become due		
Up to 3 months	2,299,269	608,891
From 3 to 6 months	1,074,760	51,845
From 6 to 9 months	175,123	114,035
From 9 to 12 months	339,509	60,489
Over 12 months	5,687,859	1,839,805
Without any established term	96,115	361,213
Past due		
Up to 3 months	14,387	-
Total	9,687,022	3,036,278

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 30. Receivables, tax assets and payables broken down by maturity and interest rates (Cont.)

b) Interest and non-interest bearing receivable, tax asset and payable balances are detailed below:

Receivables/Tax assets	Sept 30, 2018	Dec 31, 2017
Interest bearing	214,660	172,760
Non-interest bearing	3,221,306	552,323
	3,435,966	725,083
Annual nominal average rate:	15%	15%
Payables (except for customer advances)	Sept 30, 2018	Dec 31, 2017
Interest bearing	7,165,315	2,116,673
Non-interest bearing	2,521,707	919,605
	9,687,022	3,036,278
Annual nominal average rate:	17%	17%

Note 31. Restricted assets and guarantee transactions

31.1 Restricted assets

- As collateral for the obligations assumed by the Company as a result of the acquisition of the real property where the Astor San Telmo project was being developed, the Company created a first mortgage on the property in favor of the former owners. The amount of the mortgage is US\$ 12,400.
- As collateral for the obligations assumed by the Company as a result of the acquisition of the real property where the Bisario project was being developed, composed by Proa and Metra Puerto Norte, the Company created a first mortgage on the property in favor of Servicios Portuarios S.A. The amount of the mortgage is US\$ 24,000.
- As a result of the financing obtained by FDB S.A. by means of the Construction Project Financing Agreement with a mortgage executed with Banco Bilbao Vizcaya Argentaria Uruguay S.A. (BBVA) and Banco ITAU Uruguay S.A., the Company created a first mortgage on a piece of property of its own.
- As collateral for the obligations assumed by the Company as a result of the acquisition of the real property where the Astor Palermo project was developed, the Company created a first mortgage in favor of Alto Palermo S.A. (hereinafter "APSA") on the aforementioned property. The amount of the mortgage is US\$ 8,143.
- As a result of certain demolition activities carried out in September 2006 in the premises of the Astor Núñez project, TGLT was served with notice of a complaint against it for "damages due to proximity" in 2009. The case file was pending before the Court of First Instance in Civil Matters Number 89, and the claim amounted to \$ 440. On July 10, 2018, Panel I of the Court of Appeals in Civil Matters confirmed the decision of the First Instance Court, dismissing the complaint. As a result, TGLT returned to the former shareholders the time deposit they have created to secure compliance with the judgment delivered by the courts.
- The company Inversión Desarrollos Caballito S.A. has created a first pledge on 7,819,500 shares in favor of Pegasus Realty S.A. according to Inversiones Desarrollos Caballito S.A. Agreement executed between Pegasus Realty S.A. and Caputo.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 31. Restricted assets and guarantee transactions (Cont.)

31.2 Guarantee transactions

1. Machinery, equipment and vehicles in the amount of \$ 13,961, acquired through finance leases, are disclosed in Property, plant and equipment. The related liabilities are disclosed in Loans. See Note 15.3
2. In October 2016, Caputo agreed to act as surety in favor of Nación Leasing S.A. to guarantee the transactions to be undertaken by Limp Ar Rosario S.A., a company in which Caputo S.A.I.C. y F hold shares, in the amount of up to \$ 37,340 as a result of the execution of four lease agreements. See Note 15.3
3. On October 4, 2017, América Pavilion (AP) and Fundación Universidad de San Andrés (FUDESA) signed offer letter No. 3/2017 in connection with a sales transaction. Caputo S.A.I.C. and F. guaranteed all payment obligations owed by AP to FUDESA up to a maximum amount equivalent to its ownership in AP's capital, equivalent to US\$ 909.
4. In February 2018, Caputo agreed to act as surety in favor of Nación Leasing S.A. to guarantee the transactions to be undertaken by Limp Ar Rosario S.A., a company in which Caputo S.A.I.C. y F hold shares, in the amount of up to \$ 25,231 as a result of the execution of two lease agreements. By the end of March 2018, the surety bond was executed. See Note 15.3
5. On April 12, 2018, the Company's Board of Directors approved the execution of an agreement for the transfer as collateral of the proceeds of certain construction contracts in favor of the banks (Banco Itaú Argentina S.A. and Itaú Unibanco S.A. Nassau Branch) that, in turn, will issue one or several stand by letters of credit in favor of the shareholders selling their non-endorsable, registered, common shares with a nominal value of \$ 1 each and granting 1 vote per share, representative of 82.32% of Caputo S.A.I.C. y F's capital stock in order to secure the payment by TGLT S.A. of the price balance pursuant to the related agreements for the acquisition of shares, which were duly executed by and between the shareholders, as sellers, and TGLT, as buyer.
6. In May 2018, Caputo S.A.I.C. y F became surety and primary obligor of the liabilities arising from a transaction for the acquisition of a piece of real property conducted between América Pavilion and Silvia María Rosa Mayorga, Laura María Eugenia Mayorga, Ofelia Teresita Bellati, Félix Javier Bellati, and María Bellati ("GRUPO FAMILIA") up to the maximum amount of their ownership interest percentage in such company's capital.
7. The company Pegasus Realty S.A. has created a first pledge on 23,458,500 shares in favor of Caputo S.A.I.C. y F. according to Inversiones Desarrollos Caballito S.A. Agreement executed between Pegasus Realty S.A. And Caputo S.A.I.C. y F.

Note 32. Lawsuits

32.1. Health and safety

There are no updates with respect to the financial statements issued on December 31, 2017.

32.2. Labor issues

There are no updates with respect to the financial statements issued on December 31, 2017.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 32. Lawsuits (Cont.)

32.3. Ingeniero Guillermo Milia S.A. (IGM)

In February 2012, IGM (the contractor for the masonry works of the urban projects Forum Puerto Norte and Astor Caballito) filed a plan of reorganization with Court in Civil and Commercial Matters No. 1 of Olavarría, in re "Ingeniero Guillermo Milia S.A. s/ Concurso Preventivo".

Maltería del Puerto S.A. (merged into Canfot S.A., which subsequently merged into TGLT S.A.) and TGLT S.A. have appeared in the proceedings as unsecured creditors and filed proof of claims in the amount of \$ 9,085 and \$ 1,294, respectively, which were allowed by Court on September 12, 2012 and December 17, 2014, respectively. The plan, which was confirmed by the Court, consisted in a 60% claim reduction.

As of September 30, 2018, and December 31, 2017, the Company has a claim amounting to \$ 1,980 and \$ 2,026, respectively, which is disclosed in current assets under "Other receivables".

32.4. Other claims

Find below a detail of "other claims" updated during the present three-month period.

- On November 14, 2013, Maltería del Puerto S.A. (merged into Canfot S.A., which was subsequently merged into TGLT S.A.) was summoned for a hearing by the Arbitration Tribunal of the Rosario Stock Exchange under the proceedings "Inversora Araberta c/ Maltería del Puerto S.A. s/ Incumplimiento Contractual Expte. 3/2013". The plaintiff claims the intrinsic alternation of the nature of the unit purchased. On January 10, 2014, the complaint was answered. On August 10, 2015, the Company reached a settlement agreement, which could not be honored due to the objection of the other owners of Forum Puerto Norte. Arbitrators were appointed and a settlement hearing was scheduled for July 28, 2017, and, subsequently, the case was open for trial. Judgment was rendered in August 2018 ordering TGLT to reimburse the amounts received as purchase price and pay \$ 9,000 for loss of profits. Both TGLT and plaintiff filed appeals for annulment. As of the date of these financial statements, notice has not been served upon the parties to substantiate their appeals.
- On July 6, 2016, Canfot S.A. (merged into TGLT S.A.) was served with notice of a complaint for the damage caused in a unit of Forum Puerto Norte project. The case file "Garófalo Sierra Sabrina C/ Canfot S.A." is pending before District Court in Civil and Commercial Matters No. 17 of the City of Rosario. The Court has ordered the production of the technical expert testimonies requested by the Company. At the same time, the plaintiff claimed that TGLT S.A. continued making payment under the lease agreement until the action for damages was decided, which was sustained by the Court. As a consequence, TGLT made the related payment. In addition, the Court ordered summons be served on the insurance company, and the summons to be served on the construction company is pending resolution. The complaint filed seeks compensation for damages, which the plaintiffs estimates at \$ 6,000. The Company understands that in the event the existence of a damage is proved, compensation for damages should be borne by the insurance company and, eventually, by the construction company.
- On August 29, 2016, the Company was served with notice of the complaint filed under the proceedings "Equística Defensa Del Medio Ambiente Asoc Civil C/ Ingeconser Y Otro S/ Acción Meramente Declarativa", pending before Federal Court No. 2 of the City of Rosario. The complaint alleges the unconstitutionality of the ordinance which authorized, among other developments, the construction and development of Fórum Puerto Norte. Especially, it is argued that the development did not respect the towpath. Notice was served on TGLT and Canfot S.A. of the complaint and the subpoena of the Federal Government and/or Undersecretariat of Navigable Waters and the Province of Santa Fe or the Environment Secretariat. TGLT S.A. filed an answer to the complaint, and the Court has to decide the motions to dismiss the case for lack of venue and lack of legal standing filed by TGLT S.A.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 32. Lawsuits (Cont.)

32.4. Other claims (Cont.)

- On July 27, 2015, the Company was served with notice of the lawsuit captioned "Blegger, Nancy c/ Maltería del Puerto S.A. s/ daños y perjuicios". A complaint was filed against the Company and the company in charge of the Management of Forum Puerto Norte. The customer claims the amount of \$ 150 for repairs in her unit and resulting damages. To this date, the case has been open for trial.
- In October, the Company was served with summons and a complaint under the case "Tevez Frutoso Ariel c/ Consagas S.A. y otro". Mr. Frutoso Tevez states that he had begun working as official plumber in the Astor Núñez Project in May 13, 2014. As a result of the direct dismissal by the company Consagas S.A., the plaintiff claims, among other things, compensation for the incorrect registration of the labor relationship and failure to pay the unemployment fund provided for by Law No. 22250 as well as failure to pay salaries by his former employer (Consagas S.A.). The complaint was answered by TGLT on October 26, 2016. The case is pending trial, and TGLT is co-defendant by virtue of the joint and several liability for labor purposes alleged by the plaintiff.
- In December 2016, the Company was served with summons and a complaint under the case "Cachan Santiago c/ TGLT S.A. s/ daños y perjuicios." The plaintiff claims damages caused by a banner of METRA while he was running along the coastal road in Rosario. The answer to the complaint was filed in December 2016. To date, the case has been open for trial.
- On June 14, 2017, the Company was served with summons and a complaint under the case "Commodities S.A. C/ Canfot S.A. S/ Declaración de Certeza y Reparación de Daño", which was answered on July 3, 2017. The plaintiff claims that works be executed at the expense of the company to secure the front of the slope on the Paraná river. The case is about to be open for trial. The approximate cost of works is \$ 3,000. The related answer was filed and is currently pending before the Arbitration Tribunal of the City of Rosario. The final arguments were made on July 26. In August 2018, the judgment was rendered ordering TGLT to secure the front of the slope. TGLT filed an appeal for annulment against the judgment. As of the date of these financial statements, notice has not been served upon the parties to substantiate their appeals.
- On September 6, 2017, the Company was served with summons and a complaint under the case "Buiatti, Andrea c/ Maltería del Puerto S.A. s/ Demanda de Derecho de Consumo", filed with the First Instance Court in Civil and Commercial Matters No. 16 of the City of Rosario. The plaintiff claims the amount of \$ 72 for structural and moral damages and loss of profit. We have requested the participation of Constructora Sudamericana S.A. in the proceedings. TGLT S.A. answered the complaint in October 2017. The case has not been opened for trial, yet.
- The Company was served with notice of the lawsuit captioned "Bresca Isaac Mario C/ Maltería Del Puerto S.A. S/ Aseguramiento De Pruebas". Plaintiff claims the damages caused in plaintiff's unit as a result of the inflow of water. The documentary evidence required by the plaintiff was duly submitted, and the case file has been withdrawn by Mr. Bresca Isaac Mario's counsel. The Company has not been served with notice of the complaint.
- On August 31, 2017, the Company filed a complaint against Constructora Sudamericana S.A. for the repair of construction defects, and the reimbursement of sums already paid in relation to the construction company's responsibility for the construction of the Forum Alcorta Complex as well as for the construction of the Forum Puerto Norte Complex.

As regards construction defects of rum Alcorta, the complaint was filed in the amount of \$ 26,996, plus interest and legal costs. The case is pending before the National Court of First Instance in Commercial Matters No. 17 of the City of Buenos Aires. On October 23, 2017, the defendant filed a counter claim amounting to \$ 42,373 for alleged invoices, interest expenses, higher general expenses and extension of the term to complete the work, plus interest and legal costs. The defendant also filed a motion for some defects claimed to be considered statute-barred. The outcome of the last claim was considered uncertain by the legal advisors and Company's Board of Directors. On October 31, 2017, TGLT filed an answer to the motion filed, and on November 15, 2017, an answer to the counterclaim was filed. To this date, the legal deadlines have been suspended.

In addition, as regards construction defects in Forum Puerto Norte, the claim amounts to \$ 17,222 plus interest and legal costs, and the case is pending before National Court of First Instance in Commercial Matters No. 27 of the City of Buenos Aires. On December 4, 2017, notice of the complaint was served, and on December 28, 2017, Constructora Sudamericana S.A. filed the answer to the complaint. To this date, the legal deadlines have been suspended.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 32. Lawsuits (Cont.)

32.4. Other claims (Cont.)

- "Mercade, Pablo Adrian c/ Mata, Juan Jose s/ Daños y Perjuicios", pending before National Court of First Instance in Civil Matters No. 100. The plaintiff claims damages resulting from the flood of the defendant's unit. In addition, the defendant filed a third party complaint against TGLT S.A., since according to defendant, TGLT S.A. is the current manager of the Complex. Notice was received on September 19, 2017, and it was duly answered by TGLT S.A. The amount claimed is \$ 248, plus interest and legal costs. At present, the case is open for trial. Whether the claim is admitted will depend on the analysis of the Court as regards the evidenced produced in the case, although attempts will be made to obtain a judgment in which TGLT S.A. is not held liable.

"Creciente Marcela Araceli y otros c/ TGLT S.A. y otros/ medida cautelar autónoma o anticipada": This case is pending before Administrative Court No. 2 of San Isidro. Plaintiffs base their claim upon the threat of damages to the inhabitants of the El Garrote neighborhood as a result of the Venice work conducted by the Company, which will cause the overflow of rainwater. The claims does not estimate any amount. On November 25, 2014, TGLT filed an appeal on the grounds that it is not the owner of the piece of real property at issue (lack of legal standing to be sued). The Company's Board of Directors considers there are solid grounds for defense, and that a favorable decision for the Company will be issued. To this date, although some time has elapsed from the filing of the proceedings, the term to file the answer to the complaint has not expired, and the appeal for lack of legal standing to be sued and motion to dismiss the case for lack of venue is still pending resolution. The term to file the answer to the complaint has been suspended until all the appeals and motions filed are resolved.

- "SADAIC c/ TGLT s/ Cobro de sumas de dinero". Copyrights on the musical piece Metra, used in TGLT's spots on its YouTube channel. Summons of the complaint have been served in February 2018, and the related answer was filed on March 1, 2018. The court held that notice should be served on Landia and Remolino so that they might take part in the proceedings. Once such notice has been served, the case will be opened for trial.

- On March 14, 2014, AGIP's officers initiated a tax audit on TGLT S.A. As a result of such tax audit, a resolution was issued ordering the assessment of turnover tax for fiscal period 2011 by the Tax Authorities' own initiative. AGIP proposed the related tax adjustment on the grounds that the Company's business activities should receive a different treatment for tax purposes. On December 21, 2016, TGLT filed the related answer and defense. However, on December 12, 2017, AGIP raised objections against the tax returns filed by TGLT, assessed tax in the amount of \$ 400 and impose fines equivalent to 100% of the amount of unpaid tax.

On January 17, 2018, the Company filed a motion for reconsideration was filed. At present, the case is under analysis. Additionally, on MARCH 10, 2014, AGIP initiated another tax audit to assess turnover tax for fiscal periods 2012 and 2014 in the amount of \$ 15,054, plus interest and fines. AGIP's objections are the same as those described above. On September 20, 2017, the Company filed a note with AGIP reiterating the arguments in support of the construction activity. In addition, it filed certifications extended by the Professional Council of Architecture and Urbanism, and offer letters to evidence the categories of the different buildings for tax purposes. The Company's legal and tax advisors consider that the likelihood of occurrence of an unfavorable outcome is remote.

- "Symetre S.A. c/ TGLT S.A. s/ cobro de sumas de dinero" is pending before National Court of First Instance in Civil Matters No. 1 of the City of Buenos Aires. Plaintiff seeks the imposition of the fine described in the purchase-sale agreements of the units acquired in Astor Caballito. The amount claimed is US\$ 84, plus interest and legal costs. The complaint was answered in due time and manner.

- "Di Chenna Claudio Adrian c/ TGLT S.A. s/ Cumplimiento de contrato" is pending before National Court of First Instance in Civil Matters No. 33 of the City of Buenos Aires. Plaintiff seeks the imposition of the fine described in the purchase-sale agreement of the unit acquired in Astor Núñez project, plus the penalty prescribed by section 52bis of the Consumer Protection Law. To this date, the case has been open for trial.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 32. Lawsuits (Cont.)

- On August 30, 2018 we were served notice of the lawsuit captioned "Néspola, Guillermo C/ Canfot S.A. y otros s/ Daños y Perjuicios". The complaint was answered on September 21, 2018. Plaintiff seeks compensation for damages arising from the hidden defects in his unit and common use spaces in Forum Alcorta. TGLT filed a third-party complaint against Constructora Sudamericana S.A. and Anodal S.R.L. To date, the case has not been opened for trial, yet.

The Company's Board of Directors, in agreement with its legal advisors, has set up an allowance for the amount it estimates it will have to pay in connection with the cases described above. Such balance is included in the "Provisions and allowances" line.

Note 33. Ownership interests in other companies – Acquisitions and transfers

33.1 Merger between companies: TGLT S.A. and Green Urban Homes S.A.

On December 2, 2014, TGLT acquired 100% of the shares of "Green Urban Homes S.A." (GUHSA). GUHSA's main asset was a piece of real property located in the City of Buenos Aires. The total purchase price for GUHSA's shares totaled US\$ 4,800, payable by TGLT according to the following schedule: (a) US\$ 500 on January 6, 2015; (b) US\$ 700 on January 5, 2016; (c) US\$ 1,200 on January 5, 2017; (d) US\$ 1,200 on January 5, 2018, and (e) US\$ 1,200 on January 5, 2019. On May 7, 2018, TGLT paid off the debt owed to the Company's previous owners, and the previous owners executed a deed to release the mortgage on the land.

As of December 31, 2017, outstanding liabilities amounted to \$ 44,758, disclosed in "Other accounts payable".

On July 7, 2016, the CNV approved the merger, and on January 19, 2017, the IGJ approved the registration of GUHSA's dissolution.

33.2 Acquisition of Sitia S.A.'s shares by TGLT and subsequent liquidation of Sitia S.A.

On June 29, 2017, TGLT exercised its purchase option to acquire all the shares and interests that two individuals had on Sitia S.A. Therefore, the shareholders sold, assigned and transferred to TGLT all their shareholdings, i.e. 5,000 non-endorsable, registered, common shares, with a nominal value of \$ 1 each and one vote per share, representing 5% of the total capital stock and voting rights.

The amount paid for all the shares acquired was \$ 30. This resulted in income in the amount of \$ 76 for TGLT, as the equity value of the 5% ownership interest in Sitia at the time of acquisition was \$ 106. Such income is recorded as a "Capital Contribution" in the statement of changes in equity as of December 31, 2017, since it was a transaction between shareholders. On June 30, 2017, being the sole shareholder of Sitia S.A., TGLT approved at the Annual General Shareholders' Meeting the dissolution of the company. To that end, the Board of Directors was appointed as liquidator. On December 26, 2017, the Extraordinary General Shareholder's Meeting unanimously approved the final balance sheet for liquidation purposes for the fiscal year ended November 30, 2017. To the date of issuance, the liquidation of Sitia is pending approval from the competent authorities.

33.3 Acquisition of Caputo S.A.I.C. y F.'s shares by TGLT

On January 19, 2018, the Company acquired from certain shareholders of Caputo Sociedad Industrial, Comercial y Financiera ("Caputo") shares representing 82.32% of the capital stock and voting rights of Caputo in accordance with the provisions of the share purchase agreements. Consequently, by virtue of the transaction, the Company has become the parent company of Caputo.

The price of the transaction amounted to US\$ 110,473. On January 19, 2018, 48.90% of the price (i.e. US\$ 53,509) was paid while the remaining balance will be paid as follows: (a) 25.92% of the price on January 19, 2019; and (b) the remaining 25.18% of the price on January 19, 2020.

As of September 30, 2018, outstanding liabilities amounted to \$ 2,208,868, out of which the amount of \$ 1,184,220 is disclosed as current liabilities, and \$ 1,024,648 is disclosed as non-current liabilities in "Other accounts payable".

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 33. Ownership interests in other companies – Acquisitions and transfers (Cont.)

33.3 Acquisition of Caputo S.A.I.C. y F.'s shares by TGLT (Cont.)

The fair value of identifiable assets and liabilities in Caputo at the date of acquisition was:

	January 19, 2018
Non-current assets	1,391,306
Current assets	1,014,374
	2,405,680
Non-current liabilities	151,088
Current liabilities	707,428
Non-controlling interest	273,539
	1,132,055
	1,273,626
Goodwill	716,152
Acquisition value	1,989,778

The greater value of the assets and liabilities identified was mainly related to the properties owned by Caputo, the accounts receivable equivalent to square meters of projects under construction, the value of the construction contracts identified in the acquisition, the contingencies, the fair value of the interests of Caputo in SES S.A. and Limp Ar S.A.

On April 12, 2018 the Company's Board of Directors resolved to approve the formal execution by the Company of a letter of credit or stand by letter of credit, issued by Banco Itaú Argentina S.A and Itaú Unibanco S.A. Nassau Branch (jointly, the "Issuing Bank") in favor of the shareholders selling Caputo shares, as collateral for the balance of the agreed price.

On July 24, 2018, the CNV approved the Public Offering for the acquisition of shares aimed at all the holders of registered, common shares of Caputo, with a nominal value of one peso each, and granting one vote per share, currently issued and outstanding. The Offering began on August 8, 2018 and ended on September 12, 2018 and comprised 24,719,128 shares of Caputo. The price per share was US\$ 0.799 and totaled US\$ 19,751 (equivalent to \$ 793,973), which was paid on September 18, 2018. This transaction is disclosed in the Statement of Changes in Shareholders' Equity under "Acquisition of Companies" in the amount of \$ 501,508 (net of the equity value of the percentage acquired).

As a result of the Public Offering for the acquisition of shares, TGLT holds 97.04% of the capital stock and voting rights of Caputo.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 34. Risks - Financial risk management

The Company is exposed to market and financial risks inherent to the nature of the business, as well as to the financial instruments used for the financing of the real estate projects developed by it. The Company's Board of Directors analyzes these risks on a regular basis, reports them to the Board of Directors and designs mitigation strategies and policies. In addition, it verifies that the practices adopted throughout the organization comply with the relevant strategies and policies. Furthermore, it monitors the current policies and adapts or changes them based on market changes and on the needs of the organization.

34.1 Market risks

Our activities are exposed to different risks inherent to the real estate development and construction industry both in Argentina and in Uruguay. These risks include, among others:

Risk of increase in construction costs

Most of our costs are linked to the effects of inflation on the costs of construction materials and labor. However, the Company operatively covers this risk by adjusting the amounts pending collection per apartments sold and the lists of prices by the CAC index (construction cost index) on a monthly basis.

The Company contracts private works with third parties following the lump sum system or the cost plus system. Lump-sum contracts include clauses for adjusting the basic sale price using various polynomial formulas. In any of these cases, the formulas are adequate to compensate for the increases in the price of inputs that make up the cost so as to maintain at all times the profit margin on sales in constant currency.

In cost plus contracts, the risk of losses is limited only to management, given that the costs are borne by the principal.

In the case of public works, there are national and provincial laws that provide for adjustments to the sale price when a certain cap is exceeded.

Irrespective of the above, during the budgeting stage, the Company carefully studies and analyzes the possible economic effects of inflation on the contracts, and conducts hedge transactions if deemed necessary.

Risk associated with the demand for our products

The demand for our products depends on several external factors, such as the macroeconomic and market conditions. We are continuously controlling the speed of our sales and adjusting our marketing strategy, including price and discount policies, in order to optimize the performance of our projects. In addition, we have sometimes adjusted the design of our products in light of data resulting from changes in the market.

Risk of contractors' non-performance

Independent contractors may carry out construction activities in our projects. We thoroughly assess the creditworthiness and capacity of our contractors both before and during contract execution to minimize the risk of non-performance. In addition, we require that they purchase insurance against these risks.

34.2. Financial risks

Risk of access to financing

We have access to the capital markets and credit facilities to obtain external financing for our projects and to refinance existing debt, where necessary. Access to these markets might be restricted due to situations outside Company's control, which may make it difficult to obtain financing and/or refinancing.

Exchange rate risks

TGLT develops and sells real estate projects in Argentina and Uruguay and, therefore, we are exposed to foreign exchange rate fluctuations.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 34. Risks - Financial risk management (Cont.)

34.2. Financial risks (Cont.)

To the date of issuance of these financial statements, the Company recorded payables denominated in US dollars in Argentina amounting to 179.5 million, mainly made up of the newly issued series XV corporate notes in the amount of US\$ 25 million and the corporate notes issued during the third quarter of 2017 in the amount of US\$ 150 million, out of which US\$ 54.2 million were recorded in shareholders' equity. In addition, the Company has been granted a loan for the construction of the Forum Puerto del Buceo Project, developed in Montevideo, Uruguay, which amounted to US\$ 17.7 million. To minimize the risks related to exchange rate fluctuations affecting our financial liabilities, the Company might enter into a forex hedge transaction in relation to the local currency and the US dollar. The company does not conduct hedge or financial derivative transactions for speculative purposes. We believe that, in the event a hypothetical depreciation of 1 peso per dollar occurred between the Argentine peso and the U.S. dollar, the difference between our assets and liabilities in foreign currency would result in a loss of about \$ 171.5 million, which would be charged to income/loss for the six-month period ended September 30, 2018.

Interest rate risks

The group is slightly exposed to interest rate volatility as \$ 102.8 million out of \$ 6,148 -1.67% of our financial liabilities- is subject to a variable reference rate such as the Private BADLAR or overdraft interest rates. We believe that should the rate increased by 100 basis points, a loss of \$ 1.01 million would be recorded.

Credit risks

The Company's exposure to credit risk is closely linked to the financial capacity of its customers to meet its contractual commitments.

The Company actively controls the credit rating of its short-term financial instruments as well as the risk of its counterparties inherent to derivatives and insurance in order to minimize credit risks.

With respect to receivables from construction works, the Company usually sets forth in its contracts one or more financial advances that allow it to have sufficient working capital to start a project or work, and at the same time it makes sure it will have a positive financial position in the course of the work that allows for negotiating favorable conditions in the event of late payment.

In addition, purchase and sale agreements include a payment plan beginning on the date of execution of the agreement and ending upon delivery of the finished product, with installments along the building process. These agreements provide for high penalties for clients in default. As a result, we do not register high levels of uncollectibility or default in payments. Some specific agreements provide for the collection of outstanding balances after the transfer of possession of apartments. Allowances for bad debts are set up based on such agreements in the total amount of \$11.1 million.

Credit risks related to the investment of cash surplus are managed directly by the Treasury Department. We are conservative in our financial investment policies, and choose to maintain deposits in first line financial institutions.

Liquidity risk

Our financial strategy is aimed at preserving sufficient financing resources and access to additional liquidity.

Management keeps enough cash and cash equivalents to finance the ordinary business volume and believes that TGLT has adequate access to the banking and capital markets to finance short-term working capital needs. We also believe that we have the necessary tools to issue long-term debt, such as in the successful case of the placement of corporate notes in August of 2017.

For the nine-month period of 2018, the Company recorded an operating cash use for \$ 345.9 million. Furthermore, \$ 198.6 million arising mainly from transactions between shareholders were used. In addition, 990.5 million were used to acquire company shares; therefore, the cash and cash equivalent balance totaled \$ 211.9 million as of September 30, 2018.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 35. Investment property

As of September 30, 2018 and December 31, 2017, changes in investment property were as follows:

	Capital appreciation (1)	Construction (2)	Rent (3)	Total
As of January 1, 2018	-	15,828	-	15,828
Acquisitions of the period	-	4,216	-	4,216
Transfer from Inventory	127,974	-	-	127,974
Addition of Caputo S.A.I.CyF	27,930	-	1,828	29,758
Costs on existing investment property	-	-	-	-
Fair value adjustments	1,257,332	-	-	1,257,332
Depreciation of property for rent	-	-	(706)	(706)
Transfer to Inventory	-	(6,933)	-	(6,933)
Higher value as per business combinations	407,741	-	37,608	445,349
Total as of September 30, 2018	1,820,977	13,111	38,730	1,872,818

	Capital appreciation (1)	Construction (2)	Rent (3)	Total
As of January 1, 2017	808,801	13,797	54,033	876,631
Acquisitions for the year	-	2,031	-	2,031
Fair value adjustments	-	-	(2,640)	(2,640)
Transfer to Inventory	-	-	(51,393)	(51,393)
MRL deconsolidation	(808,801)	-	-	(808,801)
Total as of December 31, 2017	-	15,828	-	15,828

The expenses relating to investment property recognized in the statement of profit or loss are the following:

	Sept 30, 2018	Sept 30, 2017
Maintenance and repair expenses	-	1,592
Total investment property expenses	-	1,592

The Company maintains as investment property the following items:

1- Investment properties for capital appreciation:

In June 2018, the Company's Board of Directors decided a strategic change in the use of assets called Brisario, which consisted in reducing the saleable area affected to the urban development project by 49.65% and maintaining the remaining 50.35% as a reserve to increase its value. As a consequence of the aforementioned change, the proportional part included in inventories for a total of \$ 127,555 was transferred to the Investment Property line item.

On June 26, 2018, the Company reclassified certain fractions of land from "Inventory" to "Investment property" and made a reliable measurement of the fair value of this property, based on an appraisal carried out by an independent expert with recognized professional capacity and expertise in this type of properties. This resulted in a gain of \$ 921,263. The investment property was adjusted at fair value, in compliance with IFRS requirements, which resulted in income as disclosed in Investment property stated at fair value. Such measurement does not exceed its recoverable value.

As a consequence of this change, Management analyzed the impact on the rights and obligations arising from the agreement for the purchase-sale of the piece of land, in particular, the obligation to deliver a certain number of square meters. Considering the construction costs involved, the Company has recorded a loss in relation to existing liabilities, disclosed in Other expenses. As of the date of these financial statements, the Company's Board of Directors is conducting negotiations with the counterparty to adapt the contract conditions to the new scenario.

As of September 30, 2018, the Company discloses three pieces of land located in Buenos Aires, and a piece of land located in the City of Rosario, Province of Santa Fe.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 35. Investment property (Cont.)

2- Investment property under construction

The Company's Board of Directors determined the area where offices for rent will be built under the Proa project in Rosario. Therefore, the relevant transfer of the costs designed to salable surface of said offices was already made from inventories. This investment property is recorded at its cost as it is impossible to reliably appraise it at fair value.

3- Investment property for rent

As of September 30, 2018 a property located at the intersection of Juan B. Justo and Nicaragua is included.

As of December 31, 2017, the portion of land acquired for the development of the Astor San Telmo project is included. The right to collect current rents, by means of an assignment, was acquired under a lease agreement effective until April 30, 2018. On July 20, 2017, the parties agreed to the termination of said contract. Therefore, the amount so far recorded as Investment Property was transferred to Inventories.

Note 36. Segment information

The Company has adopted IFRS 8—Operating segments, which requires operating segments be identified on the basis of internal reports about components of the entity that are regularly reviewed by the Board of Directors, the chief operating decision-maker, in order to allocate resources to the segment and assess performance.

As a result of the acquisition of Caputo, the Company has redefined the identified business segments in the following manner: (i) Construction and services, and (ii) Real estate development.

Gain/loss on investments in SES S.A. and Limp Ar Rosario S.A. was disclosed under the Construction and services segment. Other gain/loss on investments in companies was disclosed under the Real estate development segment.

The criteria used for the measurement of results, assets and liabilities presented by segment are equal to the criteria used for the preparation of the consolidated financial statements.

Revenue, results and other information grouped by business segment is shown below. Amounts are stated in thousands of Argentine pesos.

	Construction and services	Real estate development	Sept 30, 2018	Construction and services	Real estate development	Sept 30, 2017
Income from ordinary activities	2,116,136	617,491	2,733,627	-	851,016	851,016
Cost of ordinary activities	(1,824,599)	(717,806)	(2,542,405)	-	(774,359)	(774,359)
Gross profit	291,537	(100,315)	191,222	-	76,657	76,657
Administrative, selling, and other operating expenses (excluding amortization and depreciation)	(244,789)	(787,093)	(1,031,882)	-	(279,347)	(279,347)
Depreciation	(6,389)	(711)	(7,100)	-	(2,084)	(2,084)
Amortization	(976)	(12,250)	(13,226)	-	(417)	(417)
Investment property appraisal at fair value	-	1,257,332	1,257,332	-	47,450	47,450
Income from sale of investment property	-	-	-	-	43,627	43,627
Other income and expenses, net	7,902	68,742	76,644	-	8,510	8,510
Operating results	47,285	425,705	472,990	-	(105,604)	(105,604)
Gain/loss on investments in companies	77,951	296,923	374,874	-	-	-
Financial results	37,956	(3,292,948)	(3,254,992)	-	(163,467)	(163,467)
Income/(loss) for the period before income tax	163,192	(2,570,320)	(2,407,128)	-	(269,071)	(269,071)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 36. Segment information (Cont.)

	Construction and services	Real estate development	Sept 30, 2018	Construction and services	Real estate development	Dec 31, 2017
Non-current assets	372,335	6,181,875	6,554,210	-	1,446,147	1,446,147
Current assets	1,497,008	4,122,762	5,619,770	-	4,145,356	4,145,356
Total assets	1,869,343	10,304,637	12,173,980	-	5,591,503	5,591,503
Non-current liabilities	27,619	7,347,991	7,375,610	-	2,572,922	2,572,922
Current liabilities	1,235,103	5,371,200	6,606,303	-	2,569,435	2,569,435
Total liabilities	1,262,722	12,719,191	13,981,913	-	5,142,357	5,142,357
Total shareholders' equity	606,621	(2,414,554)	(1,807,933)	-	449,146	449,146

The figures included in each line of the total columns match the figures of the consolidated financial statements, so there is no reconciliation between the total figures by segments to the figures of those financial statements.

Geographical information on the Company and its subsidiaries is included below:

	Argentina	Uruguay	Sept 30, 2018	Argentina	Uruguay	Sept 30, 2017
Income from ordinary activities	2,370,630	362,997	2,733,627	362,530	488,486	851,016
Inventories	779,596	-	779,596	929,723	-	929,723
Accounts receivable from sales	89,908	-	89,908	-	-	-
Other receivables	204,390	-	204,390	151,350	12	151,362
Investment property	1,872,818	-	1,872,818	15,828	-	15,828
Property, plant and equipment	41,863	213	42,076	1,286	121	1,407
Intangible assets	32,705	171	32,876	405	170	575
Tax assets	785,734	19,212	804,946	66,368	18,472	84,840
Investments in companies	1,971,393	-	1,971,393	262,412	-	262,412
Goodwill	716,152	-	716,152	-	-	-
Receivables from related parties	40,055	-	40,055	-	-	-
NON-CURRENT ASSETS	6,534,614	19,596	6,554,210	1,427,372	18,775	1,446,147

Note 37. Earnings per share

Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the income/loss of the period attributable to the holders of common shares by the weighted average number of outstanding common shares during the period. Diluted earnings per share are calculated by dividing the adjusted net income/loss attributable to holders of common shares, by the weighted average number of outstanding common shares during the period plus the weighted average of potential common shares with dilutive effects on common shares.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 37. Earnings per share (Cont.)

Net income/loss is adjusted by the amount of dividends and interest, after taxes, recorded during the period regarding the potential common shares with dilutive effects. The following table includes the results and the data on the shares used for calculating the basic and diluted earnings per share:

	Sept 30, 2018	Sept 30, 2017
Result used for calculating earnings per share		
Result used for calculating basic earnings per share	(1,632,561)	(205,221)
Financial results of potential common shares with dilutive effects	823,103	6,821
Result used in the calculation of diluted earnings per share	(809,458)	(198,400)
Weighted average of common shares		
For basic earnings per share purposes	71,993	70,350
Potential shares	300,000	300,000
Weighted average since issue date	0.66	0.22
Weighted potential shares	199,373	64,835
For diluted earnings per share purposes	271,366	135,185
Basic earnings/(losses) per share	(22.68)	(2.92)
Diluted earnings/(losses) per share	(2.98)	(1.47)

As of September 30, 2018, the diluted weighted average of shares was 271,366, as a result of the issuance of convertible corporate notes dated August 3, 2017. (See Note 42)

There have been no other transactions with common shares or potential common between the closing date of these financial statements and the date of presentation thereof, except as mentioned in Note 15.

Note 38. Astor Caballito - Agreement to annul previous contractual obligation

On June 29, 2011, the Company and IRSA Inversiones y Representaciones S.A. (hereinafter "IRSA ") entered into a barter and conveyance of title deed, whereby IRSA transferred to TGLT S.A. title to some premises located in the neighborhood of Caballito, where the Company would develop a real estate project called Astor Caballito.

On April 26, 2018, TGLT and IRSA executed a deed of annulment of barter agreement whereby TGLT reverted the property to IRSA, free of liens and third party rights, thus extinguishing the obligations arising from the mortgage-backed barter deed. In consideration thereof, IRSA agreed to pay as compensation the sum of US\$ 3,300, as follows: a) US\$ 300 at the execution of the deed, b) US\$ 2,000 18 months after the execution thereof, c) US\$ 1,000 18 months after the execution of the deed or once TGLT complies with the obligations arising from the barter signed on December 16, 2010. The value corresponding to the second instalment of US\$ 2,000 was discounted on September 18, 2018. As of September 30, 2018, income derived from the transaction in the amount of \$ 20,321 was recognized.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY
(amounts stated in thousands of Argentine pesos)

Note 39. Assets and liabilities in foreign currency

	Sept 30, 2018			Dec 31, 2017	
	Class and amount in foreign currency		Prevailing exchange rate	Amount in pesos	Amount accounted for in pesos
ASSETS					
Non-current assets					
Other receivables:					
Security deposit	US\$	112	41.05	4,614	883
	U \$			-	12
				4,614	895
Prepaid insurance	US\$	36	41.05	1,485	-
Total non-current assets				6,099	895
Current assets					
Other receivables:					
Value added tax	U\$	209,459	1.24	259,520	124,217
Net worth tax	U\$	5,770	1.24	7,149	7,325
Advance payments to work suppliers	US\$	2,225	41.05	91,551	33,778
	U \$	15,072	1.24	18,674	19,015
				110,225	52,793
Security deposit	U\$	20	1.24	25	-
Prepaid insurance	US\$	47	41.05	1,933	650
Loans granted	US\$	1,010	41.05	41,469	-
Expenses to be rendered	US\$	5	41.05	196	86
	U\$	2,199	1.24	2,725	975
				2,921	1,061
Receivables from the sale of investment property	US\$	452	41.05	18,548	19,380
Maintenance fees to be recovered	US\$	0.2	41.05	10	-
Equipment fund receivable	US\$	58	41.05	2,401	1,118
Collectible operative fund	US\$	0.6	41.05	11	5
Receivables from related parties:					
Accounts receivable from sales	US\$			-	1,059
Other receivables	US\$	4,759	41.05	195,353	187,537
Accounts receivable from sales:					
Receivables from sale of units	US\$	824	41.05	33,875	11,939
Receivables from services rendered	US\$	3	41.05	109	17
Allowance for bad debts	US\$	(81)	41.05	(3,326)	(761)
Other financial assets					
Other financial assets	US\$			-	194
Cash and cash equivalents:					
Cash	US\$	40	41.05	1,652	672
	U\$	44	1.24	55	27
				1,707	699
Banks	US\$	1,412	41.05	57,998	22,368
	U\$	3,976	1.24	4,926	425
				62,924	22,793
Uncashed checks	US\$			-	387
Time deposits	US\$			-	3,734
Mutual funds	US\$	250	41.05	10,264	692,981
Bonds and government securities	US\$	3,070	41.05	126,351	1,031,850
Total current assets				871,469	2,158,978
Total assets				877,547	2,159,868

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 39. Assets and liabilities in foreign currency (Cont.)

	Sept 30, 2018			Dec 31, 2017	
	Class and amount in foreign currency		Prevailing Exchange Rate	Amount in pesos	Amount accounted for in pesos
LIABILITIES					
Non-current liabilities					
Other accounts payable:					
Payable for purchase of shares	US\$	24,840	41.25	1,024,648	22,379
Sundry creditors in foreign currency	US\$	410	41.25	16,928	
Security deposit	US\$	-	41.25	-	129
Loans:					
Corporate notes	US\$	111,576	41.25	4,602,503	1,666,921
Finance lease	US\$	10	41.25	404	-
Trade payables:					
Contingency fund	US\$	117	41.25	4,802	1,656
	U\$	9,172	1.239	11,364	15,886
				16,166	17,542
Total non-current liabilities				5,660,649	1,706,971
Current liabilities					
Provisions and allowances:	US\$	20	41.25	825	373
Other accounts payable:					
Security deposit	US\$	181	41.25	7,445	-
Sundry creditors	US\$	116	41.25	4,767	8,340
Payable for purchase of shares	US\$	28,708	41.25	1,184,220	22,379
Loans:					
Loans borrowed	US\$	3,099	41.25	127,518	56,250
Mortgage backed banking loans	US\$	17,703	41.15	728,485	246,057
Bank overdraft	US\$	8	41.25	327	-
Other financial liabilities	US\$	29	41.25	1,198	-
Corporate notes	US\$	13,542	41.25	558,609	210,417
Finance lease	US\$	6	41.25	245	-
Other tax burdens:					
Provision for net worth tax	U\$	-	-	-	8
Withholdings and collections to be deposited	U\$	566	1.24	702	1,423
Payroll and social security contributions:					
Salaries payable	U\$	2,450	1.24	3,036	1,582
Social security contributions payable	U\$	315	1.24	390	255
Provision for thirteenth month salary and vacations	U\$	1,954	1.24	2,421	911
Trade payables:					
Suppliers	US\$	1,765	41.25	72,647	21,286
	U\$	116,608	1.24	144,478	3,693
				217,125	24,979
Deferred checks	US\$	28	41.25	1,156	-
	U\$	5	1.24	6	184
				1,162	184
Provision for expenses	US\$	116	41.25	4,762	4,306
	U\$	103	1.24	127	247
				4,889	4,553
Provision for works	US\$	95	41.25	3,895	3,188
	U\$	36,749	1.24	45,532	19,197
				49,427	22,385
Insurance payable	US\$	52	41.25	2,135	50
Contingency fund	US\$	16	41.25	676	305
Total current liabilities				2,895,602	659,883
Total liabilities				8,556,251	2,366,854

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 40. Determination of fair value

A. Financial instruments by category

The following are financial assets and liabilities per financial instrument category and a reconciliation with the appropriate line shown in the consolidated balance sheet, where applicable.

The financial assets and liabilities as of September 30, 2018 and December 31, 2017 were as follows:

Item	Financial assets at fair value through profit or loss	Amortized cost	Investments held to maturity	Total
FINANCIAL ASSETS				
Cash and cash equivalents	136,615	75,380	-	211,995
Other financial assets	-	-	-	-
Accounts receivable from sales	-	1,163,246	-	1,163,246
Other receivables	-	949,973	-	949,973
Receivables from related parties	-	517,801	-	517,801
Total assets as of September 30, 2018	136,615	2,706,400	-	2,843,015

Item	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
FINANCIAL LIABILITIES			
Accounts payable	-	861,178	861,178
Loans (not including finance leases)	-	4,605,162	4,605,162
Other accounts payable	-	2,295,575	2,295,575
Payables to related parties	-	13,125	13,125
Total liabilities as of September 30, 2018	-	7,775,040	7,775,040

Item	Financial assets at fair value through profit or loss	Amortized cost	Investments held to maturity	Total
FINANCIAL ASSETS				
Cash and cash equivalents	1,766,815	33,172	3,734	1,803,721
Other financial assets	194	-	-	194
Accounts receivable from sales	-	10,031	-	10,031
Other receivables	-	443,125	-	443,125
Receivables from related parties	-	204,406	-	204,406
Total assets as of December 31, 2017	1,767,009	690,734	3,734	2,461,477

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 40. Determination of fair value (Cont.)

Item	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
FINANCIAL LIABILITIES			
Accounts payable	-	441,874	441,874
Loans (not including finance leases)	-	2,312,740	2,312,740
Other accounts payable	-	61,783	61,783
Total liabilities as of December 31, 2017	-	2,816,397	2,816,397

A. Financial instruments by category

In the case of accounts receivable from sales, other receivables and receivables from related parties, the book value approximates the fair value as such receivables are substantially short-term.

In the case of accounts payable, loans, other accounts payable and payables with related parties, the book value is considered to approximate the market value.

B. Determination of fair value

The Company has classified assets and liabilities measured at their fair value after their initial recognition in three levels of fair values, based on the relevance of the information used for their determination:

- Level 1: measurement of fair values is derived from appraisal (not adjusted) in active markets for identical assets or liabilities.
- Level 2: information used to determine fair values includes: market prices of similar instruments in active markets, market price of similar or identical instruments in inactive markets, or valuation models using information derived from market data or that may be observed with market data.
- Level 3: information used to determine fair values cannot be observed and is significant to determine such values. This information requires significant judgment and estimates of Company's Board of Directors.

The assets and liabilities measured at their fair value as of September 30, 2018 and December 31, 2017 are shown below:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	136,615	-	-	136,615
Financial instruments	-	-	-	-
Total as of September 30, 2018	136,615	-	-	136,615

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	1,766,815	-	-	1,766,815
Financial instruments	194	-	-	194
Total as of December 31, 2017	1,767,009	-	-	1,767,009

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 41. Refund of Minimum Presumed Income Tax credit

On November 4, 2016, the Federal Administration of Public Revenue ("AFIP"), sustained the action for refund the Company had filed on July 23, 2014 thus confirming the return of the credits maintained for the payment of the Minimum Presumed Income Tax corresponding to the 2011, 2012 and 2013 periods, for a total amount of \$ 14,750, plus the settlement of interest from the date the action was filed until its effective payment.

On October 20, 2017, the Company filed a motion for prompt resolution before the AFIP for this to resolve the return of the amount in relation to which a refund was sought. The Tax Authorities did not give an answer within the term of 15 working days, so the Company would have to lodge an appeal with the Tax Court. Documentation was added to the file during the subsequent months. As of September 30, 2018 and December 31, 2017, the Company holds credit balances in the amounts of \$ 18,169 and \$ 17,509, respectively, which are disclosed in "Tax Assets" within Non-current assets.

During 2016, actions for refund for the taxes paid in the 2014 and 2015 periods for \$ 15,668 were filed. In April 2018, the AFIP started a tax audit.

It should be noted that on December 28, 2012, Maltería del Puerto SA (a company merged with Canfot SA and then with TGLT SA) filed a declaratory action of unconstitutionality, requesting the refund of the tax paid. As of the date of these financial statements, the tax credit balance claimed for fiscal years 2008 to 2014 amounts to \$ 11,697, plus interest calculated as of collection date. On December 1, 2017, the Court with jurisdiction over Administrative Matters No. 3 passed judgment in favor of the Company.

On December 29, 2017, an administrative complaint was filed with AFIP for the tax refund of the 2012 and 2013 periods, amounting to \$ 3,018 and \$ 2,141, respectively. In March 2018, the AFIP started a tax audit.

Since the Income Tax provision and the accounting records of TGLT S.A. for fiscal year 2016 reflected the existence of tax losses and accounting losses, case law of the Argentine Supreme Court of Justice is applicable as to the inappropriateness of the payment of that tax, according to the recent ruling on "Diario Perfil S.A. vs. AFIP DGI on Dirección General Impositiva [General Tax Office]. As the same circumstances took place as of September 30, 2018 and December 31, 2017, the Company decided not to set up any provision for that tax in those years. Consequently, the financial statements as of December 31, 2016 to date do not include such liabilities, as the Company will file its annual tax returns showing no balance in favor of the Tax Authorities, and will serve formal notice of such decision to the Tax Authorities. Based on the business revenue projections for the next fiscal years, the Company expects to offset the remaining balance not subject to refund.

Note 42. Accounting policy used by the Company to recognize and measure the issuance of convertible corporate notes

On April 20, 2017, the Annual and Extraordinary Shareholders' Meeting approved the issuance of corporate notes convertible into book-entry, common shares, of \$ 1 of nominal value, carrying one vote each, and entitled to collect dividends under the same conditions as the common shares currently outstanding as from the fiscal year in which the conversion right is executed, for up to a total amount of US\$ 150,000.

The main features of such instrument are as follows:

- **Total amount offered:** US\$ 150,000.
- **Issue currency:** United States Dollars.
- **Subscription and payment currency:** United States Dollars.
- **Right of first refusal:** According to Section 11 of the Corporate Notes Law, shareholders with rights of first refusal or accretion in the subscription of new common shares, may have exercised such rights when subscribing Convertible Corporate Notes between July 15 and July 25, 2017.
- **Voluntary conversion:** At the holder's option, the Convertible Corporate Notes may be converted into new common shares at any time as from the date of issuance, but always before the maturity date, and for an amount not lower than a minimum denomination equal to US\$ 1, in full or in part.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 42. Accounting policy used by the Company to recognize and measure the issuance of convertible corporate notes (Cont.)

- **Mandatory Conversion:** Should the Company make an initial public offering ("IPO") in a U.S. stock exchange or market, convertible corporate notes shall be automatically converted into new common shares or into ADRs (at the holder's option), at the conversion price, adjusted as necessary at the IPO's closing date.
- **Conversion price:** The conversion price will be US\$ 0.50, i.e. 2,000 new common shares will be received for every US\$ 1,000 in convertible corporate notes.

After assessing the features of convertible corporate notes, the Company applied the mechanisms provided for in IAS 32 and IAS 39 for the recognition and recording of the liability and equity components of this instrument.

For purposes of its initial recognition, the Company classified each of the parts making up the instrument in accordance with the economic nature of the instrument, and with the definitions of financial liabilities and equity instruments, which are set forth in IAS 32 Financial Instruments. Namely:

- The liability component (loan) meets the definition of financial liability as it creates a contractual obligation of the Company to deliver cash to other parties.
- The equity component (option to convert into shares) meets the definition of equity, as:
 - It is an instrument that can be settled with equity instruments owned by the Company.
 - It is a derivative which represents for its holder an option to acquire a specific number of equity instruments owned by the Company for a fixed amount in any currency.
 - The Company offered the rights arising from the implied options pro rata to all its existing shareholders, in accordance with the rights of first refusal and of accession, as defined by the Companies Law and the regulatory framework of the CNV.

Once the value of both components was determined as above mentioned, the liability component was recorded according to the guidelines of IAS 39 in "Loans" (Note 15) in a total amount of US\$ 93,930 (net of related expenses), which are equivalent to \$ 1,659,734. The equity component was recorded in line "Capital Contribution" for the total amount of US\$ 54,159 (net of related expenses) equivalent to \$ 956,983, following the guidelines of IAS 32, as set forth by IAS 39 for this type of components, and in accordance with the provisions of the Regulatory framework of the CNV. This amount is disclosed in the Statement of Changes in Shareholder's Equity, net of the deferred tax effect arising from the application of IAS 12, totaling \$ 334,944. In addition, as of December 31, 2017, the Company disclosed, in the Statement of Changes in Shareholders' Equity, the impact of the amendments introduced by the Tax Reform Law No. 27430. As per such amendments, the income tax rate applicable to fiscal years beginning as from January 1, 2018, and up to December 31, 2019, was reduced from 35% to 30%, and to 25% as from 2020. Such reduced tax rate affected the net deferred tax related to corporate notes as of December 31, 2017, generating income in the amount of \$ 47,849,166, which was included in line "Tax Reform Law No. 27430", as per IAS 12 "Income Tax" and SIC-25 — "Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders".

During 2018, convertible corporate notes worth US\$ 822 have been converted into 1,644 shares of stock. As a result of said conversion, the Company's capital stock has increased by 1,644 common, registered shares of nominal value \$ 1 each. Therefore, as from such conversion, TGLT's capital stock rose to \$ 71,993 from the previous \$ 70,349. The conversion was made in accordance with the terms and conditions established in the Offering Memorandum of the convertible corporate notes.

Note 43. Resolutions at Shareholders' Meetings

On February 28, 2018, the Annual and Extraordinary Shareholders' Meeting approved a capital increase of the Company for up to a nominal value of \$ 25,000, in order to issue up to 25,000 new common, registered shares of nominal value \$1 (one peso) each and one vote per share, with right to dividends on equal terms as the rest of the shares outstanding, to be paid in kind by transferring to the Company the shares held in Caputo by the shareholders who choose to participate in the Swap of Shares. Such increase will account for up to 35.038% of the capital stock after the foreseen capital increase is completed.

The determination of the terms and conditions of the issuance of these shares was delegated to the Company's Board of Directors and the right of first refusal relating to the shares to be swapped was suspended. At the Shareholders' Meeting, a capital increase previously approved by the Annual and Extraordinary General Shareholders' Meetings held on April 14, 2016 and April 20, 2017 was ratified, and it was decided to increase the company's capital up to a nominal value of \$ 550,000, by issuing up to 550,000 common, registered shares of nominal value \$1 (one peso) each, granting one vote per share and dividends on the same terms as the rest of the shares outstanding at the time of issuance, to be offered in a public offering in Argentina and/or abroad, in one or more opportunities, to be paid in cash, and with a stock premium between \$ 10 and \$ 35 per new share. This increase will represent up to 770.853% of the capital stock after the issuance of the New Shares, without considering the increase mentioned above.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 43. Resolutions at Shareholders' Meetings (cont.)

At the Annual and Extraordinary General Shareholders' Meeting held on April 26, 2018, it was decided to approve the following articles of the bylaws: (i) the current structure of the Board of Directors as described in Section Seven (Management and Representation) is modified, from 8 regular directors and 8 alternate directors to 6 regular directors and 6 alternate directors, a Second Vice-president is appointed apart from the current Vice-president who will now be designated as First Vice-president; a new quorum requirement will be set up for Board of Directors meetings, as 75% of Directors must be present to hold valid meetings instead of the absolute majority previously required; (ii) The name of Law No. 19550 shall be modified in Section Eight (Guarantees), and the fixed guarantee amount of \$10,000 shall be changed to the minimum amount allowed by the regulations in force; (iii) Section Nine (Board of Director's Powers) shall state that the Second Vice-president shall be the Company's legal representative if the First Vice-president or President are absent; and (iv) Section Ten (Surveillance) shall indicate that the chair of the Supervisory Committee shall be held by each one of the designated supervisory auditors at a time. In addition, it was decided to approve (i) the issuance of Call Options that will be offered to Executives for the purchase of up to 5% of the shares to be issued as a result of the capital increase approved by the Annual and Extraordinary General Shareholders' Meeting held on February 28, 2018, jointly with the simultaneous and implicit decision to increase capital in the proportion necessary to meet the exercise of such call options, and to delegate the following tasks to the Board of Directors (a) determining how such incentive will be implemented, (b) issuing the shares necessary to increase capital so as to be able to honor the call options that may be exercised, (c) filing a public offering request with the CNV, the Buenos Aires Stock Exchange, and/or any other similar foreign institution to offer the shares that will be issued for the Call Options; and (d) designating the Executives who will be entitled to exercise such Call Options; (ii) the issuance of Call Options in favor of Executives under the terms described, jointly with the simultaneous and implicit decision to increase the capital stock in the necessary proportion to meet the Call Options that may be exercised, which together will entitle their holders to subscribe a number of shares equivalent to up to five (5%) of the shares that will be issued due to the capital increase approved in section 3 of the agenda of the Annual and Extraordinary General Shareholders' Meeting held on February 28, 2018; and (iii) that Call Options will be issued without requiring payment of any amounts.

On November 2, 2018, the Annual and Extraordinary Shareholders' Meeting was held, which considered and approved the merger between TGLT S.A., as surviving company, and Caputo S.A., as merged company, as well as the Company's special-purpose separate financial statements as of June 30, 2018 and the special-purpose consolidated financial statements as of June 30, 2018.

It also approved the increase of the Company's capital stock up to a nominal value of \$ 15,500,000, by issuing up to fifteen million five hundred thousand common, registered shares of nominal value \$1 each, granting one vote per share and dividends on the same terms as the rest of the shares outstanding at the time of issuance, to be offered with a stock premium resulting from the application of the swap ratio applicable as a result of the merger. It further approved the filing of a public offering request and listing of the new shares to be issued, and the delegation to the Board of Directors of the necessary powers for the implementation of the capital increase and the above-mentioned request and listing.

The appointment of a new alternate Director was approved to fill the vacancy arising from the resignation of Mr. Fernando Saúl Zoppi, and the decision not to continue with the voluntary swap offer made by the Board of Directors on May 28, 2018. Finally, it further approved the cancellation of the capital increase and delegation of powers approved in item 2 of the Annual and Extraordinary Shareholders' Meeting dated February 28, 2018; the confirmation or rectification of the share premium parameter approved in item 3 of the Annual and Extraordinary Shareholders' Meeting dated February 28, 2018 and the amendment of articles 4, 5, 7 and 9 of the Company's Bylaws.

Note 44. CNV General Resolution No. 622

In order to comply with the provisions of section 1, Title IV, Chapter III of General Resolution No. 622 of the CNV, the notes to the Consolidated Financial Statements describe the information requested by that Resolution in the form of Exhibits.

Exhibit A - Property, plant and equipment	Note 5
Exhibit B - Intangible assets	Note 6
Exhibit C - Investments in shares	Not applicable
Exhibit D - Other investments	Not applicable
Exhibit E - Allowances and provisions	Notes 18 and 32
Exhibit F - Cost of goods sold	Note 23
Exhibit G - Assets and liabilities in foreign currency	Note 39
Exhibit H - Ordinary selling, administrative and financing expenses	Notes 24, 25 and 26

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 45. Newly Issued Standards and Interpretations

IFRS 9 Financial instruments

IFRS 9 Financial Instruments was issued in November 2009 and amended in October 2010. It introduces new requirements to classify, measure and write off financial assets and liabilities. IFRS 9 sets forth that all financial assets within the scope of IFRS 39 Financial Instruments (recognition and measurement) be subsequently carried at amortized cost or fair value. Specifically, debt investments, which are held in accordance with a business model designed to collect contractual cash flows that represent payments of principal or interest on the outstanding principal only, are usually stated at amortized cost at the end of each subsequent fiscal year. All the remaining debt or equity investments are carried at fair value at the end of subsequent fiscal years.

The most significant effect of IFRS 9 in relation to the classification and measurement of financial liabilities, relates to the registration of changes in the fair value of financial liabilities (designated as financial liabilities at fair value through profit or loss) attributable to changes in the credit risk of such liabilities.

Specifically, for the purposes of IFRS 9, for financial liabilities designated at fair value through profit or loss, the change amount in the fair value of financial liabilities attributable to changes in the credit risk of such liabilities is recognized through other comprehensive profit or loss, unless the recognition of changes in the credit risk of such liabilities in other comprehensive profit or loss gives rise to an accounting mismatch. The changes in the fair value attributable to credit risk of financial liabilities are not subsequently reclassified to profit or loss.

Previously, under IAS 39, the total amount of the change in the fair value of financial liabilities carried at fair value with changes through profit or loss was recognized in profit or loss.

In November 2013, the IASB issued an amendment to IFRS 9 as part of the hedge accounting phase of the financial instruments accounting project. Changes include the elimination of the effective date (as from January 1, 2015), so that the IASB may have more time to complete other aspects of the financial instruments accounting project. On July 24, 2014, the IASB published the final version of IFRS 9 which includes the classification and measurement, and the impairment and hedge accounting under the IASB project to replace IAS 39. This version adds a new model of expected loss impairment and limited changes to the classification and measurement of financial assets. The standard replaces all previous versions of IFRS 9 and is effective for fiscal years beginning on or after January 1, 2018.

The Company has analyzed the impact of this new standard in the financial statements as of September 30, 2018, and no adjustments in the Company's assets and liabilities have been identified. Credit risks have been analyzed, and no further impacts on the financial statements have been identified, other than the ones already registered by the Company pursuant to their policy on provisions.

IFRS 15 Revenue from contracts with clients

IFRS 15 Revenue from contracts with clients was issued in May 2014, and is applicable to fiscal years beginning on or after January 1, 2018. This standard specifies how and when revenue should be recognized, as well as the additional information that the Company must present in its financial statements. It also provides a single five-step model based on principles to be applied to contracts with clients.

The Company has adopted this standard by adapting their accounting policy on revenue recognition. There are no changes as to the time of revenue recognition, the client continues acquiring control over the assets at the time of possession. Nevertheless, there were changes in the recognition of the contract assets and liabilities that must be maintained, and the related revenue or expense shall be recognized when recognizing the income derived from the contract. The Company also recognized the financial component of advances to clients.

As per the transition methods of this new rule, the Company has used the retroactive method by recognizing the accumulated effect on the date of initial application; therefore, comparative balances were not modified.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 45. Newly Issued Standards and Interpretations (Cont.)

45.1 Revenue recognition

The Company's revenue recognition process involves: (i) identifying the contract; (ii) identifying the performance obligations; (iii) determining the price of the transaction; (iv) determining the price of the transaction among the different performance obligations; and (v) recognizing revenues.

The revenue recognition process per Group business segment is detailed below.

Business segment: Real estate development

The Company obtains income from purchase-sale agreements involving apartments in the residential buildings named: Forum, Astor and Metra.

For every contract, and based on projects' characteristics, the Company's Management has identified the following performance obligations:

- Commitment to hand over apartments: it includes the commitment to hand over an apartment and parking spot, among others, and to transfer the right to use certain common spaces essential to possession;
- Commitment to transfer the right to use certain common spaces not essential to possession (amenities);

Taking into account the projects where apartments are currently ready to be handed over: Astor Núñez, Astor Palermo, Astor San Telmo, Forum Alcorta, Forum Puerto del Buceo and Metra Puerto Norte, the Company's Management has decided that amenities are not included in a performance obligation different from the obligation to hand over the apartment.

The Company's Management will evaluate if the performance obligations identified in future projects will represent two independent obligations or if they might be considered a single obligation.

The Company recognizes ordinary income arising from the execution of contracts when each all of the following conditions are met:

- The Company transferred to the buyer the significant risks and advantages derived from ownership of the assets.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- The amount of ordinary income can be measured reliably.
- It is probable that the Company will receive the economic benefits associated with the transaction.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The price of the transaction is defined as the aggregate of the amounts collected and to be collected as of the date of the transaction plus all financial components.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 45. Newly Issued Standards and Interpretations (Cont.)

Business segment: Construction and services

The Company obtains income from long-term construction contracts (generally involving 2 or 3 years) entered into with clients from the private as well as the public sectors in the Republic of Argentina. The Company considers that such contracts involve a single performance obligation.

By entering into works contracts, the Company and its subsidiaries provide construction services on the clients' assets. Therefore, as services are provided over time, revenues are recognized periodically up to the limit of the progress of works. The selection of the method used to measure the rate of progress achieved requires the opinion of professionals, and is based on the nature of the service provided. The Company calculates the rate of progress achieved based on the physical progress of the work. This method requires the Company's Management to prepare cost budgets for the works, and to reliably measure the rate of progress achieved. All possible modifications to estimated costs are periodically included in the update of estimated costs during the term of the contract. The statement of profit or loss shows the revenues and costs recognized for the works at the end of each year. The costs incurred represent work performed, which relates to the transfer of control to the client. Revenues are recorded in proportion to the rate of progress of construction works. Operating costs include labor, materials, cost of subcontractors, and other direct and indirect costs. Given the nature of the work required to fulfill the Company's performance obligations, estimating the work's income and costs is a complex process, subject to a large number of variables and requiring a significant level of professional opinion.

The Company estimates variables considering the most probable amounts to be collected, and up to the maximum amount estimated that will not be reversed. Management makes estimates with all available information.

45.2 Effects on unappropriated retained income/loss

As already mentioned, in order to start applying this standard, the Company selected the retroactive method with cumulative effect; therefore, the unappropriated retained income/loss as of January 1, 2018 was modified, as applicable.

According to the aforementioned, the impact as of such date was as follows:

Item	Breakdown	amount
Customer advances (liabilities)	Financial costs implicit in contracts	(112,823)
Financial costs (shareholders' equity)	Implicit financial costs not capitalized	(112,823)
Contract liabilities (liabilities)	Incremental contract revenues	(9,629)
Income from services rendered (shareholders' equity)	Incremental contract revenues	(9,629)
Deferred tax liabilities (liabilities and shareholders' equity)	Impact of previous changes	36,735
Unappropriated retained income/loss (shareholders' equity)	Net decrease in previous changes	(85,717)

45.3 Breakdown of income

Business segment: Real estate development

The tables below show a breakdown of income per geographical distribution and trademark. This information shows the key factors estimated by the Company's Management when understanding the variables affecting revenue recognition:

Trademarks	NINE MONTHS	THREE MONTHS
	Sep 30, 2018	Sep 30, 2018
Forum	395,834	333,758
Astor	147,636	21,522
Metra	55,594	36,996
Other	18,427	4,046
Total income per trademark - Real estate development segment	617,491	396,322

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 45. Newly Issued Standards and Interpretations (Cont.)

45.3 Breakdown of income (cont.)

Geographic distribution

	NINE MONTHS Sep 30, 2018	THREE MONTHS Sep 30, 2018
Argentina		
City of Buenos Aires	198,582	26,430
Rosario	55,912	36,590
Uruguay (Montevideo)	362,997	333,302
Total income per geographic distribution - Real estate development segment	617,491	396,322

Business segment: Construction and services

The tables below show a breakdown of income per type of project, clients and contracts. This information shows the key factors estimated by the Company's Management when understanding the variables affecting revenue recognition:

Type of project

	NINE MONTHS Sep 30, 2018	THREE MONTHS Sep 30, 2018
Housing	1,245,642	510,153
Industrial	692,829	196,325
Business	166,589	58,200
Other	11,076	(5,184)
Total income per project - Construction and services segment	2,116,136	759,494

Business segment: Construction and services segment (cont.)

Type of client

	NINE MONTHS Sep 30, 2018	THREE MONTHS Dec 31, 2017
Private	1,618,532	631,557
Public	497,604	127,937
Total income per client - Construction and services segment	2,116,136	759,494

Type of contract

	NINE MONTHS Sep 30, 2018	THREE MONTHS Dec 31, 2017
Costs formula	195,714	72,391
CAC ratio	1,270,272	517,233
Other	650,150	169,870
Total income per contract - Construction and services segment	2,116,136	759,494

45.4 Status of Contracts

	Dec 31, 2017	(+) New contracts	(-) Income	(+) Price adjustments	Sep 30, 2018
Construction	4,520,100	2,103,905	(2,116,136)	1,702,611	6,210,480
Real estate development (1)	2,573,464	1,022,143	(617,491)	878,221	3,856,337
Contracts balances	7,093,564	3,126,048	(2,733,627)	2,580,832	10,066,817

(1) It relates to the purchase-sale agreements of units not yet handed over, stated at historic cost.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 46. Changes in projects

46.1 Decision not to develop the Metra Devoto project and sale of the related item of real property

The Company's Board of Directors, after a new analysis of profitability, decided against developing the Metra Devoto project. On May 8, 2018, TGLT sold the plot of land in the amount of US\$ 6,100, which were collected as follows: US\$ 1,000 on March 23, 2018 and the remaining balance of US\$ 5,100 on the date on which title deed was executed.

46.2 Changes in Metra Puerto Norte Project

In light of the conditions prevailing in the real estate market in Argentina, including long-term financing for final clients by means of mortgage-backed loans called UVA, the Company's Board of Directors has decided to modify the Metra Puerto Norte Project. Consequently, the construction of two of the four buildings originally included in the project would be discontinued, and an analysis would be conducted to decide on the best use of the plot of land where such buildings would have been built. As to project advances, the first building is completely sold and built, and some units have already been handed over; whereas the second building is still in the construction stage. All clients who acquired units in any of the two buildings whose construction was discontinued have been contacted by the Company, and have been offered an apartment in building two or a refund of the amounts paid plus the related compensation. As of September 30, 2018, this situation has been considered and is included in the Financial Statements issued as of such date.

46.3 Suspension of the Astor San Telmo works

On September 7, 2018, the Company was notified by the General Bureau of Works Supervision and Control of the City of Buenos Aires that all works related to the Astor San Telmo project had to be stopped, in compliance with the instructions received by the Government of the City of Buenos Aires from the Court with jurisdiction over Administrative and Tax Matters No. 3, Clerk's Office No. 5, of the City of Buenos Aires in case "Asociación Civil Basta de Demoler c/ GCBA s/ Amparo".

The Company considers that all feasibility and environmental impact studies required by the applicable regulations have been performed, and that all necessary approvals from the Government of the City of Buenos Aires have been obtained assuring the project's technical, environmental and legal feasibility.

The Company has filed several pleas in the case records in order to object to the resolution that gave rise to the preliminary injunction. On October 12, 2018, the court hearing the case decided to modify the scope of the preliminary injunction applied, and ordered the partial suspension of the effects of the administrative acts that authorized the construction of the Astor San Telmo building with respect to any construction that may exceed certain maximum heights.

Note 47. Real property awarded in a public bidding process and Trust creation

On October 26, 2017, the "Catalinas Norte Project" was awarded to TGLT S.A. in the public bidding process No. 33/17 organized by the Government Assets Management Agency (Agencia de Administración de Bienes del Estado - AABE), a decentralized agency functioning under the Office of the Chief of the Cabinet of Ministers, for the property located at Avenida Eduardo Madero s/N°, between Boulevard Cecilia Grierson and San Martín, City of Buenos Aires, of an approximate area of 3,200 square meters. The Company offered US\$ 40,500 for the item of real property. The award of the item of real property was approved by the Chief of the Cabinet of Ministers on February 1, 2018.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 47. Award of real property at a public auction and Trust creation (Cont.)

On March 13, 2018, TGLT and BA Desenvolvimento II GmbH, both acting as trustors, and Promotora Fiduciaria S.A., acting as trustee, entered into a Private Real Estate Financial Trust to Manage Catalinas I (the "Trust") in order to allocate the assets contributed by trustors to the payment of the premises, the later development, construction, exploitation and/or sale of one or several real estate projects to be developed on the plot of land awarded to TGLT. The trust will be valid for a term of 30 years as from the date of the contract. The assets held in trust are composed of the contributions made by TGLT, the rights and liabilities derived from their nature of awardee of the premises awarded, and any amounts already paid to AABE for the price of the premises, as well as of the funds contributed by BA to complete payment of the premises price. Both of them hold a 50% share in the Trust.

As of September 30, 2018, TGLT disclosed its share on the Trust in item Investment in companies.

Note 48. Information on investments in companies

48.1 Investment in associates

As a result of the interest held in Caputo, the Company also holds indirect ownership interest in the following associates:

Company name	Share capital and voting stock
Limp Ar Rosario S.A.	40%
America Pavilion S.A.	20%
Altos del Puerto S.A.	32%
Desarrollos Caballito S.A.	25%
Urbanizadora del Sur S.A.	35%
Fideicomiso Nuevo Quilmes	35%
Logística Ambiental Mediterránea S.A.	51%

Limp Ar Rosario S.A. is engaged in the provision of urban hygiene and waste management services for the city of Rosario, Northern Area. On February 18, 2013, a contract was entered into between the Municipality of Rosario and Limp AR Rosario S.A.

The concession involves:

- Collection of household waste, voluminous shanty towns, and garbage dumps.
- Manual, mechanical, pedestrian and shopping centers sweeping and weeding.
- Cleaning of housing buildings Costanera Norte y Parque de las Colectividades of the Fondo Nacional de Vivienda (FO.NA.VI.).
- Reception center
- Central claims reporting service

The concession was granted for eighty-four months counted as from May 27, 2013 (date on which the minutes on the beginning of works were signed). The Municipality may exercise its right to extend such concession term for up to an additional term of twelve months.

The Company formally initiated the provision of the urban hygiene and waste management service in the northern area of the city of Rosario in the aforementioned date. It is to note that Limp AR Rosario S.A. is not responsible for the treatment, nor the final disposal of the waste collected by it. Once collected, urban waste is taken to transfer areas, which are the responsibility of the Municipality, and then they are sent for treatment and/or final disposal. Industrial, commercial or hazardous waste are not included in this objective. As from September 17, 2013, the provision of SEPARE program services was awarded to Limp AR Rosario S.A. by the Municipality of Rosario. Such service consists in the separation of waste in its two modes of collection: door to door and in reception centers.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 48. Information on investments in companies (Cont.)

48.1 Investment in associates (Cont.)

America Pavilion S.A. is a real estate company that on June 19, 2015, acquired the items of real property owned by Cencosud S.A. and located at Av. Callao 1057, and at Marcelo T. de Alvear 1743, 1753 and 1763, both of them in the City of Buenos Aires. América Pavilion S.A. will use such property to build some office and family housing buildings with parking spots.

Altos del Puerto S.A. was incorporated on June 28, 2007, and is primarily engaged in the real estate development known as "Hospital Ferroviario", which is located at Avenida Ramón S. Castillo 350 and Comodoro Pedro Zanni. Such development was completely sold during the fiscal year ended October 31, 2017.

Desarrollos Caballitos S.A. acquired an item of real property located in the City of Buenos Aires, facing Federico García Lorca street at the corner of General Martín de Gainza street with a total surface of 10,447 m², to be allocated to a multi-family housing construction project composed of two building towers of 33 floors each with several amenities. In March 2008, the Company was engaged in the launching of the "Dos Plaza" project.

Urbanizadora del Sur S.A. entered into several trust contracts to manage as trustee the New Quilmes, the Aquaterra and the Qualia Trusts for the purpose of organizing and completing the construction of a gated community and a set of buildings in the premises composed of 4 parcels, with an approximate surface of 100 hectares, located near the Don Bosco station, Quilmes, Province of Buenos Aires. The trustee's responsibility involved the acquisition of 60% of the undivided premises, jointly with Asociación Civil Nuevo Quilmes S.A. who acquired the remaining percentage, as well as the organization and development of a real estate project on such premises, which are now part of the estate held in trust.

Fideicomiso Nuevo Quilmes: the trustee (Urbanizadora del Sur S.A.) was instructed to acquire the undivided premises located in Quilmes, Province of Buenos Aires; to settle the mortgage levied on such premises; to develop a real estate project on such premises (a gated community that will be called Barrio Cerrado Nuevo Quilmes); to hold in trust the premises and their related assets; to sell, by themselves or by third parties retained for such purposes, the assets held in trust; and to deliver to the beneficiaries any relevant benefits. As of September 30, 2018, the total number of single-family plots of land were sold (666 plots of land), possession has already been handed over to 632 of them, while infrastructure and common areas works are fully completed. In addition, as approved by the Addenda to the Trust Contract, the trustee has also developed, within those same premises, a multi-family residential building under the condominium property law No. 13512, and has set up a council of condominium owners. Such residential dwellings will be composed of five buildings of five floors each, with a total of 102 units each. This real estate project will be called "Aguavento". As of September 30, 2018, all construction works were completed and the last units were sold and handed over.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 48. Information on investments in companies (Cont.)

48.1 Investment in associates (Cont.)

The net assets of the companies where the Company holds interest as of September 30, 2018 are listed below:

	Limp Ar Rosario S.A.	America Pavilion S.A.	Altos del Puerto S.A.	Desarrollos Caballito S.A.	Urbanizadora del Sur S.A.	Fideicomiso Nuevo Quilmes
Non-current assets	99,752	872,187	16,128	542	180	14,361
Current assets	206,869	116,655	4,583	296,528	1	76,400
Non-current liabilities	44,837	916,084	-	5,281	-	-
Current liabilities	168,555	54,770	7,836	161,338	99	35,884
Shareholder's equity	93,229	17,988	12,875	130,451	82	54,877
	Profit/(Loss)					
Income from ordinary activities	493,198	-	-	411,589	100	-
Cost of sales	(404,624)	-	-	(296,458)	-	-
Gain/loss on sale of investment property	-	-	19,479	-	-	-
Selling expenses	-	-	-	(2,300)	-	(1,195)
Administrative expenses	(27,477)	-	(2,953)	(7,125)	(77)	(2,633)
Financial results, net	(16,605)	22,462	3,544	18,595	-	32,065
Other income/loss	30	(8,528)	(290)	(116)	-	(1,190)
Income/(loss) before income tax	44,522	13,934	19,780	124,185	23	27,047
Income tax	(13,752)	(4,180)	(7,024)	(37,277)	-	-
Income/loss for the period	30,770	9,754	12,756	86,908	23	27,047

48.2 Joint operations

As a result of the interest held in Caputo, the Company takes indirect part in joint operations instrumented by means of a Temporary Union of Enterprises (UTE, by its Spanish acronym).

As of September 30, 2018, the joint agreements entered into by the Company are as follows:

Company name	Share capital and voting stock
Caputo S.A.I.C. y F. – Farallon S.A. – S.E.S S.A. UTE ("Hospital Posadas")	40.00%
Caputo S.A.I.C. y F – PYPASA S.A. – S.E.S. S.A. – UTE ("Hospital del Bicentenario")	66.67%
Grupo Farallon Desarrollos Inmobiliarios S.A. – Caputo S.A.I.C. y F. – S.E.S. S.A. U.T.E. ("Museo Islas Malvinas")	35.00%
Grupo Farallon Desarrollos Inmobiliarios S.A. – Caputo S.A.I.C. y F. – Eleprint S.A. - U.T.E. ("Procrear")	33.33%

On November 17, 2009, a temporary union of enterprises was formed by Caputo S.A.I.C. y F., Farallon S.A. and SES S.A., the main purpose of which is to set up rules that may govern the implementation of project "Construcción y Equipamiento de la Primera Etapa del Plan Director del Hospital Nacional Profesor Dr. Alejandro Posadas - El Palomar - Morón - Provincia de Buenos Aires" (construction and equipment provisioning of the first stage of the Director Plan of national hospital Profesor Dr. Alejandro Posadas - El Palomar - Morón - Province of Buenos Aires).

As of September 30, 2018, the UTE conducted no activities and the only activity left is the settlement of debts, which was disclosed net of contributions, in line "Other accounts payable" under current liabilities.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 48. Information on investments in companies (Cont.)

48.2 Joint operations (Cont.)

On January 25, 2011, a temporary union of enterprises (UTE) was formed by Caputo S.A.I.C. y F., PYPSA S.A. and SES S.A., the main purpose of which is to set up rules that may govern the implementation of project "Construcción y Equipamiento del Hospital del Bicentenario de Esteban Echeverría" (construction and equipment provisioning of hospital "Hospital del Bicentenario de Esteban Echeverría").

On July 19, 2012, a temporary union of enterprises (UTE) was formed by Grupo Farallon Desarrollos Inmobiliarios S.A. - Caputo S.A.I.C. y F. - S.E.S. S.A. U.T.E., the main purpose of which is to set up rules that may govern the implementation of project "Construcción de Edificio y Entorno Museo y Memorial Islas Malvinas" (construction of a museum and memorial of the Falkland Islands). The UTE shows no activities and only receivables are yet to be recovered. The applicable balance has been disclosed in a line net of contributions.

On May 12, 2014, a temporary union of enterprises (UTE) was formed by Grupo Farallon Desarrollos Inmobiliarios S.A. - Caputo S.A.I.C. y F. and Eleprint S.A., the main purpose of which is the performance of the works needed (design, executive project, labor, and provision of materials and equipment) to complete the work "Concurso para la elaboración de proyecto, precio y plazo para la construcción de viviendas, en el predio Estación Sáenz, Ciudad Autónoma de Buenos Aires" (Bidding for the preparation of a project, price, and term for the construction of residential dwellings in Estación Sáenz, City of Buenos Aires).

As of September 30, 2018, the net assets added by these joint operations are as follows:

	Hospital Posadas	Hospital del Bicentenario	Museo Islas Malvinas	Procrear
Non-current assets	271	-	0	4,372
Current assets	1,046	24,554	20,815	40,638
Non-current liabilities	-	-	-	-
Current liabilities	14,595	35,446	27,381	42,183
Shareholder's equity	(13,278)	(10,892)	(6,566)	2,827
Net loss for the period	(3,474)	(6,416)	(3,317)	(38,459)

48.3 Investment in joint operations

Company name	Ownership Interest
Newbery 3431 S.A.	50.00%
Marina Río Luján S.A.	49.99%
S.E.S. S.A.	50.00%
Fideicomiso Financiero Privado Inmobiliario de Administración Catalinas I	50.00%

Newbery 3431 S.A. was incorporated in October 2017 and is primarily engaged in the construction, real estate and financial business

Marina Río Luján S.A. is primarily engaged in constructing and selling all types of real property. The urban project under development is called "Venie", and the plot of land where it is located is in the Municipality of Tigre, province of Buenos Aires. It will include single-family housing dwellings, housing and office buildings, as well as some common entertainment and transit areas will be built.

S.E.S. S.A. was founded in 1991 as a construction company and has carried out some important works throughout the country. Currently, the company's business is primarily related to the construction of buildings and the performance of works, as well as the provision of services to third parties. It develops its business plan directly by itself and by taking part in other companies and temporary unions of enterprises.

Fideicomiso Financiero Privado Inmobiliario de Administración Catalinas I was created on March 13, 2018, and is focused on the development of a real estate project on the "Catalinas Norte" plot of land.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 48. Information on investments in companies (Cont.)

48.3 Investment in joint operations (Cont.)

The financial information of the companies is as follows:

	Newbery 3431 S.A.	Marina Río Lujan S.A.	SES S.A.	Trust Catalinas I
Non-current assets	199,466	2,390,215	16,448	835,686
Current assets	1,045	745,774	657,699	4,558
Non-current liabilities	1,391	801,003	9,931	-
Current liabilities	198,719	1,054,499	275,706	585
Shareholder's equity	400	1,280,487	388,510	839,659
Income from ordinary activities	-	-	734,034	-
Cost of sales	-	-	(515,802)	-
Gain/loss on appraisal of investment property at fair value	-	1,042,404	-	-
Selling expenses	-	(30,923)	(3,152)	-
Administrative expenses	-	(14,646)	(34,386)	(1,374)
Financial results, net	-	(94,958)	6,737	1,752
Other income/loss	-	28	196	-
Income/(loss) before income tax	-	901,905	187,627	378
Income tax	-	(408,412)	(56,383)	(132)
Income/loss for the period	-	493,492	131,244	(245)

Note 49. Negative shareholders' equity attributable to parent company's owners, negative working capital and business plans

During the period ended September 30, 2018, TGLT S.A. recorded significant losses that gave rise to a negative working capital in the amount of \$ 1,023,797 and negative shareholders' equity attributable to parent company's owners; thus, the company falls within the scope of subsection 5, section 94 of the Companies Law No. 19550. If such circumstances remain unmodified as of December 31, 2018, the Company would be subject to the mandatory termination provisions of such law, which must be addressed at the forthcoming Shareholders' Meeting. However, the Company's Board of Directors believes the business plans are capable to revert the circumstances described.

Note 50. Financial statements approval

These condensed interim consolidated financial statements as of September 30, 2018, as well as the separate financial statements as of that date, were approved by the Board of Directors at their meeting held on November 8, 2018.

Note 51. Subsequent events

No events or transactions have occurred from year-end to the date of issuance of these financial statements that would have a material effect on the financial position of the Company as of September 30, 2018, or the results of its operations at such period-end.



CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

TGLT S.A.

AS OF SEPTEMBER 30, 2018

(PRESENTED COMPARATIVELY)

TGLT S.A.

CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

As of September 30, 2018 and December 31, 2017
(amounts stated in thousands of Argentine pesos)

	Notes	Sep 30, 2018	Dec 31, 2017
Non-current assets			
Property, plant and equipment	5	1,128	1,286
Intangible assets	6	816	405
Investment property	7	1,062,348	15,828
Investments in companies	8	4,273,994	259,835
Inventories	11	779,596	929,723
Deferred tax assets	12	993,915	84,840
Contract assets		1,036	-
Other receivables	13	59,231	151,350
Accounts receivable from sales	14	22,715	-
Total non-current assets		7,194,779	1,443,267
Current assets			
Inventories	11	135,835	347,237
Other assets		-	26,990
Assets held for sale		-	73,331
Other receivables	13	121,348	88,745
Receivables from related parties	32	1,090,962	527,553
Accounts receivable from sales	14	18,713	2,223
Cash and cash equivalents	15	17,259	1,734,079
Total current assets		1,384,117	2,800,158
Total assets		8,578,896	4,243,425
SHAREHOLDERS' EQUITY		(1,365,385)	449,143
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	16	-	131,347
Contract liabilities	18	1,687,751	1,022,079
Other accounts payable	17	1,024,648	22,508
Payables to related parties	32	210,625	62,533
Loans	19	4,603,487	1,667,602
Other tax burden	20	9,856	12,168
Trade payables	22	-	4,455
Total non-current liabilities		7,536,367	2,922,692
Current liabilities			
Provisions and allowances	23	36,771	47,281
Other accounts payable	17	1,193,359	40,402
Contract liabilities	18	81,484	209,663
Payables to related parties	32	318,421	107,680
Loans	19	647,161	342,832
Other tax burden	20	11,929	17,072
Payroll and social security contributions	21	24,973	22,236
Trade payables	22	93,816	84,424
Total current liabilities		2,407,914	871,590
Total liabilities		9,944,281	3,794,282
Total shareholders' equity and liabilities		8,578,896	4,243,425

Notes 1 to 39 are an integral part of these financial statements.

TGLT S.A.

CONDENSED SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE PROFIT OR LOSS

FOR THE FISCAL YEARS ENDED September 30, 2018 and 2017

(amounts stated in thousands of Argentine pesos)

	Notes	NINE MONTHS		THREE MONTHS	
		Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017
Income from ordinary activities	25	238,494	363,139	59,967	58,967
Cost of ordinary activities	26	(372,226)	(363,863)	(86,500)	(57,493)
Gross profit		(133,732)	(724)	(26,533)	1,474
Selling expenses	27	(58,273)	(82,025)	(13,079)	(43,495)
Administrative expenses	28	(138,613)	(105,846)	(67,349)	(58,348)
Other operating costs		(554,272)	-	(77,444)	-
Other expenses		(248)	(333)	(96)	(78)
Investment property appraisal at fair value	7	921,263	(2,640)	313,968	(5,113)
Income from sale of investment property	7	-	43,627	-	-
Other income and expenses, net	30	58,590	8,526	(16,433)	5,224
Operating results		94,715	(139,415)	113,034	(100,336)
Gain/loss on investments in companies		594,153	(2,514)	186,780	(3,129)
Financial and holding results net					
Exchange gains/losses	29	(2,898,959)	(51,982)	(1,724,139)	(38,295)
Financial income	29	85,231	17,606	57,816	11,252
Financial costs	29	(501,175)	(128,065)	(252,998)	(93,317)
Income (loss) for the period before income tax		(2,626,035)	(304,370)	(1,619,507)	(223,825)
Income tax	31	993,474	99,149	545,453	65,406
Income (loss) for the period		(1,632,561)	(205,221)	(1,074,054)	(158,419)
Other comprehensive loss					
Foreign exchange gain/(loss) of a net investment abroad		(108,001)	(4,640)	(63,728)	(2,387)
Total other comprehensive gain/loss		(108,001)	(4,640)	(63,728)	(2,387)
Total comprehensive loss for the period		(1,740,562)	(209,861)	(1,137,782)	(160,806)
Earnings/(losses) per share attributable to parent company's owners					
Basic		(22.68)	(2.92)	(15.27)	(2.25)
Diluted		(2.98)	(1.47)	(1.38)	(0.8)

Notes 1 to 39 are an integral part of these financial statements.

CONDENSED SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

(amounts stated in thousands of Argentine pesos)

Item	Capital					Reserves				Unappropriated		Total
	Capital stock	Stock premium	Buyback premium	Capital contribution	Total	Transactions between Shareholders	Legal reserve	Legal Optional reserve	Foreign currency translation reserve	Unappropriated income/loss	Unappropriated	
Balance as of January 1, 2018	70,349	123,350	(96)	669,965	863,568	(19,801)	239	4,538	(47,426)	(351,975)		449,143
Effect of transition to IFRS 15 (1)	-	-	-	-	-	-	-	-	-	(85,717)		(85,717)
Balance as of January 1, 2018	70,349	123,350	(96)	669,965	863,568	(19,801)	239	4,538	(47,426)	(437,692)		363,426
Conversion of corporate notes (2)	1,644	14,761	-	(4,654)	11,751	-	-	-	-	-		11,751
Income (loss) for the period	-	-	-	-	-	-	-	-	-	(1,632,561)		(1,632,561)
Other comprehensive loss for the period, net of income tax	-	-	-	-	-	-	-	-	(108,001)	-		(108,001)
Comprehensive loss for the period	-	-	-	-	-	-	-	-	(108,001)	-		(108,001)
Balance as of September 30, 2018	71,993	138,111	(96)	665,311	875,319	(19,801)	239	4,538	(155,427)	(2,070,253)		(1,365,385)

(1) See Note 45 to the consolidated financial statements.

(2) See Note 42 to the consolidated financial statements.

Notes 1 to 39 are an integral part of these financial statements.

TGLT S.A.
CONDENSED SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
(amounts stated in thousands of Argentine pesos)

Item	Capital						Reserves					Unappropriat ed	
	Capital stock	Treasury stock	Stock premium	Irrevocable contributions	Buyback premium	Capital contribution	Total	Transactions between Shareholders	Legal reserve	Legal Optional reserve	Foreign currency translation reserve	Unappropriat ed	
												Unappropriat ed retained income/loss	
Balance as of January 1, 2017	70,339	10	123,350	7,238	-	-	200,937	(19,801)	-	-	(38,171)	4,777	147,742
Resolution of Shareholders' Meeting (1)	-	-	-	-	-	-	-	-	239	4,538	-	(4,777)	-
Write-off of Irrevocable contribution	-	-	-	(7,453)	-	-	(7,453)	-	-	-	-	-	(7,453)
Sale of treasury stock	10	(10)	-	215	(96)	76	119	-	-	-	-	-	119
Transactions with shareholders Equity component of convertible corporate bonds	-	-	-	-	-	957,208	957,208	-	-	-	-	-	957,208
Other comprehensive loss for the period, net of income tax	-	-	-	-	-	-	-	-	-	-	(4,640)	-	(4,640)
Comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	(4,640)	(205,221)	(209,861)
Balance as of September 30, 2017	70,349	-	123,350	-	(96)	957,284	1,150,888	(19,801)	239	4,538	(42,810)	(205,221)	887,832

(1) The income/loss for the year 2016 was discussed at the Annual and Extraordinary Shareholders' Meeting held on April 20, 2017.

Notes 1 to 39 are an integral part of these financial statements.

TGLT S.A.

CONDENSED SEPARATE STATEMENT OF CASH FLOWS

FOR THE FISCAL YEARS ENDED September 30, 2018 and 2017

(amounts stated in thousands of Argentine pesos)

	Sep 30, 2018	Sep 30, 2017
Operating activities		
Income/loss for the period	(1,632,561)	(205,221)
Adjustments to obtain the cash flow from operating activities		
Income tax	(993,474)	(99,149)
Depreciation of property, plant and equipment	668	1,390
Impairment of goodwill	-	54,702
Exchange gains/losses and accrued interest	3,140,200	-
Amortization of intangible assets	248	333
Investments in companies	(486,151)	(52,187)
Translation gain/loss	(108,001)	-
Investment property appraisal at fair value	(921,263)	2,640
Sale of investment property	-	(43,627)
Sale of property, plant and equipment	(120)	(95)
Sale of other assets	(89,655)	-
Other expenses	552,927	-
Changes in operating assets and liabilities		
Accounts receivable from sales	(39,205)	6,449
Other receivables	(59,706)	9,341
Other assets	-	(1,664)
Receivables from related parties	(765,073)	(186,343)
Inventories	240,488	191,433
Contract assets	(1,036)	-
Tax assets and liabilities	(10,213)	(2,381)
Trade payables	4,937	3,869
Employee benefits	2,737	(4,221)
Other tax burdens	(7,455)	(38,187)
Payables to related parties	210,741	(19,683)
Contract liabilities	(137,887)	(161,140)
Other accounts payable	1,221,757	(37,255)
Provisions	(10,510)	9,913
Net cash flow (used in) / provided by operating activities	112,393	(571,084)
Investment activities		
Investments not considered cash	3,734	(286)
Payment of investment properties	(4,216)	(885)
Collections from sale of investment property	-	71,523
Collections from sale of other assets	200,579	-
Collections from sale of property, plant and equipment	120	95
Payments due to purchase of property, plant and equipment	(510)	(390)
Payment due to purchase of intangible assets	(659)	(76)
Payments due to investments in other companies	(6,155)	-
Acquisition of interest in other companies	(2,130,137)	-
Net cash flow (used in) / provided by investment activities	(1,937,244)	69,981
Financing activities		
Loans (Note 19)	111,765	1,516,704
Transactions with shareholders	-	957,284
Payment for purchase of shares in subsidiaries	-	(106)
Collection from sale of treasury stock	-	119
Net cash flow (used in) / provided by financing activities	111,765	2,474,002
Net (decrease) / increase in cash and cash equivalents	(1,713,086)	1,972,898
Cash and cash equivalents at beginning of the period	1,730,345	12,953
Cash and cash equivalents at year-end (See Note 15)	17,259	1,985,851

Notes 1 to 39 are an integral part of these financial.

TGLT S.A.

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 1. Purpose of the financial statements

On October 14, 2010, the Argentine Securities and Exchange Commission ("CNV") authorized the public offer of up to 45,400,000 book-entry shares of common stock, which could be extended up to 61,800,000 shares. Furthermore, the Buenos Aires Stock Exchange ("BCBA") authorized the listing of TGLT S.A.'s shares as of October 19, 2010.

These condensed interim stand-alone financial statements as of September 30, 2018 (hereinafter the "financial statements"), have been prepared by the Company's Board of Directors in order to comply with the requirements of the CNV and the BCBA within the framework of the authorization process for the public offering of its shares.

Note 2. Statement of compliance with IFRS

The separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), with the only exception of application of International Accounting Standard (IAS) 29, which was excluded by the CNV from its accounting framework.

Note 3. Company's business

TGLT is engaged in the development of real estate projects and controls all aspects related their development process. This process starts with land acquisition and construction management tasks, and goes on all through sales and marketing, guaranteeing a professional management of the necessary working capital at all times.

As of the date of submission of these financial statements, the Company is engaged, together with other investors, in several urban projects fully managed by the Company, for which the Company receives fixed as well as variable fees for the tasks developed.

Note 4. Basis for the presentation of the separate financial statements

These separate financial statements include the information requested by current legal and professional accounting standards (Technical Resolution No. 26). However, for an adequate interpretation of the financial position and the evolution of the results of the Company and its controlled companies, the Company's Board of Directors recommends that these separate financial statements be read together with the previous consolidated financial statements.

There are no new developments to report regarding the accounting policies applied to the preparation of the separate financial statements as of September 30, 2018, except for the provisions of Note 46 to the consolidated financial statements.

TGLT S.A.

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 4. Basis for the presentation of the separate financial statements (cont.)

Presentation basis

The CNV, as stated in Title IV, Chapter I, Section I, article b.1) of the CNV Rules ("NT 2013") approved by General Resolution No. 622/13, established the application of Technical Resolutions No. 26 of the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE") and their amendments, adopted by the IFRS for entities included in the public offering system.

These condensed separate financial statements have been prepared in accordance with the provisions of IAS 34, issued by the IASB.

These condensed separate interim financial statements as of September 30, 2018, have been prepared by the Company's Board of Directors in order to comply with the requirements of the CNV and the BCBA within the framework of the authorization process for the public offering of its shares. For the preparation of these financial statements, the Company has adopted the option provided for in IAS 34, and has prepared them in a condensed form. Therefore, these financial statements do not include all the information required for a set of annual complete financial statements and, consequently, their reading together with the annual financial statements as of December 31, 2017, is recommended. Such financial statements may be found in the Company's web page www.tglt.com.ar.

IAS 29 "Financial reporting in hyperinflationary economies" requires the financial statements of an entity with a functional currency that is hyperinflationary, regardless of whether they are based on the historical cost method or the current cost method, to be stated in terms of the measuring unit current at the statement of financial position date.

As per IAS 29, the characteristics of the economic environment of a country which indicate the existence of hyperinflation include: (1) the cumulative inflation rate over three years approaches, or exceeds, 100%, (ii) interest rates, wages, and prices are linked to a price index, or (iii) amounts of local currency held are immediately invested to maintain purchasing power, among others. These characteristics are not conclusive but judgment shall be exercised to determine whether there is a hyperinflation environment. Regardless of the foregoing, the standard states that it is preferable that all entities that report in the currency of the same hyperinflationary economy apply the requirements of IAS 29 from the same date and using the same price index to reflect changes in general purchasing power.

On September 29, 2018, the Argentine Federation of Professional Councils of Economic Sciences issued Resolution 539/18 which considering that : i) from the permanent monitoring of price indexes the cumulative inflation rate over the last three years exceeds 100% measured by taking into account the different possible combinations of available indexes, among others, with the IPIM; ii) the projection made shows that it is highly probable that the three-year cumulative rate will be over 100% for the remaining 2018; iii) macroeconomic evidence shows that the qualitative factors established by the regulations are being met, decided to apply financial statements in constant currency for the annual or interim financial statements ended as from July 1, 2018.

In addition, the CNV established that it will not accept the presentation of financial statements with adjustments after March 1, 2003, excluding IAS 29 from its accounting framework.

The Company's Board of Directors is analyzing the potential effects of IAS 29.

TGLT S.A.

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 5. Property, plant and equipment

	Furniture and fixtures	Hardware	Improvements in third-party property	Showrooms	Total
Original value					
Balance as of January 1, 2018	1,198	1,762	1,296	10,881	15,137
Acquisitions	-	510	-	-	510
Total	1,198	2,272	1,296	10,881	15,647
Depreciation and impairment					
Balance as of January 1, 2018	(659)	(1,561)	(1,107)	(10,524)	(13,851)
Depreciation	(56)	(192)	(63)	(357)	(668)
Total	(715)	(1,753)	(1,170)	(10,881)	(14,519)
Residual value as of Sept 30, 2018	483	519	126	-	1,128

	Furniture and fixtures	Hardware	Improvements in third-party property	Showrooms	Total
Original value					
Balance as of January 1, 2017	1,170	1,725	1,071	13,267	17,233
Acquisitions	28	37	225	-	290
Transfers	-	-	-	(2,386)	(2,386)
Total	1,198	1,762	1,296	10,881	15,137
Depreciation and impairment					
Balance as of January 1, 2017	(542)	(1,325)	(947)	(8,887)	(11,701)
Depreciation	(117)	(236)	(160)	(1,637)	(2,150)
Total	(659)	(1,561)	(1,107)	(10,524)	(13,851)
Residual value as of Dec 31, 2017	539	201	189	357	1,286

Note 6. Intangible assets

	Software	Software development	Trademarks	Total
Original value				
Balance as of January 1, 2018	305	2,809	15	3,129
Acquisitions	659	-	-	659
Total	964	2,809	15	3,788
Amortization and impairment				
Balance as of January 1, 2018	(254)	(2,459)	(11)	(2,724)
Amortization	(4)	(243)	(1)	(248)
Total	(258)	(2,702)	(12)	(2,972)
Residual value as of Sept 30, 2018	706	107	3	816

TGLT S.A.

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 6. Intangible assets (Cont.)

	Software	Software development	Trademarks	Total
Original value				
Balance as of January 1, 2017	258	2,749	15	3,022
Acquisitions	47	60	-	107
Total	305	2,809	15	3,129
Amortization and impairment				
Balance as of January 1, 2017	(238)	(2,061)	(10)	(2,309)
Amortization	(16)	(398)	(1)	(415)
Total	(254)	(2,459)	(11)	(2,724)
Residual value as of Dec 31, 2017	51	350	4	405

Note 7. Investment property

As of September 30, 2018 and December 31, 2017, changes in investment property were as follows:

	In construction (1)	For capital appreciation (2)	Total
Investment property as of January 1, 2018	15,828	-	15,828
Plus:			
Acquisitions of the period	4,216	-	4,216
Transfers from inventories	-	127,974	127,974
Fair value adjustment	-	921,263	921,263
Less:			
Transfer to Inventory	(6,933)	-	(6,933)
Total investment property as of September 30, 2018	13,111	1,049,237	1,062,348

	In construction (1)	For capital appreciation (2)	Total
Investment property as of January 1, 2017	13,797	54,033	67,830
Plus:			
Acquisitions	2,031	-	2,031
Fair value adjustments	-	(2,640)	(2,640)
Transfer to Inventory	-	(51,393)	(51,393)
Total investment property as of December 31, 2017	15,828	-	15,828

TGLT S.A.

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 7. Investment property (Cont.)

The Company maintains as investment property the following items:

1-Investment property under construction

The Company's Board of Directors determined the area where offices for rent will be built under the Proa project in Rosario. Therefore, the relevant transfer of the costs designed to salable surface of said offices was already made from inventories. This investment property is recorded at its cost as it is impossible to reliably appraise it at fair value.

2-Investment property for rent

As of December 31, 2017, it included the portion of land acquired for the development of the Astor San Telmo project. The right to collect current rents, by means of an assignment, was acquired by a lease agreement which was extended until April 30, 2018. On July 20, 2017, the parties agreed to the termination of said contract. Therefore, the amount so far recorded as Investment Properties was transferred to Inventories.

3-Investment properties for capital appreciation:

On June 26, 2018, the Company reclassified certain fractions of land from "Inventory" to "Investment property" and made a reliable measurement of the fair value of this property, based on an appraisal carried out by an independent expert with recognized professional capacity and expertise in this type of properties. This resulted in a gain of \$ 921,263. The investment property was adjusted at fair value, in compliance with IFRS requirements, which resulted in income as disclosed in Investment property stated at fair value. Such measurement does not exceed its recoverable value. To the date of issuance of these financial statements, the parties are discussing the possibility of adjusting the business plan, in line with the current market context.

As a consequence of this change, the Board of Directors analyzed the impact on the rights and obligations arising from the agreement for the purchase-sale of the piece of land, in particular, the obligation to deliver a certain number of square meters. Considering the construction costs involved, the Company has recorded a loss in relation to existing liabilities, disclosed in Other expenses.

As of September 30, 2018, the Company discloses a piece of land located in the City of Rosario, Province of Santa Fe.

TGLT S.A.

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 8. Investments in companies

	Notes	Sept 30, 2018	Dec 31, 2017
Fideicomiso Financiero Privado Inmobiliario de Administración Catalinas I			
Investments	10	406,213	-
		406,213	-
Caputo S.A.I.C. y F.			
Investments	10	1,928,444	-
Goodwill	9	1,217,953	-
		3,146,397	-
Marina Río Luján S.A.			
Investments	10	721,384	259,835
		721,384	259,835
Total investments in companies		4,273,994	259,835

(1)As of September 30, 2018 and December 31, 2017, the total liabilities with TGLT Uruguay S.A. Recorded by the Company amount to \$ 210,625 and \$ 62,533, respectively. Such liabilities are disclosed in "Balances with related parties" within non-current liabilities (Note 32).

Note 9. Goodwill

	Caputo S.A.I.C. y F.	Total
Original value		
Balance as of January 1, 2018	-	-
Acquisitions	1,217,953	1,217,953
Total	1,217,953	1,217,953
Residual value as of September 30, 2018	1,217,953	1,217,953

	Pico y Cabildo S.A.	Canfot S.A.	Total
Original value			
Balance as of January 1, 2017	10,559	79,399	89,958
Acquisitions	-	-	-
Total	10,559	79,399	89,958
Impairment			
Balance as of January 1, 2017	(1,092)	(29,601)	(30,693)
Impairment loss	(9,467)	(49,798)	(59,265)
Total	(10,559)	(79,399)	(89,958)
Residual value as of December 31, 2017	-	-	-

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 10. Information on investments in companies

Name of issuer and description of securities		Nominal value	Information on issuer							
			According to last financial statement issued (1)							
		Sept 30, 2018	Dec 31, 2017	Main business	Address	Closing date	Capital stock	Income/loss for the period	Equity	Ownership Interest
Caputo S.A.I.C. y F.	\$100 with 1 vote each	1,928,444	-	Construction and services	Miñones 2177 - City of Buenos Aires – Republic of Argentina	9/30/2018	167,958	218,325	785,100	97.04%
Fideicomiso Financiero Privado Inmobiliario de Administración Catalinas I	-	406,213	-	Real estate development	San Martin 674 1°A - City of Buenos Aires – Republic of Argentina	9/30/2018	839,396	264	839,660	50%
Marina Río Luján S.A. (5)	\$100 with 1 vote each	721,384	238,348	Construction and sale of real property	Enrique Butty 220 - 11 th floor - Suite A - City of Buenos Aires – Republic of Argentina	9/30/2018	384,539	506,805	1,293,043	49.99%
TGLT Uruguay S.A (2) and (3)	\$U with 1 vote each (4)	(210,625)	(62,533)	Investor	Plaza Independencia 811 P.B. – Montevideo – Uruguay	9/30/2018	18,778	(152,975)	(217,774)	100%
Total		2,845,416	175,815							

(1) Information as per the financial statements prepared without applying Technical Resolution No. 26.

(2) Included in "Payables to related parties" within non-current liabilities.

(3) Information as per the financial statements prepared under IFRS.

(4) \$U: Uruguayan pesos.

(5) On June 19, 2018, the capitalization of \$ 191,061 was approved.

TGLT S.A.

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 11. Inventories

	Sept 30, 2018	Dec 31, 2017
Non-current		
<i>Projects under construction</i>		
Astor San Telmo	599,532	353,935
Metra Puerto Norte	202,851	354,842
Proa	95,839	220,833
Other projects	-	113
<i>Impairment</i>		
Metra Puerto Norte	(118,626)	-
Subtotal inventories – non-current	779,596	929,723
Current		
<i>Projects under construction</i>		
Metra Puerto Norte	-	193,911
<i>Projects completed</i>		
Astor Núñez	2,521	103,601
Astor Palermo	26,408	34,429
Forum Alcorta	21,548	45,450
Forum Puerto Norte	4,219	4,390
Metra Puerto Norte	117,185	-
<i>Impairment</i>		
Astor Palermo	(2,040)	(8,201)
Forum Alcorta	(4,802)	(21,953)
Forum Puerto Norte	(4,219)	(4,390)
Metra Puerto Norte	(24,985)	-
Subtotal inventories - Current	135,835	347,237
Total inventories	915,431	1,276,960

Note 12. Deferred tax assets

	Sept 30, 2018	Dec 31, 2017
Income tax	22,627	12,579
Minimum presumed income tax	54,752	54,752
Deferred tax	898,367	-
Minimum presumed income tax - Refund	18,169	17,509
Total tax assets	993,915	84,840

Note 13. Other receivables

	Notes	Sept 30, 2018	Dec 31, 2017
Non-current			
Security deposits in foreign currency	37	1,954	883
Insurance to be accrued in foreign currency	37	1,485	-
Advance payments to work suppliers		55,792	31,245
Advance payments for the purchase of real property		-	119,222
Subtotal other receivables – Non-current		59,231	151,350

TGLT S.A.

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 13. Other receivables (Cont.)

Current	Notes	Sept 30, 2018	Dec 31, 2017
Value added tax		67,772	45,747
Turnover tax		3,421	2,344
Receivables from the sale of investment property	37	18,548	19,380
Insurance to be accrued in local currency		2	118
Insurance to be accrued in foreign currency	37	1,930	535
Advance payments to work suppliers		18,340	2,120
Expenses to be rendered		25	14
Expenses to be recovered		4,234	3,341
Maintenance fees to be recovered		33,957	23,207
Security deposit		255	255
Collectible equipment fund in local currency		1	1
Collectible equipment fund in foreign currency	37	2,401	1,118
Collectible operative fund in local currency		136	82
Collectible operative fund in foreign currency	37	11	5
Receivables under litigation proceedings		1,980	2,026
Sundry		19	16
Allowance for doubtful receivables		(31,684)	(11,564)
Subtotal other receivables – Current		121,348	88,745
Total other receivables		180,579	240,095

Note 14. Accounts receivable from sales

Non-current	Notes	Sept 30, 2018	Dec 31, 2017
Accounts receivable from sales of units in local currency		22,715	-
Subtotal accounts receivable from sales - Non-current		22,715	-
Accounts receivable from services rendered in local currency		93	163
Accounts receivable from services rendered in foreign currency	37	28	9
Accounts receivable from sales of units in local currency		14,496	1,382
Accounts receivable from sales of units in foreign currency	37	10,705	3,378
Allowance for bad debts		(6,609)	(2,709)
Subtotal accounts receivable from sales - current		18,713	2,223
Total accounts receivable from sales		41,428	2,223

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY
(amounts stated in thousands of Argentine pesos)

Note 14. Accounts receivable (Cont.)

Maturity of accounts receivable from sales is the following:

	Sept 30, 2018	Dec 31, 2017
Due within		
0 to 3 months	1,517	2,223
3 to 6 months	794	-
From 6 to 9 months	1,134	-
From 9 to 12 months	807	-
More than 365 days	22,715	-
Past due		
0 to 3 months	9,950	-
More than 365 days	4,511	-
Total	41,428	2,223

Note 15. Cash and cash equivalents

	Notes	Sept 30, 2018	Dec 31, 2017
Cash in local currency		117	106
Cash in foreign currency	37	1,459	659
Banks in local currency		73	8,946
Banks in foreign currency	37	4,535	9,639
Uncashed checks		811	237
Term deposits in foreign currency	37	-	3,734
Mutual funds in local currency		-	41,985
Mutual funds in foreign currency	37	10,264	692,981
Bonds and government securities in foreign currency	37	-	975,792
Total cash and cash equivalents		17,259	1,734,079

In the statement of cash flows, cash and cash equivalents comprise the following:

	Sept 30, 2018	Sept 30, 2017
Total cash and cash equivalents	17,259	1,989,316
Time deposits in foreign currency due over 90 days	-	(3,465)
Total cash and cash equivalents according to the statement of cash flows	17,259	1,985,851

Note 16. Deferred tax liabilities

	Sept 30, 2018	Dec 31, 2017
Deferred tax	-	131,347
Total deferred tax liabilities	-	131,347

Note 17. Other accounts payable

	Notes	Sept 30, 2018	Dec 31, 2017
Non-current			
Purchase of shares in foreign currency	37	1,024,648	22,379
Security deposits in foreign currency	37	-	129
Subtotal other accounts payable – Non-current		1,024,648	22,508

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 17. Other accounts payable (Cont.)

Current		Sept 30, 2018	Dec 31, 2017
Purchase of shares in foreign currency	37	1,184,220	22,379
Sundry creditors in foreign currency	37	-	8,340
Security deposits in foreign currency	37	285	-
Provision for directors' fees		298	1,127
Deferred income		8,556	8,556
Subtotal other accounts payable – Current		1,193,359	40,402
Total other accounts payable		2,218,007	62,910

Note 18. Contract liabilities

Non-current		Sept 30, 2018	Dec 31, 2017
Advanced collections		1,755,256	1,090,889
Equipment fund		99	33
Operative fund		2	2
Other contract liabilities		16,816	-
Value added tax		(84,422)	(68,845)
Subtotal contract liabilities - Non-current		1,687,751	1,022,079
Current			
Advanced collections		64,852	199,180
Equipment fund		15,661	20,727
Operative fund		5,106	4,673
Value added tax		(4,135)	(14,917)
Subtotal contract liabilities - Current		81,484	209,663
Total contract liabilities		1,769,235	1,231,742

Note 19. Loans

Non-current	Notes	Sept 30, 2018	Dec 31, 2017
Corporate notes	37	4,602,503	1,666,921
Finance lease in local currency		580	681
Financial lease in foreign currency	37	404	-
Subtotal loans – Non-current		4,603,487	1,667,602
Current			
Bank overdrafts		87,905	-
Corporate notes in local currency		-	132,019
Corporate notes in foreign currency	37	558,609	210,417
Finance lease in local currency		402	396
Financial lease in foreign currency	37	245	-
Subtotal loans – Current		647,161	342,832
Total loans		5,250,648	2,010,434

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 19. Loans (Cont.)

The following is a breakdown of loans and financing:

FOR THE FISCAL PERIOD/YEAR	9 MONTHS	12 MONTHS
	Sept 30, 2018	Dec 31, 2017
Balance at beginning of year	2,010,434	300,585
New loans and financing arrangements	498,126	1,635,924
Accrued interest	382,776	169,856
Effects of exchange rate variation	2,757,421	132,335
Bank overdrafts	87,905	(32,022)
Payment of principal	(125,511)	(143,571)
Payment of interest	(349,924)	(52,673)
Conversion of corporate notes	(10,581)	-
Balance at period-end	5,250,646	2,010,434

A breakdown of loans is included in Note 15 to the condensed consolidated financial statements.

Note 20. Other tax burden

Non-current	Sept 30, 2018	Dec 31, 2017
Municipal tax payment plan	66	197
Federal tax payment plan	9,790	11,971
Subtotal other tax burden – Non-current	9,856	12,168
Current		
Withholdings and collections to be deposited	3,251	3,106
Wealth tax	-	11
Turnover tax	1,172	1,572
Stamp tax	2,185	2,790
Provincial taxes	2,307	3,597
Municipal taxes	1	13
Municipal tax payment plan	168	3,495
Provision for federal taxes	2,845	2,488
Subtotal other tax burden – Current	11,929	17,072
Total other tax burdens	21,785	29,240

Note 21. Payroll and social security contributions

	Sept 30, 2018	Dec 31, 2017
Salaries payable	14,006	12,148
Social security contributions payable	4,973	5,550
Provision for vacations	6,240	4,853
Advances to personnel	(246)	(315)
Total payroll and social security contributions	24,973	22,236

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 22. Trade payables

Non-current	Notes	Sept 30, 2018	Dec 31, 2017
Contingency fund		-	4,455
Subtotal trade payables – Non-current		-	4,455
Current			
Suppliers in local currency		3,952	5,548
Suppliers in foreign currency	37	212	2,518
Deferred checks		43,333	34,953
Provision for expenses in local currency		2,699	3,128
Provision for expenses in foreign currency	37	-	2,094
Provision for works in local currency		17,715	21,410
Provision for works in foreign currency	37	17	998
Insurance payable in local currency		117	6
Insurance payable in foreign currency	37	2,135	50
Contingency fund in local currency		22,960	13,414
Contingency fund in foreign currency	37	676	305
Subtotal trade payables – Current		93,816	84,424
Total trade payables		93,816	88,879

Note 23. Provisions and allowances

	Notes	Legal claims (I)	Onerous contracts (II)	Sept 30, 2018	Dec 31, 2017
In local currency					
Balance as of January 1, 2018		46,908	-	46,908	2,778
Additions (III)		8,042	-	8,042	45,726
Recoveries (III)		-	-	-	-
Used during the fiscal period/year		(19,004)	-	(19,004)	(1,596)
Subtotal in local currency		35,946	-	35,946	46,908
In foreign currency					
Balance as of January 1, 2018		-	373	373	4,862
Additions (III)		-	-	-	-
Recoveries (III)		-	-	-	-
Used during the fiscal period/year		-	-	-	(5,566)
Effect of foreign currency variation		-	452	452	1,077
Subtotal in foreign currency	37	-	825	825	373
Total provisions		35,946	825	36,771	47,281

(III) They relate to provisions for judicial proceedings.

(IV) They relate to provisions for liabilities under contractual obligations.

(V) Additions and recoveries are disclosed in the statement of profit or loss under item "Selling expenses", line "Contractual agreements".

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 24. Capital stock

The Company's issued, subscribed and paid-in capital is structured as follows:

	Sept 30, 2018	Dec 31, 2017
Fully paid-in common shares	71,993,485	70,349,485
Total fully paid-in common shares	71,993,485	70,349,485

The distribution of the Company's capital stock is detailed in Note 20 to the condensed consolidated financial statements.

Note 25. Income from ordinary activities

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Revenue from delivery of goods	236,622	354,610	59,529	55,798
Income from services rendered	1,872	8,529	438	3,169
Total income from ordinary activities	238,494	363,139	59,967	58,967

Note 26. Cost of ordinary activities

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Units completed at the beginning of fiscal year	132,696	494,621	95,812	-
Plus:				
Cost capitalized during the period	375,117	33,328	126,464	15,285
Cost of services rendered	248	1,705	59	633
Less:				
Finished units at period-end	(135,835)	(165,791)	(135,835)	41,575
Total cost of ordinary activities	372,226	363,863	86,500	57,493

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 27. Selling expenses

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Payroll and social security contributions	9,007	11,650	814	5,469
Other payroll expenses	201	1,026	60	833
Rent and building maintenance fees	654	802	257	342
Professional fees	4,879	1,642	975	493
Taxes, rates and contributions	15,483	10,092	1,165	3,530
Depreciation of property, plant and equipment	357	1,010	106	311
Transport and per diem	104	168	(1,273)	58
Information technology and services expenses	528	1,268	(131)	846
Sales expenses	2,725	13,053	(82)	4,572
Advertising expenses	4,364	3,987	2,169	998
Office expenses	228	389	83	194
Building management fees	6,044	9,082	1,198	7,064
Post sales expenses	6,206	10,751	3,523	4,917
Insurance	-	164	-	96
Contractual agreements	7,476	16,941	4,215	13,772
General expenses	17	-	-	-
Total selling expenses	58,273	82,025	13,079	43,495

Note 28. Administrative expenses

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Payroll and social security contributions	61,832	42,892	28,042	15,606
Other payroll expenses	1,387	323	574	(410)
Rent and building maintenance fees	5,071	3,421	1,923	1,163
Professional fees	15,678	27,275	4,406	23,572
Directors' fees	913	2,881	342	960
Supervisory audit committee's fees	1,148	1,100	376	418
Taxes, rates and contributions	1,033	1,291	341	266
Depreciation of property, plant and equipment	311	380	37	128
Transport and per diem	707	547	295	134
Information technology and services expenses	3,828	2,123	1,986	326
Public offering expenses	5,630	1,030	4,580	592
Office expenses	2,512	1,373	735	543
Investment property maintenance expenses	460	30	460	-
Bank expenses	2,823	990	730	324
Tax on bank account debits and credits	13,099	7,405	4,515	3,693
Other bad debts	19,563	11,395	17,998	10,324
Insurance	2,618	1,390	9	709
Total administrative expenses	138,613	105,846	67,349	58,348

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 29. Financial results

	Profit/(Loss)			
	NINE MONTHS		THREE MONTHS	
Exchange gains/losses	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Exchange gains	1,157,683	38,030	522,871	10,518
Exchange losses	(4,056,642)	(90,012)	(2,247,010)	(48,813)
Total exchange gains/losses	(2,898,959)	(51,982)	(1,724,139)	(38,295)
Financial income				
Interest - Financial income	31,565	11,973	10,102	5,670
Gain/loss from sales	13,713	-	13,713	-
Holding gain/loss	9,763	5,535	4,375	5,535
Gain from financial instruments	26,855	-	26,855	-
Present value of credits	507	98	(57)	47
Index adjustment	2,828	-	2,828	-
Total financial income	85,231	17,606	57,816	11,252
Financial costs				
Interest	(411,736)	(124,175)	(211,081)	(91,404)
Subtotal Interest	(411,736)	(124,175)	(211,081)	(91,404)
Other financial costs				
Gain/loss on sales	-	(3,757)	1,900	(1,913)
Present value of credits	(89,439)	-	(43,817)	-
Loss from discounted trade documents	-	(133)	-	-
Subtotal other financial costs	(89,439)	(3,890)	(41,917)	(1,913)
Total financial costs	(501,175)	(128,065)	(252,998)	(93,317)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 30. Other income and expenses, net

	Profit/(Loss)			
	NINE MONTHS		THREE MONTHS	
	Sept 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017
Sale of property, plant and equipment	120	95	32	95
Lawsuits and other contingencies	(1,451)	(681)	(1,357)	(8)
Debt forgiveness	-	(35)	-	(3)
Rental income	-	6,749	-	4,382
Recovery of expenses	9,002	1,513	2,213	635
Recovery of provision for expenses	1,948	-	-	-
Sale of other assets	89,655	-	(8,085)	-
Contract compliance guarantee	(42,017)	-	(10,838)	0
Contract termination	(329)	981	(794)	147
Sundry	1,662	(96)	2,396	(24)
Total other income and expenses, net	58,590	8,526	(16,433)	5,224

Note 31. Income tax and deferred tax

Income tax assessed in accordance with IAS 12, which is included in the statement of profit or loss as of September 30, 2018 and 2017, is broken down as follows:

	Sept 30, 2018	Sept 30, 2017
Income tax	1,442,688	71,491
Deferred tax from temporary differences	(449,214)	28,953
Minimum presumed income tax write-off	-	(1,295)
Total income tax	993,474	99,149

Deferred tax as of fiscal year-end has been determined on the basis of the temporary differences between accounting and tax-related measurements. Deferred tax assets and liabilities at each fiscal year-end are broken down as follows:

	Sept 30, 2018	Dec 31, 2017
Deferred tax assets		
Tax loss from national source income	1,780,327	301,398
Property, plant and equipment	2,027	2,034
Finance lease valuation	11	11
Deferred income	7,610	2,567
Sundry provisions	182,266	18,386
Inventories	34,869	-
Subtotal deferred tax assets	2,007,110	324,396
Deferred tax liabilities		
Financial costs	(39,684)	(17,817)
Inventories	-	(12,145)
Cash and cash equivalents	(2,489)	(38,286)
Bad debts	(345)	(345)
Foreign currency	(263,892)	(64,609)
Convertible corporate notes	(543,766)	(306,506)
Investment property	(258,567)	(16,035)
Subtotal deferred tax liabilities	(1,108,743)	(455,743)
Net position of deferred tax assets/(liabilities)	898,367	(131,347)

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 31. Income tax and deferred tax (Cont.)

The reconciliation between the income tax expense for the year and that resulting from applying the prevailing tax rate to income before tax is as follows:

	Sept 30, 2018	Sept 30, 2017
Income tax calculated at the prevailing tax rate on income before taxes	844,795	106,530
Minimum Presumed Income tax write-off	-	(1,295)
Tax loss write-off	-	9
Understated provision for income tax	12	-
Interest	(456)	(378)
Directors' fees	(255)	(978)
Gain/loss on investments in companies	123,307	(880)
Valuation of inventories	8,931	8,435
Sundry non-deductible expenses	(1,845)	(4,081)
Loans valuation	-	(8,213)
Tax reform law No. 27430	18,985	-
Income tax	993,474	99,149

Tax losses resulting from national source income, and accumulated as of September 30, 2018, may be used up to the dates indicated below:

	Pesos
Year	2018
2019	69,939
2020	56,422
2021	11,281
2022	163,768
2023	1,478,917
Total	1,780,327

The Company estimates its taxable income to determine the use of its deferred tax assets within five years, in accordance with Argentine Income Tax laws, which represent the basis for the recognition of deferred tax assets, tax losses and minimum presumed income tax credit balances. Recoverability thereof will depend on due and timely compliance with the delivery of units in the remaining projects and with business prospects. TGLT complies with the provisions of paragraph 34 of IAS 12, which states that tax losses from tax returns expected to be offset against future tax profits are presented in accordance with IAS 12.

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 32. Related parties

a) The balances with Companies under section 33 - Law No. 19550 and other related parties, classified according to the nature of the transaction, are as follows:

RECEIVABLES FROM RELATED PARTIES – Current	Notes	Sep 30, 2018	Dec 31, 2017
ACCOUNTS RECEIVABLE FROM SALES			
AGL Capital S.A. in local currency		-	173
AGL Capital S.A. in foreign currency	37	-	1,059
Marina Río Luján S.A.		2	14
FDB S.A. in local currency		2,461	2,461
FDB S.A. in foreign currency	37	2,159	859
Subtotal		4,622	4,566
OTHER RECEIVABLES			
Individual shareholders		2,505	2,505
Other shareholders		3,528	3,541
FDB S.A. in local currency		816	763
FDB S.A. in foreign currency	1 and 37	136,618	59,878
Marina Río Lujan S.A. in local currency		130,401	9,577
Marina Río Lujan S.A. in foreign currency	1 and 37	160,130	187,537
TGLT Uruguay S.A. in foreign currency	1 and 37	617,116	259,186
Inversiones y Representaciones S.A. in foreign currency	1 and 37	35,226	-
Subtotal		1,086,340	522,987
Total receivables from related parties		1,090,962	527,553
PAYABLES TO RELATED PARTIES – Non-current			
OTHER ACCOUNTS PAYABLE – INVESTMENTS IN COMPANIES			
TGLT Uruguay S.A.		210,625	62,533
Subtotal		210,625	62,533
Total payables to related parties – Non-current		210,625	62,533
PAYABLES TO RELATED PARTIES – Current			
OTHER ACCOUNTS PAYABLE			
Marina Río Luján S.A.		287	287
FDB S.A. in foreign currency	37	188,596	107,393
Caputo S.A.I.C. y F. in foreign currency	37	99,000	-
Caputo S.A.I.C. y F.		28,000	-
Catalinas Trust	37	2,538	-
Subtotal		318,421	107,680
Total payables to related parties – Current		318,421	107,680
Total payables to related parties		529,046	170,213

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 32. Related parties (Cont.)

b) The most significant transactions with Companies under section 33 - Law No. 19,550 and other related parties were as follows:

- Transactions and their effects on cash flow

Name of related party	Transaction	Sep 30, 2018	Sep 30, 2017
Marina Río Luján S.A.	Loans granted	(120,550)	(54,042)
TGLT Uruguay S.A.	Loans granted	(13,614)	(88,648)
Individual shareholders	Loans borrowed	-	7,453
Sitia S.A.	Loans borrowed	-	83
AGL Capital S.A.	Collections received	2,934	585
Comisiones y Corretajes S.A.	Collections received	-	5,796
Senior Directors and Managers	Collections received	-	1,978
FDB S.A.	Collections received	331	15,526
Marina Río Luján S.A.	Collections received	66	151
TGLT Uruguay S.A.	Collections received	1,441	170
Individual shareholders	Payments made	-	(7,804)
FDB S.A.	Payments made	(25,833)	(351)
AGL Capital S.A.	Payments made	(295)	-
Sitia S.A.	Payments made	-	(778)
Marina Río Luján S.A.	Payments made	(45,000)	(2,692)
Catalinas Trust	Payments made	245	-
Comisiones y Corretajes S.A.	Payments made	-	(34,606)
Marina Río Luján S.A.	Liabilities due to assignment	-	96
Marina Río Luján S.A.	Payments related to the purchase of units	-	(11,597)
Marina Río Luján S.A.	Removal of units due to assignment	-	4,363
Marina Río Luján S.A.	Write-off due to capitalization	191,061	-
Total		(9,214)	(164,317)

- Transactions and their effects on profit/loss

Name of company	Transaction	Profit/(Loss) Sep 30, 2018	Sep 30, 2017
AGL Capital S.A.	Services provided	1,220	762
FDB S.A.	Services provided	223	479
Marina Río Luján S.A.	Services provided	1	168
FDB S.A.	Financial results	(28,835)	4,877
Individual shareholders	Financial results	-	(343)
Marina Río Luján S.A.	Financial results	116,495	8,985
TGLT Uruguay S.A.	Financial results	345,757	20,344
Sitia S.A.	Financial results	-	(287)
AGL Capital S.A.	Financial results	(100)	36
Comisiones y Corretajes S.A.	Financial results	-	(3,444)
Comisiones y Corretajes S.A.	Commissions	-	(2,861)
Senior Directors and Managers	Income from units delivered	-	5,162
Other shareholders	Income/loss on bad debts	(12)	-
Directors	Professional fees	(913)	(2,881)
Total		433,836	30,997

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 32. Related parties (Cont.)

1. Loans granted

On April 1, 2018, the Company capitalized seventy percent (70%) of the principal balances (excluding interest) of Offer Letters 1/16, 1/17, 2/17, 3/17 and 4/17, instrumenting the credit line agreements of up to US\$ 15,000 entered into with Marina Rio Lujan to finance works at the Venice Project. Such balances amount to \$ 191,061. The interest rate applicable to credit lines was reduced to an annual rate of 0.05%.

On July 17, 2018, the Company allocated the balance of Offer Letters 3/17 and 4/17 to offset the purchase of a bunch of units from the Venice Project, such offset amounted to USD 2,739,000, equivalent to \$ 75,876.

Balances in foreign currency							Sep 30, 2018		Dec 31, 2017	
Entity	Credit line	Capital US\$	Maturity	Capitalization/Compensation	Disbursement		Current	Non-current	Current	Non-current
					nt US\$	Rate				
FDB S.A. (1)	01-2016	20,000	12/31/2018	-	2,948	5.36%	136,618	-	59,878	-
TGLT Uruguay (1)	01-2015	20,000	12/31/2018	-	13,810	5.36%	617,116	-	259,186	-
MRL (2)	01-2016	2,000	8/14/2018	(2,000)	2,000	0.05%	27,976	-	46,090	-
MRL	01-2017	1,000	10/2/2018	(974)	974	0.05%	3,042	-	18,765	-
MRL	02-2017	2,000	8/14/2018	(2,000)	2,000	0.05%	10,207	-	40,319	-
MRL	03-2017	5,000	2/5/2019	(4,885)	4,885	0.05%	10,691	-	59,917	-
MRL	04-2017	5,000	3/13/2019	(2,362)	4,913	0.05%	108,214	-	22,444	-
							913,864	-	506,602	-

(1) Monthly variable rate set by the Central Bank of Uruguay

(2) Annual fixed rate

Note 33. Receivables, tax assets and payables broken down by maturity and interest rates

a) Receivables, tax assets and payables broken down by maturity:

Receivables/Tax assets	Sep 30, 2018	Dec 31, 2017
To become due		
Up to 3 months	812,933	66,187
From 3 to 6 months	8,722	54,701
From 6 to 9 months	67,250	30,814
From 9 to 12 months	160,408	394,320
Over 12 months	1,075,861	236,190
Without any established term	127,864	56,298
Past due		
Up to 3 months	22,904	-
From 3 to 6 months	12,291	16,199
Over 12 months	18,651	-
	2,306,884	854,709

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY
(amounts stated in thousands of Argentine pesos)

Note 33. Receivables, tax assets and payables broken down by maturity and interest rates (Cont.)

a) Receivables, tax assets and payables broken down by maturity (cont.):

Payables (except for customer advances to third and related parties)	Sep 30, 2018	Dec 31, 2017
To become due		
Up to 3 months	175,133	332,173
From 3 to 6 months	1,482,858	44,482
From 6 to 9 months	20,872	106,672
From 9 to 12 months	260,538	4,232
Over 12 months	5,865,432	1,900,614
Without any established term	387,031	463,331
	8,191,864	2,851,504

b) Interest and non-interest bearing receivable, tax asset and payable balances are detailed below:

Receivables/Tax assets	Sep 30, 2018	Dec 31, 2017
Interest bearing	792,621	472,273
Non-interest bearing	1,514,263	382,436
	2,306,884	854,709
Annual nominal average rate:	5%	15%
Payables (except for customer advances to third and related parties)		
Interest bearing	5,059,311	1,816,061
Non-interest bearing	3,132,553	1,035,443
	8,191,864	2,851,504
Annual nominal average rate:	17%	19%

Note 34. Negative shareholders' equity, negative working capital and business plans

During the period ended September 30, 2018, TGLT S.A. recorded significant losses that gave rise to a negative working capital in the amount of \$ 1,023,797 and negative shareholders' equity; thus, the company falls within the scope of subsection 5, section 94 of the Companies Law No. 19550. If such circumstances remain unmodified as of December 31, 2018, the Company would be subject to the mandatory termination provisions of such law, which must be addressed at the forthcoming Shareholders' Meeting. However, the Company's Board of Directors believes the business plans are capable to revert the circumstances described.

Note 35. CNV General Resolution No. 622

In order to comply with the provisions of section 1, Title IV, Chapter III of General Resolution No. 622 of the CNV, the notes to the Separate Financial Statements describe the information requested by that Resolution in the form of Exhibits.

Exhibit A - Property, plant and equipment	Note 5
Exhibit B - Intangible assets	Note 6
Exhibit C - Investments in shares	Note 8
Exhibit D - Other investments	Not applicable
Exhibit E - Allowances and provisions	Note 23
Exhibit F - Cost of services provided	Note 26
Exhibit G - Assets and liabilities in foreign currency	Note 37
Exhibit H - Ordinary selling, administrative and financing expenses	Notes 27, 28 and 29

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 36. Lawsuits

See Note 32 of the condensed consolidated financial statements.

Note 37. Assets and liabilities in foreign currency

Item	Sep 30, 2018			Dec 31, 2017	
	Type and amount of foreign currency		Prevailing exchange rate	Recorded amount in pesos	Recorded amount in pesos
ASSETS					
Non-current assets					
Other receivables:					
Security deposit	US\$	48	41.05	1,954	883
Prepaid insurance	US\$	36	41.05	1,485	-
Total non-current assets				3,439	883
Current assets					
Other receivables:					
Receivables from the sale of investment property	US\$	452	41.05	18,548	19,380
Prepaid insurance	US\$	47	41.05	1,930	535
Collectible equipment fund	US\$	58	41.05	2,401	1,118
Collectible operative fund	US\$	-	41.05	11	5
Receivables from related parties:					
Accounts receivable from sales	US\$	53	41.05	2,159	1,918
Other receivables	US\$	23,120	41.05	949,090	506,601
Accounts receivable from sales:					
Receivables for services rendered	US\$	1	41.05	28	9
Receivables from sale of units	US\$	261	41.05	10,705	3,378
Cash and cash equivalents:					
Cash	US\$	36	41.05	1,459	659
Banks	US\$	110	41.05	4,535	9,639
Time deposits	US\$	-	41.05	-	3,734
Mutual funds	US\$	250	41.05	10,264	692,981
Bonds and government securities	US\$	-	41.05	-	975,792
Total current assets				1,001,130	2,215,749
Total assets				1,004,569	2,216,632

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 37. Assets and liabilities in foreign currency (Cont.)

Item	Sep 30, 2018			Dec 31, 2017	
	Type and amount of foreign currency	Exchange rate prevailing	Recorded amount in pesos	Recorded amount in pesos	
LIABILITIES					
Non-current liabilities					
Other payables:					
Payable for purchase of shares	US\$	24,840	41.25	1,024,648	22,379
Security deposit	US\$	-	41.25	-	129
Loans:					
Corporate notes	US\$	111,576	41.25	4,602,503	1,666,921
Finance lease	US\$	10	41.25	404	-
Total non-current liabilities				5,627,555	1,689,429
Current liabilities					
Provisions	US\$	20	41.25	825	373
Other payables:					
Payable for purchase of shares	US\$	28,708	41.25	1,184,220	22,379
Sundry creditors	US\$	-	41.25	-	8,340
Security deposit	US\$	7	41.25	285	-
Payables with related parties:					
Other accounts payable	US\$	7,034	41.25	290,134	107,393
Loans:					
Corporate bonds	US\$	13,542	41.25	558,609	210,417
Finance lease	US\$	6	41.25	245	-
Trade payables:					
Suppliers	US\$	5	41.25	212	2,518
Provision for expenses	US\$	-	41.25	-	2,094
Provision for works	US\$	-	41.25	17	998
Insurance payable	US\$	52	41.25	2,135	50
Contingency fund	US\$	16	41.25	676	305
Total current Liabilities				2,037,358	356,019
Total liabilities				7,664,913	2,044,296

Note 38. Risks - Financial risk management

The Company is exposed to market and financial risks inherent to the nature of the business, as well as to the financial instruments used for the financing of the real estate projects developed by it. The Company's Board of Directors analyzes these risks on a regular basis, reports them to the Board of Directors and designs mitigation strategies and policies. In addition, it verifies that the practices adopted throughout the organization comply with the relevant strategies and policies. Furthermore, it monitors the current policies and adapts or changes them based on market changes and on the needs of the organization.

38.1 Market risks

Our activities are exposed to different risks inherent to the real estate development and construction industry both in Argentina and in Uruguay. These risks include, among others:

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 38. Risks - Financial risk management (Cont.)

Risk of increase in construction costs

Most of our costs are linked to the effects of inflation on the costs of construction materials and labor. However, the Company operatively covers this risk by adjusting the amounts pending collection per units sold and the lists of prices by the CAC index (construction cost index) on a monthly basis.

The Company contracts private works with third parties following the lump sum system or the cost plus system. Lump-sum contracts include clauses for adjusting the basic sale price using various polynomial formulas. In any of these cases, the formulas are adequate to compensate for the increases in the price of inputs that make up the cost so as to maintain at all times the profit margin on sales in constant currency.

In cost plus contracts, the risk of losses is limited only to management, given that the costs are borne by the principal.

In the case of public works, there are national and provincial laws that provide for adjustments to the sale price when a certain cap is exceeded.

Irrespective of the above, during the budgeting stage, the Company carefully studies and analyzes the possible economic effects of inflation on the contracts, and conducts hedge transactions if deemed necessary.

Risk associated with the demand for our products

The demand for our products depends on several external factors, such as the macroeconomic and market conditions. We are continuously controlling the speed of our sales and adjusting our marketing strategy, including price and discount policies, in order to optimize the performance of our projects. In addition, we have sometimes adjusted the design of our products in light of data resulting from changes in the market.

Risk of contractors' non-performance

Independent contractors may carry out construction activities in our projects. We thoroughly assess the creditworthiness and capacity of our contractors both before and during contract execution to minimize the risk of non-performance. In addition, we require that they purchase insurance against these risks.

38.2. Financial risks

Risk of access to financing

We have access to the capital markets and credit facilities to obtain external financing for our projects and to refinance existing debt, where necessary. Access to these markets might be restricted due to situations outside Company's control, which may make it difficult to obtain financing and/or refinancing.

Exchange rate risks

TGLT develops and sells real estate projects in Argentina and Uruguay and, therefore, we are exposed to foreign exchange rate fluctuations.

To the date of issuance of these financial statements, the Company recorded payables denominated in US dollars in Argentina amounting to 178.8 million, mainly made up of the newly issued series XV corporate notes in the amount of US\$ 25 million and the corporate notes issued during the third quarter of 2017 in the amount of US\$ 150 million, out of which US\$ 54.2 million were recorded in shareholders' equity. To minimize the risks related to exchange rate fluctuations affecting our financial liabilities, the Company might enter into a forex hedge transaction in relation to the local currency and the US dollar. The company does not conduct hedge or financial derivative transactions for speculative purposes. We believe that, in the event a hypothetical depreciation of 1 peso per dollar occurred between the Argentine peso and the U.S. dollar, the difference between our assets and liabilities in foreign currency would result in a loss of about \$ 172.7 million, which would be charged to income/loss for the nine-month period ended September 30, 2018.

NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 38. Risks - Financial risk management (Cont.)

Interest rate risks

The group is slightly exposed to interest rate volatility as around \$ 87.9 million out of a total of \$ 5.250,7 million, 1.67% of our financial liabilities, are subject to a variable reference rate such as the Private BADLAR or overdraft interest rates. We believe that should the rate increased by 100 basis points, a loss of \$ 0.9 million would be recorded.

Credit risks

The Company's exposure to credit risk is closely linked to the financial capacity of its customers to meet its contractual commitments.

The Company actively controls the credit rating of its short-term financial instruments as well as the risk of its counterparties inherent to derivatives and insurance in order to minimize credit risks.

With respect to receivables from construction works, the Company usually sets forth in its contracts one or more financial advances that allow it to have sufficient working capital to start a project or work, and at the same time it makes sure it will have a positive financial position in the course of the work that allows for negotiating favorable conditions in the event of late payment.

In addition, purchase and sale agreements include a payment plan beginning on the date of execution of the agreement and ending upon delivery of the finished product, with installments along the building process. These agreements provide for high penalties for clients in default. As a result, we do not register high levels of uncollectibility or default in payments. Some specific agreements provide for the collection of outstanding balances after the transfer of possession of units. Allowances for bad debts are set up based on such agreements in the total amount of \$ 6.6 million.

Credit risks related to the investment of cash surplus are managed directly by the Treasury Department. We are conservative in our financial investment policies, and choose to maintain deposits in first line financial institutions.

Liquidity risk

Our financial strategy is aimed at preserving sufficient financing resources and access to additional liquidity.

Management keeps enough cash and cash equivalents to finance the ordinary business volume and believes that TGLT has adequate access to the banking and capital markets to finance short-term working capital needs. We also believe that we have the necessary tools to issue long-term debt, such as in the successful case of the placement of corporate notes in August of 2017.

For the nine-month period of 2018, the Company recorded operating cash in the amount of \$ 112.4 million. In addition, financing in the amount of \$111.8 million was obtained and \$2,130.1 million were used to acquire companies; therefore, the cash and cash equivalent balance totaled \$17.3 million as of September 30, 2018.

Note 39. Subsequent events

No events or transactions have occurred from year-end to the date of issuance of these financial statements that would have a material effect on the financial position of the Company as of September 30, 2018, or the results of its operations at such period-end.

TGLT S.A.**ADDITIONAL INFORMATION REQUESTED BY SECTION No. 68
OF THE RULES OF THE BUENOS AIRES STOCK EXCHANGE**

(amounts stated in thousands of Argentine pesos)

1. There are no specific and significant legal systems that involve contingent reestablishments or elimination of benefits that may adversely affect the Company.
2. There are no significant changes in the activity of the Company as of September 30, 2018.
3. Regarding the classification of receivables and payables balances by maturity, see Note 33 to the separate financial statements.
4. Regarding the classification of receivables and payables balances on the basis of their financial effects, see Note 33 to the separate financial statements.
- a) A breakdown of investments, receivables and payables in foreign currency as of September 30, 2018, is disclosed in Note 37 to the separate financial statements.
- b) There are no assets or liabilities subject to any adjustment clause.
5. Breakdown of the percentage of interest held in companies under section 33 of Law N° 19550 as of September 30, 2018 (for further information see Note 4.2 to the consolidated financial statements of the Company):

Company	As	Interest	
		% Capital	% Votes
Caputo Sociedad Anónima, Industrial, Comercial y Financiera	Shareholder	97.04%	97.04%
Fideicomiso Financiero Privado Inmobiliario de Administración Catalinas I	Trustor	50%	-
Marina Río Luján S.A.	Shareholder	49.99 %	49.99 %
TGLT Uruguay S.A.	Shareholder	100.00 %	100.00 %

A breakdown of the shares held in the capital of the Company is presented in Note 20 to the consolidated financial statements of TGLT S.A.

6. There are no Accounts receivable from sales or loans granted to Directors, members of the Supervisory Committee, and their relatives up to the second degree (included) as of year-end or during the year.
7. As of September 30, 2018, the Company owns four items of real property in the City of Buenos Aires, and two in the City of Rosario, which were included in the "Inventories" item for an amount of \$ 779,596 as non-current, and \$135,835 as current.
No provisions related to the aforementioned properties have been recorded, except for the impairments mentioned in Note 11 to the separate financial statements
8. Regarding the valuation criteria for inventories, property, plant and equipment, and investments, please refer to the consolidated financial statements of the Company as of December 31, 2017. No changes have taken place as from such date up to the date of presentation of these financial statements.
9. There is no reserve for technical revaluation of property, plant and equipment.
10. There are no obsolete property, plant and equipment. The total residual value of property, plant and equipment amounts to \$ 1,128.

TGLT S.A.

ADDITIONAL INFORMATION REQUESTED BY SECTION No. 68 OF THE RULES OF THE BUENOS AIRES STOCK EXCHANGE

11. As of September 30, 2018, the Company held investments in companies in the amount of \$ 4,063,369. As of that date, the Company had exceeded the limit established by section 31 of Law No. 19550.

In accordance with the provisions of Section 31 of Law No. 19550 (Companies Law), no company, except those with financial or investment purposes solely, may take or hold an interest in another or other companies for an amount exceeding its freely available reserves and half of its capital and legal reserves. Any interest, units or shares held in excess of said amount must be disposed of within six months following the date of approval of the financial statements, showing that said limit has been exceeded.

In accordance with the provisions of the General Resolution of the CNV, for the purposes of calculating the limit established by Section 31 of Law No. 19550, only interest in companies whose corporate purpose does not complement or include the corporate purpose of the investing company shall be computed at their book value.

As of September 30, 2018, the Company held interest in companies whose corporate purposes complement and/or include the corporate purpose of the Company, so the limit to the percentage interest that may be held in other companies set forth by Section 31 of Law No. 19550 is not applicable, based on what is mentioned in the preceding paragraph.

12. The proportional equity value was used to estimate the recoverable value of investments in companies; while the economic use value was used for inventories at acquisition and/or construction cost, and for property, plant and equipment.

13. Insurance (stated in thousands):

Risk covered		Amount insured	
		\$	US\$
Business overhead expense	Fire Astor Núñez building	-	55,000
Building	Fire Brisario building	-	9,000
Business overhead expense	Fire Astor Palermo building	-	62,000
Business overhead expense	Fire Forum Puerto Norte building	60,840	-
Business overhead expense	Fire Forum Puerto Norte building	-	96,015
Building	Fire rented buildings	-	2,210
Building	Fire general contents	24,336	-
Building	Fire general contents	-	614
Building	Robbery general contents	-	55
Building	Water damages and glass insurance	-	238
Building	Special charges	-	13,946
Building	Rubble removal	-	11,211
Facilities	Technical insurance	-	73
Personal	Liability insurance employer	34,200	-
All risks construction	Physical injury property Metra Puerto Norte	-	14,000
All risks construction	Physical injury property Astor Palermo	-	54,000
Operations	Liability insurance	12,675	-
Operations	Liability insurance	-	10,584
Mandatory life insurance	Employees	3,135	-
Guarantee bond	Contracts enforcement	260	-
Guarantee bond	Contracts enforcement	-	4,000
Guarantee bond	Legal claims	11,612	-
Guarantee bond	Professional fees	-	46
Guarantee bond	Rent guarantee	-	289

TGLT S.A.
ADDITIONAL INFORMATION REQUESTED BY SECTION NO. 68
OF THE RULES OF THE BUENOS AIRES STOCK EXCHANGE

(amounts stated in thousands of Argentine pesos)

14. Provisions exceeding 2% of the Company's equity were recorded at the criteria of the Company's Board of Directors, based on the opinion of its legal advisors. See Note 23 to the separate financial statements.
15. The Company's Board of Directors believes there is no likelihood of occurrence of any contingent situations other than remote, the effects of which, if significant, have not been accounted for.
16. No irrevocable contributions have been received on account of future subscriptions.
17. The Company's capital stock is represented by shares of common stock only.
18. Pursuant to the Companies Law, the bylaws and General Resolution No. 368/2001 of the CNV, 5% of the profits earned during the fiscal year shall be transferred to a legal reserve until said reserve reaches 20% of the equity restated in constant currency. Furthermore, payment of dividends is restricted as provided for in Note 22 to the consolidated financial statements.



Grant Thornton Argentina
Av. Corrientes 327, 3rd floor
C1043AAD – Buenos Aires
Argentina

T (54 11) 4105 0000
F (54 11) 4105 0100
E post@gtar.com.ar
www.gtar.com.ar

LIMITED REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS

(Free translation from the original report issued in Spanish for local purposes submitted to local regulator: Comisión Nacional de Valores – CNV)

To the President and Directors of

TGLT S.A.

Taxpayer Identification Number (CUIT): 30-70928253-7

Legal address: Av. Scalabrini Ortiz 3333 – 1st Floor

City of Buenos Aires

1. REPORT ON THE FINANCIAL STATEMENTS

a) We have performed a limited review of the attached condensed interim separate financial statements of TGLT S.A. (hereinafter, indistinctly, “TGLT S.A.” or the “Company”) which include (a) the condensed interim statement of financial position as of September 30, 2018, (b) the condensed interim statement of profit or loss and other comprehensive profit or loss for the nine and three-month period then ended, (c) the condensed interim statements of changes in equity and of changes in cash flows for the nine-month period ended as of the above date, and (d) the supplementary information contained in notes 1 to 39.

The amounts and other information for the fiscal year ended December 31, 2017 and for the nine and three-month period ended September 30, 2017 are an integral part of the above mentioned condensed interim separate financial statements and are intended to be interpreted exclusively in connection with these condensed interim financial statements.

b) We have performed a limited review of the attached condensed interim consolidated financial statements of TGLT S.A. with its controlled companies (detailed in Note 4.2 to the consolidated financial statements), which include (a) the condensed interim consolidated statement of financial position as of September 30, 2018, (b) the condensed interim consolidated statement of profit or loss and other comprehensive profit or loss for the nine and three-month period then ended, (c) the condensed interim statements of changes in equity and of changes in cash flows for the three-month period ended as of the above date, and (d) the supplementary information contained in notes 1 to 51.

The amounts and other information for the fiscal year ended December 31, 2017 and the nine and three-month period ended September 30, 2017, are an integral part of the above mentioned condensed interim consolidated financial statements and are intended to be interpreted exclusively in connection with those financial statements.

LIMITED REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS – (Cont.)

2. RESPONSIBILITY OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation and fair presentation of:

- a) The condensed interim separate financial statements in accordance with the International Financial Reporting Standards (IFRS), which were adopted by the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE") as professional accounting standards and incorporated by the CNV to its regulations, as approved by the International Accounting Standards Board ("IASB"), and, therefore, the Board of Directors is responsible for the fair preparation and presentation of the condensed interim stand-alone financial statements mentioned in section 1.a), according to International Accounting Standard 34, "Interim Financial Reporting" (IAS 34). Those standards were used in the preparation of the financial statements with the sole exception of IAS 29 "Financial Reporting in Hyperinflationary Economies", which was excluded by the CNV from its accounting framework.
- b) The condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), which were adopted by the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE") as professional accounting standards and incorporated by the CNV to its regulations, as approved by the International Accounting Standards Board ("IASB"), and, therefore, the Board of Directors is responsible for the fair preparation and presentation of the condensed interim consolidated financial statements mentioned in section 1.b), according to International Accounting Standard 34, "Interim Financial Reporting" (IAS 34). Those standards were used in the preparation of the financial statements with the sole exception of IAS 29 "Financial Reporting in Hyperinflationary Economies", which was excluded by the CNV from its accounting framework.

The Board of Directors is also responsible for the existence of such internal control as it may deem necessary to allow for the preparation of the financial statements free of material misstatements resulting from errors and irregularities.

3. AUDITORS' RESPONSIBILITY

Our responsibility is to issue a limited review report on the condensed interim financial statements mentioned in a) and b) of Section 1 of this Report, based on our review, which was limited to the application of the procedures set forth in the International Standards on Review Engagements ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", which was adopted as review standard in Argentina by FACPCE Technical Resolution No. 33, as approved by the International Assurance and Auditing Standard Board (IAASB.) Such standard requires the auditor to meet the ethical requirements corresponding to the audit of the Company's annual financial statements.

A review of interim financial information is limited primarily to inquiries of Company personnel responsible for the preparation of the information included in the condensed interim separate and consolidated financial statements, and to the performance of analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

LIMITED REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS – (Cont.)

4. GROUNDS FOR QUALIFIED OPINION

As described in the interim separate financial statements for the fiscal period ended September 30, 2018 in note 34: “Negative shareholders’ equity, working capital and business plans”, the Company has incurred in significant losses as of September 30, 2018, which have resulted in negative net equity to that date. If this situation is not reversed as of December 31, 2018, there will be grounds for dissolution. Therefore, the equity restoration will depend on the successful completion of the business plans considered by the Company's Board of Directors. Such significant uncertainty may give rise to substantial doubts, as to the entity's capacity to continue operating as a going concern and, therefore, the company might not be able to realize its assets and settle its liabilities within the ordinary course of business. The interim separate financial statements for the fiscal period ended September 30, 2018, fail to disclose such circumstances as well as the Board of Director's strategies and plans to revert them.

As described in the interim consolidated financial statements for the fiscal period ended September 30, 2018 in note 49: “Negative shareholders’ equity, working capital and business plans”, the Company has incurred in significant losses as of September 30, 2018, which have resulted in negative net equity to that date. If this situation is not reversed as of December 31, 2018, there will be grounds for dissolution. Therefore, the equity restoration will depend on the successful completion of the business plans considered by the Company's Board of Directors. Such significant uncertainty may give rise to substantial doubts, as to the entity's capacity to continue operating as a going concern and, therefore, the company might not be able to realize its assets and settle its liabilities within the ordinary course of business. The interim consolidated financial statements for the fiscal period ended September 30, 2018, fail to disclose such circumstances as well as the Board of Director's strategies and plans to revert them.

5. QUALIFIED OPINION

Based on our review, except for the information described in section 4 of this report, we are in a position to report that:

a) Nothing has come to our attention that causes us to believe that the accompanying condensed interim separate financial statements of TGLT S.A. identified in section 1.a) are not presented fairly, in all material respects, in accordance with the accounting standards issued by the CNV.

b) Nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of TGLT S.A. identified in section 1.b) are not presented fairly, in all material respects, in accordance with the accounting standards issued by the CNV.

6. EMPHASIS ON CERTAIN MATTERS DISCLOSED IN THE FINANCIAL STATEMENTS

Without modifying our conclusion, we wish to highlight:

a) The information included in the following notes to the condensed interim separate financial statements:

LIMITED REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS – (Cont.)

6. EMPHASIS ON CERTAIN MATTERS DISCLOSED IN THE FINANCIAL STATEMENTS (Cont.)

i) Note 7: “Investment property”, where it is indicated that the Board of Directors has reclassified certain plots of land of Brisario project, the development of which has not been planned, and that will be maintained for value appreciation. Consequently, it has been stated at fair value and recorded income in the amount of \$ 921 million. The Company's Board of Directors is under negotiation with the holder of that mortgage to readjust the business plan to the new scenario;

ii) Note 38: “Risks - Financial risk management”, relating to financial and market risks and how the Company's Board of Directors analyzes them, designs strategies and policies for mitigation, and the level of exposure to those risks.

iii) Note 4: “Presentation basis” where the difference between the accounting information framework of the CNV and the IFRS is qualitatively described, taking into account that the application of the IAS 29 “Financial Reporting in Hyperinflationary Economies” was excluded from its accounting framework by the CNV.

iv) Note 31: “Income tax and deferred tax” indicating that the recoverability of tax losses will depend on the fulfillment of all business projections allowing for their use.

b) The information included in the following notes to the condensed interim consolidated financial statements:

i) Note 35: “Investment property”, where it is indicated that the Board of Directors has reclassified certain plots of land of Brisario project, the development of which has not been planned, and that will be maintained for value appreciation. Consequently, it has been stated at fair value and recorded income in the amount of \$ 921 million. The Company's Board of Directors is under negotiation with the holder of that mortgage to readjust the business plan to the new scenario;

ii) Note 34: “Risks - Financial risk management”, relating to financial and market risks and how the Company's Board of Directors analyzes them, designs strategies and policies for mitigation, and the level of exposure to those risks.

iii) Note 3: “Presentation basis” where the difference between the accounting information framework of the CNV and the IFRS is qualitatively described, taking into account that the application of the IAS 29 “Financial Reporting in Hyperinflationary Economies” was excluded from its accounting framework by the CNV.

iv) Note 28: “Income tax and deferred tax” indicating that the recoverability of tax losses will depend on the fulfillment of all business projections allowing for their use.

LIMITED REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS – (Cont.)

7. INFORMATION ON COMPLIANCE WITH PROVISIONS IN FORCE

In compliance with the provisions in force, we report that:

a) The separate and consolidated financial statements mentioned in Section 1 of this report are pending transcription into the Inventory book, but otherwise comply, in the matters of our competence, with the provisions of the Companies Law and the applicable regulations of the CNV.

b) the figures in the separate interim financial statements of the controlling Company, mentioned in Section 1.a) of this report, arise from the Company's accounting records, which are kept, in all formal aspects, in accordance with the regulations in force; except for the failure to make the relevant transcription into the Inventory book, and the copy of the journal transactions for the last quarter, which have not been transcribed as of the date hereof, and that they are kept in compliance with the security and integrity requirements on which basis they were authorized by the CNV. The figures in the consolidated interim financial statements mentioned in Section 1.b) of this report, arise from the application of the consolidation procedures set forth by the IFRS, based on the stand-alone interim financial statements of the companies members of the economic group, which are detailed in note 4.2 of the condensed consolidated financial statements;

c) we have read the additional information in the notes to the condensed interim separate financial statements required by Section 68 of the Regulations of the Buenos Aires Stock Exchange and by Section 12, Chapter III, Title IV of the CNV rules, regarding which we have no remarks, in the matters of our competence;

d) as of September 30, 2018, the accrued liability for retirement and pension contributions payable to the Argentine Pension Fund System arising from the accounting records was \$ 1,513,857.52, no amounts being due as of that date. In addition, as of September 30, 2018, the accrued consolidated liability for retirement and pension contributions payable to the Argentine Pension Fund System arising from the accounting records was \$ 1,695,346.97, no amounts being due as of that date.

City of Buenos Aires, November 8, 2018.

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A. Tº 1 - Fº 68



Christian Martin (Partner)
Public Accountant (U.N.L.Z.)
C.P.C.E.C.A.B.A. 27180

SUPERVISORY COMMITTEE'S REPORT

To the shareholders of

TGLT S.A.

In our capacity as members of the Supervisory Committee of TGLT S.A., and according to the provisions of paragraph 5, Section 294 of Law No. 19550, and the Regulations of the Buenos Aires Stock Exchange, we have examined the documents detailed in the following section I. The preparation and presentation of said documents is the responsibility of the Board of Directors in the exercise of its exclusive functions.

I. DOCUMENTS SUBJECT TO EXAMINATION

- a) Condensed interim separate statement of financial position as of September 30, 2018.
- b) Condensed interim separate statement of profit or loss and other comprehensive profit or loss for the nine-month period ended September 30, 2018.
- c) Condensed separate statement of changes in shareholders' equity for the nine-month period ended September 30, 2018.
- d) Condensed separate statement of cash flows for the nine-month period ended September 30, 2018.
- e) Notes to the condensed interim separate financial statements as of September 30, 2018.
- f) Condensed interim consolidated statement of financial position as of September 30, 2018.
- g) Condensed consolidated statement of profit or loss and other comprehensive profit or loss for the nine-month period ended September 30, 2018.
- h) Condensed consolidated statement of changes in shareholders' equity for the nine-month period ended September 30, 2018.
- i) Condensed consolidated statement of cash flows for the nine-month period ended September 30, 2018.
- j) Notes to the condensed interim consolidated financial statements for the nine-month period ended September 30, 2018.
- k) Additional information required by Section No. 68 of the Buenos Aires Stock Exchange Regulations.
- l) Reporting summary required by the CNV.

The amounts and other information for the fiscal year ended December 31, 2017 and the nine and three-month periods ended September 30, 2017, are an integral part of the above mentioned condensed interim consolidated and separate financial statements, and are intended to be interpreted exclusively in connection with those financial statements.

II. RESPONSIBILITY OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards (IFRS), which were adopted by the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE") as professional accounting standards and incorporated by the CNV to its regulations, as approved by the International Accounting Standards Board ("IASB"), and, therefore, the Board of Directors is responsible for the fair preparation and presentation of the attached interim financial statements as provided for by the International Accounting Standard 34, "Interim Financial Reporting" (IAS 34). Those standards were used in the preparation of the financial statements with the sole exception of IAS 29 "Financial Reporting in Hyperinflationary Economies", which was excluded by the CNV from its accounting framework.

The Board of Directors is also responsible for the existence of such internal control as it may deem necessary to allow for the preparation of the financial statements free of material misstatements resulting from errors and irregularities.

SUPERVISORY COMMITTEE'S REPORT (Cont.)

III. SCOPE OF THE LIMITED REVIEW REPORT

Our examination was made in compliance with the standards in force governing the Supervisory Committee's duties set forth by Technical Resolution No. 15 (FACPCE). Those standards require that the review of the documents detailed in Section I be performed in accordance with the statutory audit regulations in force for the limited review of interim financial statements, including the verification of the consistency of the documents examined with the information on corporate decisions recorded in the minutes of the Board of Directors, and that such resolutions abide by the applicable laws and the by-laws in its formal and documentary aspects.

It is hereby expressly indicated that Messrs. Ignacio Arrieta and Fernando Sasiain, regular members of these Supervisory Committee, are attorneys and, therefore, they express no opinion on the Company's compliance with the previously mentioned auditing and accounting standards in force, and on whether they are adequate for the documents detailed in Chapter I.

To perform our professional work on the documents listed in Section I, we have reviewed the work performed by TGLT S.A.'s external auditors, Adler, Hasenclever & Asociados S.R.L., who issued their limited review report dated November 8, 2018, in accordance with the International Standards on Review Engagements ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", which was adopted as review standard in Argentina by FACPCE Technical Resolution No. 33, and stated that, except for the uncertainty generated by the negative shareholders' equity and the negative working capital, nothing had come to their attention that would have made them believe that the condensed interim separate financial statements and the condensed interim consolidated financial statements of TGLT S.A. were not presented in accordance with the accounting standards issued by the CNV.

A limited review consists primarily in applying analytical procedures to the accounting data and inquiring of the individuals responsible for their preparation. A limited review is substantially less in scope than an audit of annual financial statements, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Therefore, we issue no such opinion.

We have not evaluated the corporate criteria and decisions related to the administration, financing and commercialization since they are the exclusive responsibility of the Company's Board of Directors.

In addition, the provisions of Section 294 of the Companies Law have been complied with.

IV. GROUNDS FOR QUALIFIED OPINION

As described in the interim separate financial statements for the fiscal period ended September 30, 2018 in note 34: "Negative shareholders' equity, working capital and business plans", the Company has incurred in significant losses as of September 30, 2018, which have resulted in negative net equity to that date. If this situation is not reversed as of December 31, 2018, there will be grounds for dissolution. Therefore, the equity restoration will depend on the successful completion of the business plans considered by the Company's Board of Directors. Such significant uncertainty may give rise to substantial doubts, as to the entity's capacity to continue operating as a going concern and, therefore, the company might not be able to realize its assets and settle its liabilities within the ordinary course of business. The interim separate financial statements for the fiscal period ended September 30, 2018, fail to disclose such circumstances as well as the Board of Director's strategies and plans to revert them.

As described in the interim consolidated financial statements for the fiscal period ended September 30, 2018 in note 49: "Negative shareholders' equity attributable to the owners of the controlling company, working capital and business plans", the Company has incurred in significant losses as of September 30, 2018, which have resulted in negative net equity to that date. If this situation is not reversed as of December 31, 2018, there will be grounds for dissolution. Therefore, the equity restoration will depend on the successful completion of the business plans considered by the Company's Board of Directors. Such significant uncertainty may give rise to substantial doubts, as to the entity's capacity to continue operating as a going concern and, therefore, the company might not be able to realize its assets and settle its liabilities within the ordinary course of business. The interim consolidated financial statements for the fiscal period ended September 30, 2018, fail to disclose such circumstances as well as the Board of Director's strategies and plans to revert them.

SUPERVISORY COMMITTEE'S REPORT (Cont.)

V. CONCLUSION

Based on our review, within the scope detailed in Section III, and except for the information described in Section IV, we are in a position to inform that nothing has come to our attention that would have made us believe that the condensed interim separate financial statements of TGLT S.A. as of September 30, 2018, and its condensed interim consolidated financial statements as of such date, referred to in Section I, were not presented fairly, in all material respects, in accordance with the accounting standards issued by the CNV.

VI. EMPHASIS ON CERTAIN MATTERS DISCLOSED IN THE FINANCIAL STATEMENTS

Without modifying our conclusion, we wish to highlight:

a) The information included in the following notes to the condensed interim separate financial statements:

- i) Note 7: "Investment property", where it is indicated that the Board of Directors has reclassified certain plots of land of the Bisario project, the development of which has not been planned yet, and that they will be maintained for value appreciation purposes. Consequently, it has been stated at fair value and recorded income in the amount of \$ 921 million. The Company's Board of Directors is under negotiation with the holder of that mortgage to readjust the business plan to the new scenario;
- ii) Note 38: "Risks - Financial risk management", relating to financial and market risks and how the Company's Board of Directors analyzes them, designs strategies and policies for mitigation, and the level of exposure to those risks.
- iii) Note 4: "Presentation basis" where the difference between the accounting information framework of the CNV and the IFRS is qualitatively described, taking into account that the application of the IAS 29 "Financial Reporting in Hyperinflationary Economies" was excluded from its accounting framework by the CNV.
- iv) Note 31: "Income tax and deferred tax" indicating that the recoverability of tax losses will depend on the fulfillment of all business projections allowing for their use.

b) The information included in the following notes to the condensed interim consolidated financial statements:

- i) Note 35: "Investment property", where it is indicated that the Board of Directors has reclassified certain plots of land of the Bisario project, the development of which has not been planned yet, and that they will be maintained for value appreciation purposes. Consequently, it has been stated at fair value and recorded income in the amount of \$ 921 million. The Company's Board of Directors is under negotiation with the holder of that mortgage to readjust the business plan to the new scenario;
- ii) Note 34: "Risks - Financial risk management", relating to financial and market risks and how the Company's Board of Directors analyzes them, designs strategies and policies for mitigation, and the level of exposure to those risks.
- iii) Note 3: "Presentation basis" where the difference between the accounting information framework of the CNV and the IFRS is qualitatively described, taking into account that the application of the IAS 29 "Financial Reporting in Hyperinflationary Economies" was excluded from its accounting framework by the CNV.
- iv) Note 28: "Income tax and deferred tax" indicating that the recoverability of tax losses will depend on the fulfillment of all business projections allowing for their use.

SUPERVISORY COMMITTEE'S REPORT (Cont.)

VII. INFORMATION ON COMPLIANCE WITH PROVISIONS IN FORCE

In compliance with the provisions in force, in respect of TGLT S.A., we report that:

- a) The Reporting Summary contains the information required by the CNV, and, in the matters of our competence, we have no remarks in connection therewith.
- b) The "Additional Information required by Section 68 of the Regulations of the Buenos Aires Stock Exchange" has been fairly presented, in all significant aspects, with respect to the financial statements mentioned in Section 1, taken as a whole.
- c) The separate and consolidated financial statements mentioned in Section I of this report are pending transcription into the Inventory book, but otherwise comply, in the matters of our competence, with the provisions of the Companies Law and the applicable regulations of the CNV.
- d) The figures of the interim separate financial statements mentioned in Section I arise from the Company's accounting records, which are kept, in all formal aspects, in accordance with the regulations in force; except for the transcription into the Inventory book and the copy of the journal transactions for the last quarter, which have not been transcribed as of the date hereof.

City of Buenos Aires, November 8, 2018.



Manuel Luis Moreno

Ignacio Fabián Gajst
Supervisory Committee