TGLT

LETTER TO SHAREHOLDERS, CONSOLIDATED AND SEPARATED, FINANCIAL STATEMENTS, INDEPENDIENT AUDITORS' AND SUPERVISORY COMMITTEE'S REPORT

TGLT S.A.

AS OF DECEMBER 31, 2018

(Presented comparatively)

Manuel Moreno

GrantThornton

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TGLT S.A.

AS OF DECEMBER 31, 2018

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LETTER TO SHAREHOLDERS AND REPORTING SUMMARY

FISCAL YEAR ENDED DECEMBER 31, 2018

(The information herein contained is not covered by the Auditor's Report)

I. DESCRIPTION OF THE BUSINESS

TGLT is one of the leading construction companies and real property developers in Argentina, broadly experienced in undertaking large residential real estate projects, by taking part in and supervising every aspect of the business, from the purchase of land to the construction management, from the product design to the sale and commercialization, seeking to orderly manage working capital at all times. Moreover, TGLT is willing to expand the business by purchasing, developing, constructing and exploiting business real estate in the offices and logistics areas.

We are constantly searching for and identifying new land opportunities in the markets where we do business which may adjust to the product strategy, seeking to recurrently launch new projects aimed at taking advantage of economies of scale, while keeping an organizational structure able to adapt to changes in the business volume. Our business model looks for fast land management by the startup of the project stages.

TGLT also has a large portfolio of high quality multifamily residential projects intended for the high and medium high segments, with expansion plans to the middle class sectors, characterized by (i) a privileged location, (ii) a minimum size of 10,000 square meters for sale, (iii) the design and quality of materials, and (iv) the variety and quality of amenities. Through its business model, TGLT identifies attractive opportunities, purchases of land, designs, developments, constructions and projects in the real estate market, and provides high added value services that increase the value of own and third-party real estate.

We have developed high quality brands that drive the demand for our property and have allowed us to continuously increase our sales prices.

In the residential sector, our brands include:

- *Forum*: Forum: Forum is our top brand, by which we market our luxury projects. Forum branded sites are usually over 30,000 square meters and include units ranging from 120 to 400 square meters, suitable for high-income families. Our Forum branded developments are emblematic projects, including Forum Puerto Madero, Forum Puerto Norte, Forum Alcorta and Forum Puerto del Buceo, of 170,000 saleable square meters.
- *Astor*: Astor is the brand by which we focus on top quality projects in the medium-high income segment, including projects ranging from 10,000 to 30,000 square meters and units usually ranging from 50 to 120 saleable square meters. Astor units usually attract small families, couples and real estate investors. Astor projects include Astor Palermo, Astor Núñez and Astor San Telmo, with more than 63,000 saleable square meters.
- *Metra*: Our brand Metra brand is focused on the market's average income segment, with units ranging from 30 to 180 square meters. Buyers of our Metra developments have participated in a financing system enabling them to pay their units in affordable installments for periods of up to 10 years, including post-delivery financing. We are currently developing more than 11,000 saleable square meters at Metra Puerto Norte.

Additionally, TGLT developed large dual-use projects such as Venice, which seeks to transform unused land into urban complexes combining residences, offices and business premises. This project brings together more than 31,000 saleable square meters under construction and delivery and 220,000 saleable square meters of land bank. Furthermore, acting jointly with other investors or other companies within the sector, TGLT plans, coordinates and manages real estate developments simultaneously, as in the case of the premium residential project OM Recoleta, together with projects temporarily called Catalinas and Newbery. By investing jointly, we select our co-investment partners based on their experience in investment, management and development of like property.

On October 29, 2010, we completed our initial public offering currently listed on the MERVAL under the "TGLT" symbol. A portion of shares is traded internationally through a Level 1 sponsored program of American Depositary Receipts or ADRs, which are currently traded in the US over-the-counter market. We have been and continue to be supported by major institutional investors as strategic shareholders, including PointArgentum and Bienville Argentina Opportunity Fund, which currently own 14.1% and 12.5% of the common shares, respectively.

Through the acquisition of and subsequent merger with Caputo S.A.I.C.y F. in 2018, the Company gained one of the best construction teams in the country, belonging to a company with over 500 public and private works performed, including class A office buildings, large residence towers, shopping centers, art centers and facilities. Accordingly, our current project portfolio is focused on first line clients of the private sector, such as Concepción Live Art Work, Terminal Ezeiza - AA2000 and Oceana Puerto Madero, among others, and of the public sector, such as Nucleoeléctrica Argentina and CNEA (Argentine Commission of Atomic Energy). These projects show the construction capabilities that our team has acquired over the last years, reaching an extraordinary position to maximize the potential opportunities arising from the large infrastructure works segment, including investments in future Public-Private Participation Projects.

Our integrated business model consists of three business lines:

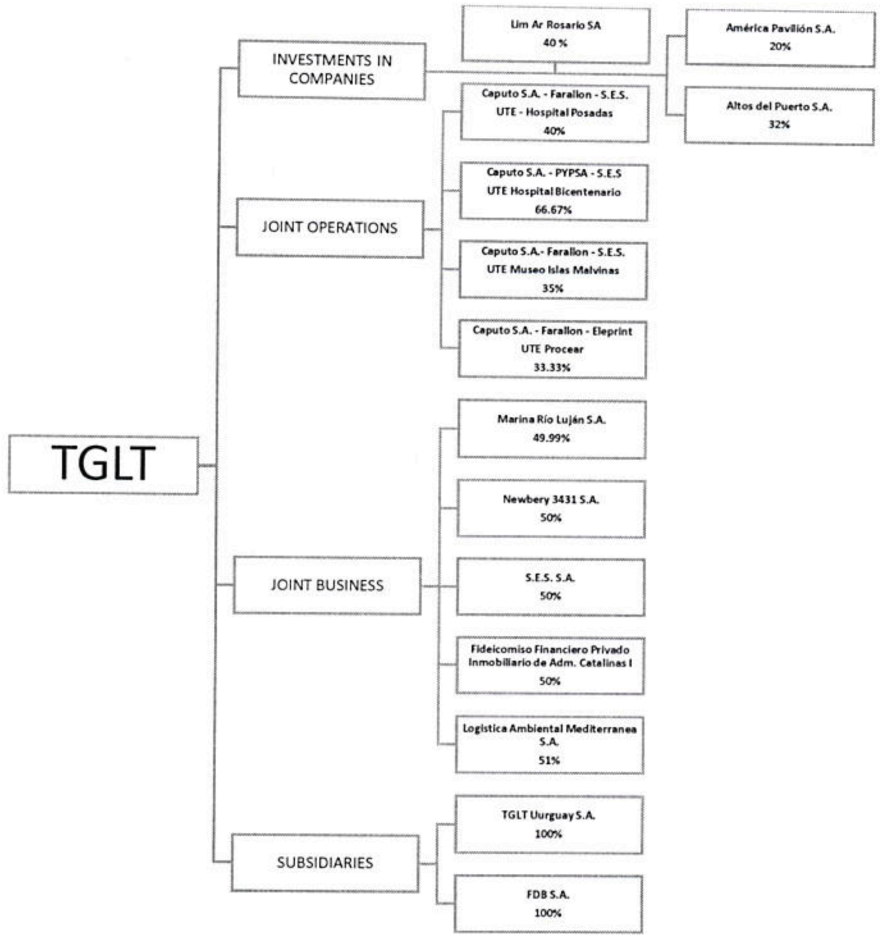
- Construction TGLT takes part in various public and private bids for the construction of works for third parties, mainly civil work, and is competitive in terms of price, quality, delivery term and financing. We have built class A offices, shopping centers, industrial works, among many others, both at a national and regional level.
- *Development*: we have developed multi-family residences and dual-use projects for sale in Buenos Aires and Rosario, Argentina, and in Montevideo, Uruguay, aimed at medium-high income segments. To date we have developed or include in our portfolio 13

large residential projects of more than 650,000 square meters, and we have identified several sites on which we are undertaking an evaluation process for acquisition and development. Likewise, our aim is to strategically develop and acquire class A office buildings and top quality logistics centers in the metropolitan area of Buenos Aires.

- *Services*: through subsidiaries, TGLT participates in other business linked mainly to the maintenance of public areas and urban sanitation.

Corporate structure

As of December 31, 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.

TGLT is still undergoing a merger process with Caputo S.A.I.C. y F. whereby it will acquire 100% of its ownership interest. As from 12 am on October 1, 2018, 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 (see Note 48).

Shareholders

The Company's issued and paid-in capital to date amounts to $71,993,485 and is distributed among shareholders as follows:

	Dec 31, 2018		Dec 31, 2017	
Shareholders	Shares	Ownership interest	Shares	Ownership interest
Federico Nicolás Weil	13,806,745	19.2%	13,806,745	19.6%
The Bank of New York Mellon ADRS				
PointArgentum Master Fund LP	*10,160,820*	*14.1%*	*9,560,830*	*13.6%*
Bienville Argentina Opportunities Master Fund LP	-	-	*9,560,830*	*13.6%*
Other holders of ADRS	*18,556,400*	*25.8%*	*20,554,935*	*29.2%*
Bienville Argentina Opportunities Master Fund LP	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 Share capital	**71,993,485**	**100%**	**70,349,485**	**100%**

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.

II. ECONOMIC CONTEXT

International context

According to OECD's most recent report, lower growth rate are likely to be recorded in the next years after an expansion of the global economy by 3.7% in 2018. The OECD's projections for 2019 and 2020 amount to 3.5% in both cases. Some of the factors that would explain a potential deceleration include a less favorable monetary policy and the setbacks that might arise if trade obstacles persist.

In the case of emerging countries, 2018 was a very turbulent year. Bonds, stock and currencies showed capital outflows as a result of trade tension between the United States and China and the dollar strength. Countries with strong fiscal positions, low debt and flexible exchange rate only needed some monetary policy adjustments to overcome macroeconomic difficulties. However, the weakest economies in terms of fiscal and external sustainability suffered the consequences of an increase in the cost of funding and aversion to risk. This is the case of countries such as Turkey or Argentina.

With respect to our main business partners, China's GDP had an increase of 6.6% during 2018. However, the trend was not consistent and growth slowed down by the second half of the year. Consequently, the Chinese government decided to implement certain actions to strengthen the economic activity and investors' confidence: higher liquidity levels provided by the People's Bank of China, infrastructure investments and tax incentives for companies. Still, according to the OECD, the growth rate of the country will converge towards 6% in 2020.

On the other hand, after growing by 1.2% in 2018, the prospects for Brazil in 2019 and 2020 are favorable. The growth rate of the economy is expected to stabilize at around 2-2.5% in 2019 and 2020, with lower levels of inflation and improved working conditions, which would ultimately boost private consumption. Although the political uncertainty remains relatively high, the victory of Jair Bolsonaro in the last presidential elections seems to have reassured investors who, from that moment, have begun to feel more optimistic about the likelihood of a potential tax and, in particular, a social security reform.

The Argentine economy

Argentina ended year 2017 by building up expectations that then proved to be over-optimistic, observing the performance of the economy in 2018. Inflation improved in December 2017 and, since then, showed an upward trend throughout 2018. The fiscal results for the first quarter were poor compared to the commitments that the government had to assume to calm the market. From an external viewpoint both the current account deficit and the retail demand of dollars for hoarding and tourism reached, in the middle of the year, the highest levels recorded by the new administration. As a consequence of these factors, added to one of the most serious droughts in the last decades, when the international context became unfavorable (emerging currencies began to weaken and the 10-year rate of US treasury bonds exceeded the barrier of 3). %), the international holders of LEBACs (who in mid-May, according to BCRA estimates, had around USD 7 - 8 billion) decided to immediately dispose of their positions in local currency. Therefore, between May and June, the exchange rate climbed by 38.8% from $ 20.69 on the last business day of April to $ 28.72 on the first business day of July ("A3500" dollar of the BCRA).

This first exchange instability event had several consequences. First, the then president of the BCRA, Federico Sturzenegger, resigned on June 14, arguing that he no longer had the credibility that a central banker needs to manage the monetary policy of a country. He was replaced by Luis Caputo, who left his position as Minister of Finance and assumed the BCRA presidency that same day. On the other hand, on June 20, being capital markets completely closed for Argentina, the Government opted to receive financing from an

International Monetary Fund (IMF) 36-month Stand By program in the amount of USD 50 billion, ensuring the resources required to face any debt due in the remainder of 2018 and 2019.

Even calm was restored due to this agreement, it did not last long. In August and September, the exchange rate rose again, from $ 27.38 on August 3 to a maximum of $ 40.90 on September 28, that is, a variation of 49.4% ("A3500" dollar of the BCRA). This new currency reversal brought even deeper changes in the economic policy management. On September 25, Luis Caputo left his position at the BCRA and was replaced by Guido Sandleris; in addition, the Government had to renegotiate the terms of the agreement with the IMF to obtain an increase in the credit line by USD 7.1 billion, along with an acceleration of disbursements. From the monetary point of view, the inflation goals scheme was replaced by a strict control of monetary aggregates, so that the monetary base may record a controlled growth as from October. Exchange flotation bands were implemented for the Central Bank to intervene only when the exchange rate recorded a level out of such bands. Finally, in terms of fiscal policy, primary deficit goals were tightened, going from 3.2%, 2.2% and 1.2% to 2.7%, 0.0% and -1.0% for 2018, 2019 and 2020, respectively.

By the end of 2018, the GDP had contracted by 2.8% and the inflation rate was 47.6% (INDEC). Salaries fell in real terms and credit for both production and consumption declined, particularly loans adjusted by UVA.

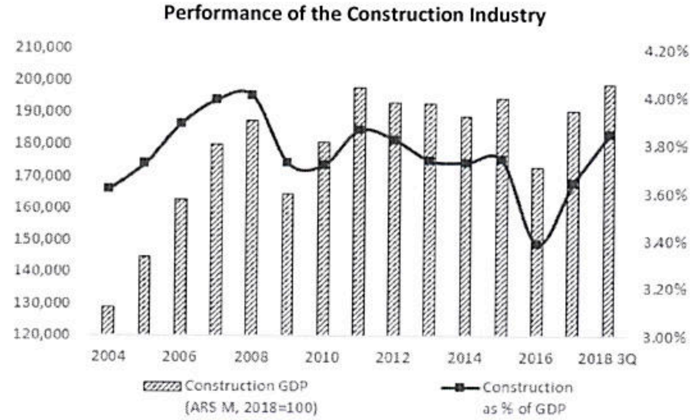
Regarding prospects for 2019, the year will be marked by presidential elections. Although the ruling party has made significant achievements, including support received during the G20 summit, or from organizations such as the IMF, these have been mostly linked to international relations. At the local level, it is uncertain whether efforts to restructure public utilities, incentives to the agribusiness or to specific industries such as oil will be successful enough to guarantee re-election.

The construction industry

Introduction

The construction activity is very important in the Argentine economy given its weighing in the Gross Domestic Product, its productive linkage with other sectors of the economy and its capacity employment generation capacity. The chart below shows the performance of the construction industry in millions of pesos (constant amounts for 2018) and as a percentage of the Argentine GDP.

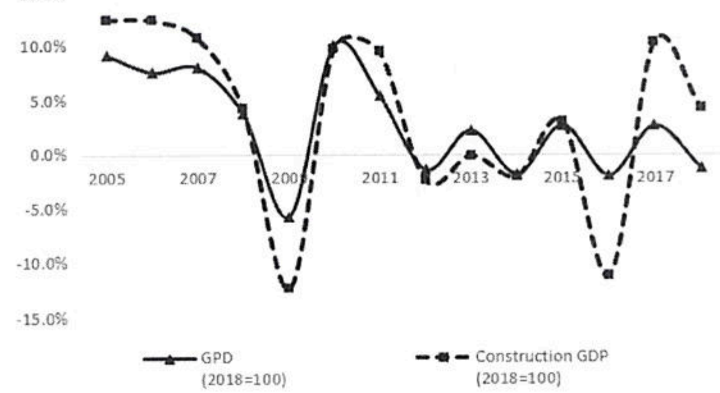
Performance of the Construction Industry



Source: INDEC

This sector is characterized by its clearly pro-cyclical behavior. It grows strongly when the aggregate demand expands and contracts with like intensity when the activity slows down. Three factors usually explain this behavior. First, since it is necessary to invest large amounts of capital that will only be available after long periods of time, construction works tend to assume high levels of risk and uncertainty. Secondly, the availability of credit is crucial when conducting business in this sector of the economy, and credit is usually scarce in recessive times. Finally, given the high participation of labor as a productive factor and, particularly in Argentina, the high levels of unregistered workers, it is possible to slow down or resume works relatively quickly in the event of sudden changes in growth expectations. Consequently, the construction industry is inexorably more volatile than the average industries. The following chart illustrates the case for Argentina.

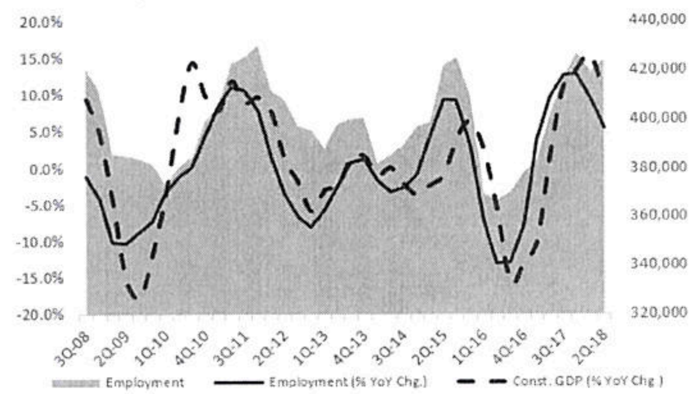
GDP and construction GDP (year-on-year variation %)



Source: INDEC

As mentioned before, the natural response of developers and constructors to fluctuations in the activity is to adjust the size of payroll. The following chart shows the relationship between activity and employment for the construction industry.

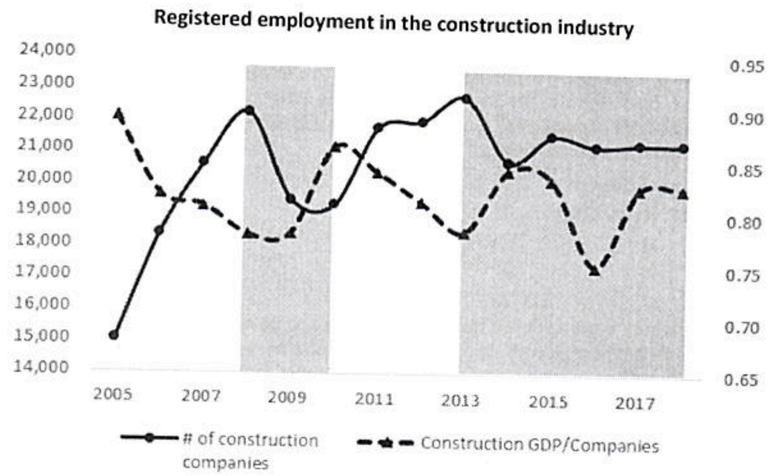
Registered employment in the construction industry



Source: IERIC

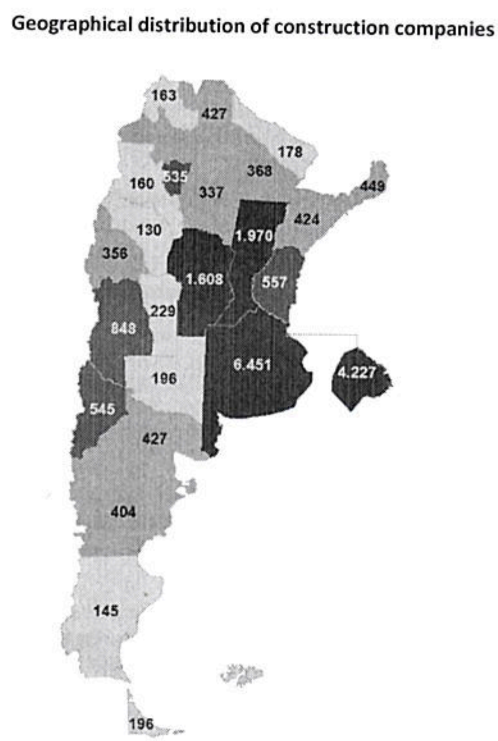
Competition in the construction industry

The number of construction companies and the general market are also sensitive to the activity level. As shown by the following chart, when the economy improves, new participants come up and the concentration of production decreases. This is the case of the periods 2005-2008 and 2010-2013. On the contrary, when the activity slows down, many companies, typically the smallest ones, are forced to cease operations. While this is common to all sectors of an economy, it is particularly emphasized in the construction business, where resource application and management are critical to a company's profitability.



Source: IERIC

The geographical distribution of construction companies is strongly correlated with the population density and the gross geographic product. This is why the City of Buenos Aires is, by far, the main district in terms of number of companies, followed by the provinces of Buenos Aires, Santa Fe and Córdoba. The following chart illustrates that situation:



Source: IERIC

Construction in 2018 and prospects

Year 2018 started with favorable expectations for the sector. However, the projected growth dynamics depended strongly on whether the real income of families and credit to the private sector had a good performance. As none of these conditions were met, and added to the fact that fiscal and monetary policy had to be tightened to face permanent exchange instability and a subsequent inflationary outbreak, the year ended up by recording a strong contraction in the case of construction related companies.

For 2019, this trend is expected to have the characteristics of recent months, with public works playing a secondary role and most of the businesses coming from construction demands related to the agricultural and commercial sector and single-family housing for middle-high and high-class. In turn, the health of transactions will depend on the availability of credit and on whether both fiscal and monetary policy find a path of stability to reduce devaluation and inflation, within an electoral framework that will define much of the economic policy measures of coming years.

The real estate industry

Introduction

Argentina has a structural housing deficit that is not expected to be remedied in the short term. This problem is partly explained by scarce credit to middle and low income segments of the population, as well as the limited participation of the State in the promotion of housing through subsidies in recent years. For this reason, the main driver of real estate investment and housing construction is usually private savings, reinforced by the fact that, in Argentina, investment in real estate is usually regarded as a high quality instrument to preserve value and/or obtain income, compared with bank deposits or fixed income securities.

This explains why the purchase of real estate is one of the most popular investment alternatives among Argentine savers.

Competition in the local market

The residential development market in Argentina is highly fragmented, mainly composed of small and medium size entrepreneurs. Most developers are small companies, focused on geographical markets and specific products, with limited access to capital and with management models strongly focused on their owner. Few companies were organized for development purposes. Most of them being companies or professionals linked to other entrepreneurial activities, such as, for example, architects, real estate agencies, notaries public firms or construction companies.

The number of companies participating in the markets where TGLT is present, with large multi-family developments (of more than 20,000 salable m2), is small. Only a few of them have access to institutional investors, being the most significant ones Consultatio, Creaurban, Monarca, Raghsa and Vizora. Other developers with large residential projects have experienced and prestigious owners, such as Dypsa, Kineret and Obras Civiles in Buenos Aires; Aldo Latucca and Fundar in Rosario, and Weiss Sztryk Weiss in Uruguay, among others.

In the segment of works of 10,000-20,000 m2, there are approximately 30 companies operating at a national level, with a continuous structure and constant activity. In the segment of works of less than 10,000 m2, the number of participants is much larger.

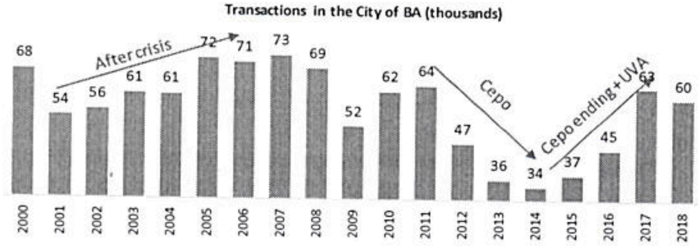
In the last years developments have adopted a real estate trust model (*fideicomiso al costo*). Some developers - such as Argencons - have specialized in this business model, where financing comes from small investors who are both trustees and beneficiaries.

Prospect and historical trends

The performance of the real estate market is highly influenced by the evolution of macroeconomics in the country. Variables such as inflation, exchange rate, growth, real salary, interest rates and credit availability can, individually or in the aggregate, lead to the success or failure of a residential or commercial project.

Accelerated rises in prices or abrupt variations in the exchange rate distort relative prices and cause uncertainty, giving rise to declines in economic activity, especially at the investment level. In addition, they result in a loss of purchasing power of wages, a fall in profit margins and pressure over interest rates. In this context, the launching of new projects decreases and so that the demand for existing inventory. This was the case in most of 2018.

Thus, favorable and unfavorable periods of the real estate industry have been in line with the economic cycles of the country. After the end of the crisis in 2002, a recovery was made but the scarce credit market and the implementation of exchange restrictions prevented the economy from improving. Below it is shown how in one of the periods recording the highest growth in the history of the Argentine economy, 2003-2008, the number of real estate transactions recorded in 2000 was slightly surpassed.



Source: Notaries Public Association of the City of Buenos

The Administration change in 2015, the elimination of exchange restrictions and the introduction of UVA instruments resulted in a significant improvement and mortgage loans were available again to purchase houses.

Demand trends

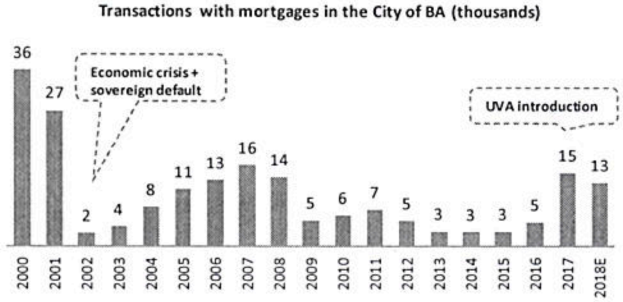
The growth in the Argentine population, the high percentage of young people in relation to the total population, the decrease in the number of inhabitants per household and the preference of Argentineans to be homeowners or to buy real estate as an investment will continue to support the potential of the Argentine real estate market in the coming decades.

Although population growth rate has been decreasing in line with most of the countries of intermediate development, the Argentine population recorded a growth rate of 1.0% in the last decade, which is expected to be maintained in the next few years, according to INDEC. Likewise, the average age of Argentineans is 31 years, well below that of developed countries (Italy 43.3, Spain 41.1, France 39.4, Australia 37.3, United States 36.7), while 60% of inhabitants are under the age of 35, according to the 2010 census conducted by INDEC. This young population accounts for a solid source of housing demand in the future.

Mortgage Loans

Until the 2001 crisis, Argentina had been a pioneer country within Latin America, by developing a dynamic primary and secondary mortgage market. The first securitizations of mortgages in Latin America were conducted in Argentina and, by the end of the 90s, several groups of investors were actively participating in this mortgage market, including pension funds, insurance companies, professional associations, financial institutions and retail investors. In December 2000, mortgage penetration reached 6% of the gross domestic product, surpassing the current levels of mortgage penetration of countries such as Brazil. However, after the crisis, banks drastically reduced the offer of mortgages in favor of other products with greater profitability, such as credit cards or personal loans.

As already mentioned, the current government has begun to take measures specifically designed to encourage the real estate business. One of the most important ones is the introduction of mortgage loans adjusted by UVA (Purchase Value Unit), based on the experience in Uruguay and Chile, mainly. Essentially, these loans authorize the use of a measurement unit other than the legal tender and their value is regularly adjusted by the variation in the price index. Accordingly, as contracts are agreed in constant currency, the repayment scheme is not biased towards an accelerated payment in very high installments at the beginning and marginal installments at the end, as was the case of mortgage loans at fixed rates in pesos. In addition, the value of installments is adjusted in order that they may not be over certain threshold based on the applicant's salary. In 2017 and beginning of 2018, this instrument has been very well received by both offerors and applicants as shown in the following chart:



Source: Notaries Public Association of the City of Buenos Aires

Our vision

Over the past two decades, the development of housing in Latin American markets has grown exponentially, as a consequence of government housing financing programs, the professionalization of real estate development companies and their access to capital markets. Brazil, Mexico and Chile experienced a boom in their respective real estate markets during the same period. These countries have created the necessary conditions for private sector parties to respond to housing deficit by the creation and growth of large residential development companies.

The best results have been obtained in those cases where governments have been successful in promoting housing credit programs. These programs can be accessed by any socio-economic level and are managed by government agencies (Infonavit in Mexico or Caixa Econômica Federal in Brazil). On the other hand, private sector companies that already had access to capital markets have been able to meet this new demand.

We believe that the new economic scenario started at the beginning of 2015, clearly focused on solving the structural issues of the real estate industry, will benefit our long-term transactions. However, the continuity of most of the advances achieved will depend on the results of the elections in 2019 and on whether the next administration decides to apply the reforms already implemented and not to act to their detriment.

III. BRIEF COMMENT ON THE COMPANY'S ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

III.1. Significant events occurred during the period

III.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 Tansaction, the Company became 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 for the Shares. 48.90% of the Price was paid on the transaction closing date, while (a) 25.92% of the price was paid on January 19, 2019 and (b) the remaining 25.18% will be paid 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.

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 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, 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 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 had to be 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.

On July 24, 2018, the Board of the CNV approved the Public Offering for the acquisition of registered, common shares of Caputo, 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 was accompanied as Exhibit I to the offering memorandum of the OPA (the "Guarantee" and the "Offering Memorandum", respectively).

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 became 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, 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 Stand-Alone 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 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.

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, 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.

On December 19, 2018 the final merger agreement was signed between the Company, as surviving company and Caputo, as merged company, pursuant to section 83(4) of Law 19550.

The Memorandum and Summary Merger Memorandum between TGLT S.A. as Surviving Company) and Caputo S.A.I.C. y F. (as Merged Company) and the prospectus "Oferta Pública de Adquisición Obligatoria de CAPUTO S.A.I.C. y F." 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 4-2409430-D, respectively, on Friday, August 3, 2018 They are also available to any interested party at the Company's office, located at Miñones 2177, Ground Floor "C", City of Buenos Aires and on the website: www.ri.tglt.com.

III.1.2 Issue of Series XIV and XV Corporate Notes

On March 5, 2018, the Company published the price supplement for the issue of Series XIV and XIV under the Corporate Notes Program. 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$ 25,495,514
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	B by FIX SCR S.A. Risk Rating Agency

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 Miñones 2177, Ground Floor "C", City of Buenos Aires and on the website: www.ri.tglt.com. It is also available on the CNV's webpage (www.cnv.gob.ar) in the "Financial Information" [*Información Finaciera*] section, published under ID 4-558768-D on January 18, 2018.

III.1.3 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

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 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 previously communicated, were incorporated to the Supplemental Indenture

III.1.4 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.

III.1.5 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 Lores 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 Daireaux.

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

DIRECTOR	POSITION AT TGLT S.A.	TERM OF OFFICE	DATE OF APPOINTMENT	CAPACITY
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

DIRECTOR	POSITION AT TGLT S.A.	TERM OF OFFICE	DATE OF APPOINTMENT	CAPACITY
Darío Ezequiel Lizzano	Vicepresident 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 Thursday, April 20, 2017.	Non-independent
Santiago Daireaux	Alternate Director	Shareholders' Meeting approving the Company's financial statements as of December 31, 2018.	Decided by the Annual and Extraordinary Shareholders' Meeting held on Friday, November 2, 2018.	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

Moreover, the Supervisory Committee will be structured as follows:

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

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

III.1.6 Sale of Real Property.

On May 8, 2018, the Company executed tittle 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 Arregui 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).

On December 17, 2018, the Company completed the sale of two (2) parcels of land located in Bancalari, San Fernando, Province of Buenos Aires: (i) Real property registration number: District 7; Parcel 74s, Surface 32,357.25 square meters, Real property identification number: (096) 25.327; and (b) Real property registration number: Circumscription 7; Parcel 74t, Surface 14,909.92 square meters, Real property identification number: (096) 40.869 (hereinafter jointly referred to as "Real Property"). The selling price of the item of real property amounted to eighteen million US dollars (USD 18,000,000).

III.1.7 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 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.

III.1.8 Summary of GLT S.A.'s Annual and Extraordinary General Meeting

The Company's Annual and Extraordinary General 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 Shareholders' 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 (depositary 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 approved by a majority of votes and 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, 218, 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. 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.

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 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 of more Board of Director's 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 granting of authorizations 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 appointment Mr. Santiago Daireaux as replacement. Mr. Daireaux will be a "non-independent" director as provided for by the CNV's standards.

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.

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 Director 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 restate 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

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).

III.1.9 Change of domicile

On November 8, 2018, TGLT's domicile was changed to Miñones No. 2177, ground floor, suite "C", City of Buenos Aires.

III.1.10 Sale of the shares in Desarrollos Caballito S.A. and in the Nuevo Quilmes project.

On December 11, 2018, the Company sold to Pegasus Realty S.A. twenty five percent (25%) of its shareholding in Desarrollos Caballito S.A. (DECASA). The transaction documents included an agreement for the payment of works in an amount equivalent to two million US dollars (USD 2,000,000), plus VAT, executed in October 2018, and a contract for the sale of shares, whereby the Company received one million US dollars (USD 1,000,000) in December 2018.

On January 10, 2019, the offer made by TGLT, as the successor of Caputo (according to the merger procedure, duly informed and in the process of transcription) to its partners in the new project Nuevo Quilmes to sell Caputo's interest in such project.

The transaction includes the sale of shares representative of 35% of the capital stock of Urbanizadora del Sur S.A., a company engaged in the development of different projects and a trustee in Fideicomiso Nuevo Quilmes, shares representative of 10.5% of the capital stock (and 23.86% of the voting stock) of Asociación Civil Nuevo Quilmes S.A., and 35% of the rights of Caputo S.A.I.C. Y F, as trustor, beneficiary and remainderman of Fideicomiso Nuevo Quilmes as well as a smaller interest in Fideicomiso Qualia. The total price of the transaction amounts to USD 3,250,000.

III.2. Subsequent events

III.2.1 Execution of agreements for the Company's recapitalization

On January 25, 2019, the Company executed agreements with a substantial majority of subordinated notes convertible into shares, denominated in US dollars, issued by the Company on August 3, 2017 in the total amount of USD 150,000,000 (the "Convertible Corporate Notes").

The economic and financial crisis that hit Argentina in 2018, which included, among other events, a significant peso devaluation, a deep economic recession, the restriction of access to financing by Argentine companies, and a marked decline in the Argentine real estate market, negatively affected the Company's cash flows and shareholders' equity.

Accordingly, the Company has been analyzing different alternatives to implement a recapitalization plan to revert the negative shareholders' equity situation duly considered by TGLT's shareholders at the Annual and Extraordinary Shareholders' Meeting held on November 2, 2018. In this context, TGLT initiated negotiations with the holders of Convertible Corporate Notes, who had duly executed certain confidentiality agreements, in order to jointly analyze the alternatives available for the restoration of the Company's capital (which is extremely important to obtain competitive financing conditions, and essential to participate in tenders, bids and projects in which the Company is interested), while reducing its financial liabilities, thus allowing TGLT to concentrate its financial resources in the Company's productive activities for the benefit of interested parties.

As a consequence of such negotiations, on January 25, 2009, the Company and certain holders of Convertible Corporate Notes (the "ADI Holders") executed an agreement for the deferral of interest payment, whereby ADI Holders accepted to defer the collection of coupon rates on Convertible Corporate Notes maturing on February 15, 2019 until May 30, 2019 (the "Interest Deferral Agreement" -ADI for its Spanish acronym). At the same time, also on January 25, 2009, the Company and some holders of Convertible Corporate Notes (the "AR Holders") executed an recapitalization agreement ("AR" for its Spanish acronym), which provides for a plan for the recapitalization of TGLT through the voluntary swap of Convertible Corporate Notes for convertible preferred shares to be issued by the Company (the "Recapitalization Agreement", and together with the Interest Deferral Agreement, the "Agreements").

It is worth noting that on January 25, 2019, the ADI Holders held 75.6% of Convertible Corporate Notes, and that AR Holders held 65.6% of Convertible Corporate Notes. On February 14, 2019, TGLT highlighted that as a result of the negotiations conducted by the Company, the holders of 94.8%of Convertible Corporate Notes had accepted to defer the collection of coupon rates maturing on February 15, 2019.

According to the terms and conditions of the Interest Deferral Agreement, ADI Holders accepted to defer until May 30, 2019 the collection of coupon rates on Convertible Corporate Notes that, under the terms of issue, matured on February 15, 2019. It is expressly stated that the deferral of payment was only agreed in relation to coupon rates payable to ADI Holders; therefore, the Company paid coupon rates to those holders that did not execute the agreement on or before February 15, 2019.

In addition, under the Recapitalization Agreement, the Companies and AR Holders have agreed that, subject to the terms and conditions established therein, the Company shall implement a recapitalization plan through a voluntary swap of Convertible Corporate Notes of AR Holders and the right to collect interest deferred under the Interest Deferral Agreement executed by ADI Holders, for convertible preferred shares of the Company to be issued by TGLT (the "Preferred Shares"), by means of a swap offer that will be aimed, in general, at all holders of Convertible Corporate Notes (the "Swap Offer"). Such offer is supplemented by a request of agreement from such holders in order to amend certain provisions of the trust agreement executed between Bank of New York Mellon, Banco Santander Río S.A., and the Company on August 3, 2017, as amended on April 20, 2018 (the "Indenture") (the "Agreement Request").

The Agreements provide for certain landmarks that must be met during the recapitalization process, including (a) the approval of the Swap Offer and of the issue of Preferred Shares by TGLT's shareholders on or before March 15, 2019; (B) the launch of the Swap Offer on or before April 29, 2019; (c) compliance with such Swap Offer by May 30, 2019. It is worth highlighting, however, that the Company is empowered to extend the dates mentioned in (b) and (c) above for a term of thirty days, according to the terms of the Agreements.

Under the terms and conditions of the Swap Offer, as agreed upon with the AR Holders, the holders of Convertible Corporate Notes shall be entitled to exchange them by Preferred Shares, at a ratio of 1 Preferred Share per US$ 1 of Convertible Corporate Notes (including interest accrued and not paid on Convertible Corporate Notes) and per US$ 1 of deferred interest under the Interest Deferral Agreement. In addition, the effectiveness of the Swap Offer shall be contingent, among other circumstances, upon the acceptance of the holders of, at least, 95% of the principal of Convertible Corporate Notes (or such other percentage as may be subsequently agreed-upon by the Company and AR Holders). In turn, the holders accepting the Agreement Request will be requested to approve the amendment to the Indenture, whereby substantially all the commitments assumed by the Company, noncompliance events and other provisions of the aforementioned Indenture will be eliminated.

Preferred Shares shall have a preferred claim on the collection of dividends and liquidation proceeds over all other current or future classes of common and preferred shares of the Company and shall be subordinated to any current or future debt of the Company. In addition, each Preferred Share shall be entitled to one vote, and it is expressly stated that in the election of the members of TGLT's Board of Directors and Supervisory Committee, the vote of each shareholder (of either common or preferred shares) shall be subject to a maximum limit of 30% of the total voting stock of the Company. Furthermore, preferred and cumulative dividends shall be calculated at an annual rate equivalent to 10% of the liquidation preference, which rate shall be increased by 1% annually if preferred dividends are not approved and paid in full each year, and until the Company settles all accumulated preferred dividends, after which, the accrual rate will again be 10% per year. In addition, Preferred Shares are to be convertible into common shares of TGLT, either voluntarily or mandatorily in the event the Company issues capital placed by a public offering in the United States or in Argentina. For the purposes of such conversion, the conversion ratio shall be the greater of (a) 5,5556 common shares of TGLT per each Preferred Share or (b) a certain number of common shares of TGLT resulting from a calculation based on the weighted average price by volume of the common share of TGLT in the market during the ten trading days after the start of the Swap Offer. In addition, the AR Holders that hold the Preferred Shares will have a right of co-investment with the Company in those projects that TGLT (or a company wholly owned by TGLT) developed in Argentina or Uruguay, in which TGLT consider it necessary to have a partner that makes a capital contribution for its development in an amount equal to or greater than USD 25,000,000.

In order that all TGLT shareholders also have the opportunity to cooperate with the Company in strengthening its capital structure and in the restructuring of its capital stock, the shareholders of common shares in TGLT will have the opportunity to exchange their common shares for Preferred Shares through a swap offer concomitant to the Swap Offer, and, likewise, they will be granted the right of preference to subscribe, on a pro rata share basis, the new Preferred Shares to be issued by the Company under both swap offers so that they may maintain their shareholdings.

The transactions under the Agreements are subject to a series of conditions, including reaching some landmarks, the negotiation and signature of the final documents relating to the Swap Offer, and compliance with the other terms and conditions of the Agreements, some of which are detailed below, including the Company's and AR Holders' or ADI Holders' compliance, as appropriate, of their related obligations and commitments under the Recapitalization Agreement.

In that scenario, and within the framework of the Interest Deferral Agreement, TGLT has assumed, among others, the obligation to continue doing business as usual, not to extend guarantees, dispose of assets, or conduct transactions with related parties (except in those cases in which this is expressly allowed), and not to pay dividends or make capital distributions. In turn, ADI Holders assumed the obligation, among others, not to enforce the acceleration clause in relation to Convertible Corporate Notes as a consequence of the deferral of payment provided for in the Interest Deferral Agreement. Furthermore, and in relation to the Recapitalization Agreement, TGLT and AR Holders agreed to comply their related obligations under the Interest Deferral Agreement, and to refrain from performing any action that might reasonably interfere with the completion of the transactions under the Recapitalization Agreement. In addition, the Company further agreed to prepare the documents required to comply with the Swap Offer as soon as reasonably possible, in accordance with the applicable law, and, as a consequence, AR Holders agreed to support the Swap Offer.

ADI Holders and AR Holders have agreed not to sell their Convertible Corporate Notes, unless the buyer is another ADI Holder or AR Holder, as the case may be, or a company related to the seller, provided always such related company has signed a note adhering to the related Agreement.

It is expressly stated that the terms and conditions of the Agreements have been construed to be reasonably in compliance with the arm's length principle by the Company's Audit Committee.

It is informed that the Company ore one of the AR Holders, for the benefit of the Company, duly subscribed confidentiality agreements with some of the Convertible Corporate Note holders. Such confidentiality agreements facilitated the discussions between TGLT and the Convertible Corporate Note holders regarding the potential strategies and alternatives of the Company for its recapitalization plan. Thus, holders where asked to keep all the information provided confidential, and to refrain from trading TGLT's securities until such information was published. In particular, under the aforementioned confidentiality agreements, the Company agreed to publish, once all applicable conditions had been met, certain confidential information provided to the Convertible Corporate Note holders and their advisors. In this context, copies of (a) the Interest Deferral Agreement; (b) the Recapitalization Agreement; and (c) material information provided by the Company to Convertible Corporate Note holders who signed the confidentiality agreements (the "Shared Information") are provided under ID 4-2430609-under "Execution of agreements for the Company's recapitalization".

Estimates included in the Shared Information are based on current expectations and projections of future events, and subject to risks, uncertainties and assumptions regarding TGLT, and economic and market indicators of TGLT's business sector, among other indicators. Representations of future events do not guarantee performance or future events, and results may differ substantially from those described in such representations. TGLT does not guarantee that such financial estimates remain effective or are correct or complete to date. Therefore, readers should be careful and not based their decisions or rely on the Shared Information.

Neither the Company's independent auditors nor any other independent accountant has examined, compiled, or performed any procedure whatsoever in relation to the financial estimates included in the Shared Information, or in relation to any other information, except for the information provided in TGLT's financial statements. Consequently, no one has expressed a professional opinion regarding Shared Information, and no one assumes any responsibility for it.

Estimates included in the Shared Information (a) are speculative in nature and based on a series of expectations, beliefs, subjective opinions and assumptions, which are not intrinsically true, and many of which are out of the Company's control and may not be correct; (b) do not necessarily reflect the Company's management estimates, expectations, beliefs, opinions, and assumptions to date regarding business prospects, market changes, and general economic conditions, or any other situation not foreseen at the time of making such estimates; (c) may not reflect the effective actual or future results of TGLT, which might be significantly more or less favorable than those foreseen in the Shared Information; (d) shall not be construed as a statement that the expectations included in the Shared Information will be fulfilled by the Company; and (e) are inherently subjective and, therefore, subject to interpretation.

In light of the foregoing, the estimates and representations included in the Shared Information might not actually take place, and TGLT's future results and performance might differ significantly from those indicated in the Shared Information.

Since the date of preparation of the Shared Information, TGLT has not updated, nor does it assume the obligation to update, any estimate and/or representation regarding the future based on new information, future events, or other indicators. It is strongly recommended that these considerations and clarifications be taken into account upon examining the Shared Information, which was prepared prior to this date.

It is expressly stated that the suspension of coupon rate payments only refers to coupon rates payable to holders who have voluntarily accepted such suspension. Accordingly, in February 15, the Company paid, under the terms and conditions established in the trust agreement governing Convertible Notes, coupon rates to holders who had not approved the suspension of payment and/or executed an interest deferral agreement with the Company, which accounted for 5.189103% of Convertible Notes.

For more information on the Offer, please refer to the subsequent event "Execution of agreements for the Company's recapitalization", which is available to any interested party at the Company's offices, located at Miñones No. 2177, ground floor, suite "C", City of Buenos Aires, and on the Company's web page: www.ri.tglt.com. It is also available on the CNV's web page (www.cnv.gob.ar) in the "Relevant Events" section, published under ID 4-2430609-D on Friday, January 25, 2019.

III.2.2 Approval of the Company's capital increase.

At the Annual General Shareholders' Meeting held on March 7, 2019, the Company approved, among other issues: (a) an increase in its capital stock up to $300,000,000, through the issue of up to three hundred million (300,000,000) new preferred shares of the Company, with a nominal value of one peso (ARS 1) each, convertible into common shares of the Company, registered, and granting one vote per share, entitled to preferred and cumulative dividends, accrued under the same conditions applicable to the shares of the Company which are currently outstanding (the "New Preferred Shares"), to be placed through a public offering in the country and/or abroad, and to be paid (i) in cash by those common shareholders of the Company who make use of their right of preference, pursuant to section 62 bis of the Capital Market Law, and article five *in fine* of TGLT's bylaws; (ii) in kind, through the exchange for common shares of the Company; and (iii) in kind, through the exchange for Convertible Notes; (b) an additional paid-in capital between a minimum of ARS 30 (thirty Argentine pesos) and a maximum of ARS 60 (sixty Argentine pesos) per each New Preferred Share, as determined by the Company's Board of Directors, or a Company's officer duly appointed by the Board of Directors to that end; and (c) the delegation to the Board of Directors, for a term of two (2) years, with powers to sub-delegate to one or more of its members, or one or more top managers of the Company, among others, the power to establish the terms and conditions for the issue and placement of the New Preferred Shares (including, but not limited to, the power -pursuant to section 62 of the Capital Market law- to decide an additional capital increase of up to 15% (fifteen percent) of the number of shares previously authorized, in the event the number of 300,000,000 New Preferred Shares were not sufficient to meet any excess demand or option over the subscription of shares.

In addition, at such Meeting, the Company approved: (u) the creation of a new American Depositary Receipts Program, whose underlying securities are the New Preferred Shares; and (ii) the issue of purchase options on the shares to be issued by the Company in an amount of up to 5.5% of the New Preferred Shares in favor of certain executives and employees of the Company.

III.3. Major landmarks in our construction business during the fiscal year

Concepción Live Art Work – La Manzana

- In January 2018, the 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 mount of $ 144,687,206; 2) Earthmoving, groundwater drilling, shoring, demolitions, structure up to ground floor in the amount of $222,437,159.60; 3) Reinforced concrete structures from slab on first floor to roof and complementary items in the amount of $240,668,318.26; 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, folder, floors, baseboards, coatings, plaster, provisions and installation in the amount of $126,364,284.36. The total amount of the contract is $884,980,376, plus VAT, at values of May 2017, and the execution term is 48 months. The work is under development, and the percentage of work completed as of December 31, 2018 is 27.10%.

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, and reinforced concrete structure up to the slab on the first underground inclusive. The amount of the contract, including the preliminary stage, is $68,279,963.24, plus VAT, and to this reporting date, the demolition stage has been completed. As of December 31, 2018, the level of progress of the work is 40.40%.

Oceana Puerto Madero

- In June 2018, Consultatio Argentina A.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 amount of the offer is $694,057,596, plus VAT, at values of May 2017, and the execution term is 26 months and the percentage of work completion as of December 31, 2018 is 8%.

Clinica Nordelta - Swiss Medical

- In July 2018, Swiss Medical S.A. accepted our offer to build the first stage of a 20,000 m^2 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. For reasons associated with municipal authorizations, which should be obtained by the Principal, the initiation of the work was postponed, and the work is estimated to begin on the first quarter of 2019. 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 original amount of the work is $57,482,000 at values of May 2018, which was extended due to different supplementary works, and the execution term was of 5 months. The work was ready to be inaugurated in December 2018.

New departures terminal at Ezeiza Airport

- In August 2018, Aeropuertos Argentina 2000 S.A. accepted our proposal for the works associated with the New Departures Terminal of the International Aeroport "Ministro Pistarini" at Ezeiza, Province of Buenos Aires. Works include the tasks identified as Group A, which consist in the civil work, signaling, sanitary and gas installations, fire detection and fire-fighting systems, and external sewage systems and storm drains, and as Group C, which covers the thermo-mechanical installation. The price for these works totals $876,995,000 plus VAT, at values of July 20018, and they will be completed in 12 months. As of December 31, 2018, the percentage of completion of the work is 8.7%.

La Papelera del Plata.

- In October 2018, La Papelera del Plata S.A accepted our proposal for the work associated with Machine Building No. 4 for the manufacturing of Tissue paper at the La Papelera del Plata's plant, located at the Zárate industrial park. The works include civil works, architecture, architecture lighting, roads, sanitary and hydraulic works for the Machine Building, the main control room, laboratory, and office and outdoor floors. For the execution of the work, the company Cinter SA was appointed Subcontractor. This company is in charge of building metallic structures that represent 40% of the work. The price for these works totals $ 361,213,697.00, plus VAT, at values of July 2018, and they will be completed in 8 months. As of December 31, 2018, the percentage of completion of the work is 13.6%.

III.4. Major landmarks in our real estate business during the fiscal year

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

Venice

- In January 2019, apartments began being handed over to the owners of the Goletas I building. The construction work in the remaining 5 buildings is nearing completion, and deliveries will begin in the first half of 2019.
- The Goletas II building is completed by the concrete structure and the electrical installation in slabs. The bids submitted for aluminum carpentry, outside railing and elevators are under analysis.
- The Club House building works continue, especially, those associates with the sub-pressure slab and submural partitions. Progress is made in the preparation of entry to the building and bays for vehicles for under the eave, which is a major advance.
- As for the infrastructure, the boulevard, the roundabouts and the pavement in the internal streets are finished, with the exception of a sector of sidewalks of the port and the street that surrounds the Albardón Nautical Complex.
- Works including sheet piling of the channel, landscaping, irrigation, exterior lighting and the access gate to the building have begun.

Forum Puerto del Buceo

- Stage 2 is progressing according to schedule. Between November and December, G and H units began to be handed over, while F units are in the last stage of construction and expected to be handed over during the first six months of 2019.
- As of December, 78 units of cores G, H, I, and J of Stage 2 have been handed over. Also, together with Stage 1 and 3, the possession of 3, 232 functional units has been transferred (68% of the total units).
- As of December 31, 2018, a total of 288 units (85% of the total) were sold.

Astor San Telmo

- The court restriction on the height of the buildings continues.
- The works continued within the limits ordered by the court. The construction of the bases was completed and progress of the reinforced concrete tasks corresponding to the columns, beams and slabs of Stages 1 and 2 continues. Likewise, works on the slab of the first floor in building 1 were resumed.
- Soil movement works corresponding to the excavation of Stage 3 is underway.

Metra Puerto Norte

- As of February 2019, 32 apartments have been handed over in the first building, several of which are already occupied by their owners.
- Construction work continues on the second tower, with the reinforced concrete structure advancing to the eighth floor. In parallel, work is being carried out on masonry and installations on the third and fourth floors and the aluminum carpentry, natural gas and drainage exterior works and the first line of sanitary slabs and coatings have already been contracted.

Forum Alcorta

- The blueprints for Measurement - Horizontal property system were filed in December and the modification to the Fire-protection design blueprint has already been approved. We are awaiting any observations to present the final blueprints and thus request a final inspection. Once the Fire-protection design blueprint becomes final, progress will be made in the approval of the blueprints for Measurement and subdivision.

Astor Núñez

- The Modification and Extension blueprints filed on April 11, 2018 are still pending registration by the Government of the City of Buenos Aires, in order to restart and complete final works at Vedia Street.

Astor Palermo

- We are still waiting for the Government of the City of Buenos Aires to register the subdivision plan that has already been submitted.
- The Fire and Work Authorization Plans are expected have been registered.

Forum Puerto Norte

- The Building blueprints were already registered with the Municipal Registry of Tittles to Real Property, and in October, the process for their registration in the Provincial Registry of Tittles to Real Property began, as this is one of the requirements to execute the tittle deed.

III.5. Major landmarks in our investments in companies during the fiscal year

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 held 49% of the latter's capital stock, while Caputo held 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 started doing business in December 1, 2018, under a contract effective until November 30, 2026, with the possibility of being extended for other 18 months. 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 On December 19, 2018, Caputo S.A.I.C. Y F. transferred all its shareholdings in Logística Ambiental Mediterránea S.A. to TGLT S.A. This transfer was recorded in the Company's Registry of Shareholders.

Newbery 3431 S.A.

- On September 25, 2017, the company "Newbery 3431 S.A." was created, jointly with the company Nothbaires S.A. Their shareholders are: TGLT S.A. holding 50% of the capital and voting stock; and Northbaires S.A. holding 50% of the capital and voting stock. On November 24, 2017, the related deed was executed in the total amount of USD 8,500,000, out of which USD 1,275,000 was paid upon execution of the deed, and the remaining balance was paid in April 2018.

IV. STATISTICAL DATA

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

	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Residential m² handed over(1)	12,665	26,630	21,629	31,947	25,390
Certified m² of work and construction (2)	143,185	128,030	110,252	100,657	88,970

(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.

V. BALANCE SHEET STRUCTURE

Balance sheet structure - TGLT Group

(amounts stated in thousands of Argentine pesos)

	Dec 31, 2018	Dec 31, 2017
Non-current assets	6,597,659	2,801,856
Current assets	5,648,189	6,290,480
Total Assets	**12,245,848**	**9,092,336**
Non-current liabilities	6,534,387	4,320,728
Current liabilities	7,012,293	3,814,049
Total Liabilities	**13,546,680**	**8,134,777**
Attributable to parent company's owners	(1,300,832)	957,559
Attributable to the holders of non-controlling interest	-	-
Total shareholders' equity	**(1,300,832)**	**957,559**
Total liabilities and shareholders' equity	**12,245,848**	**9,092,336**

Balance sheet structure - TGLT (standalone)

(amounts stated in thousands of Argentine pesos)

	Dec 31, 2018	Dec 31, 2017
Non-current assets	5,232,715	2,790,896
Current assets	5,160,439	4,289,290
Total Assets	**10,393,154**	**7,080,186**
Non-current liabilities	6,658,243	4,826,803
Current liabilities	5,035,738	1,298,121
Total Liabilities	**11,693,981**	**6,124,924**
Total shareholders' equity	**(1,300,832)**	**955,262**
Total liabilities and shareholders' equity	**10,393,154**	**7,080,186**

VI. PROFIT AND LOSS STRUCTURE

Profit and loss structure – TGLT Group

(amounts stated in thousands of Argentine pesos)

	Dec 31, 2018	Dec 31, 2017
Operating results	**(127,621)**	**(300,878)**
Gain/loss on investments in companies	1,481,387	(22,378)
Financial results		
Exchange gains/losses	(2,789,556)	83,901
Financial income	132,235	41,360
Financial costs	(933,419)	(154,592)
P&L from exposure to changes in general purchasing power	52,250	-
Income/(loss) before income tax	**(2,184,824)**	**(352,587)**
Income tax	668,560	85,969
Income/loss for the year	**(1,516,264)**	**(266,618)**
Other comprehensive profit or loss	(108,109)	(14,054)
Total comprehensive loss for the fiscal year	**(1,624,373)**	**(469,529)**

Profit and loss structure – TGLT (standalone)

(amounts stated in thousands of Argentine pesos)

	Dec 31, 2018	Dec 31, 2017
Operating results	**(75,593)**	**(316,551)**
Gain/loss on investments in companies	892,676	25,278
Financial results	-	-
Exchange gains/losses	(2,365,761)	(29,347)
Financial income	81,335	29,237
Financial costs	(775,380)	(200,278)
Income/(loss) before income tax	**(2,242,723)**	**(491,661)**
Income tax	900,741	133,390
Income/loss for the year	**(1,341,982)**	**(358,271)**
Other comprehensive profit or loss	(88,102)	(9,255)
Total comprehensive loss for the fiscal year	**(1,430,084)**	**(367,526)**

VII. CASH FLOW STRUCTURE

Cash flow structure for the fiscal year - TGLT Group

(amounts stated in thousands of Argentine pesos)

	Dec 31, 2018	Dec 31, 2017
Funds (used in) provided by operating activities	482,346	192,962
Cash (used in) provided by investing activities	(1,988,028)	77,882
Cash (used in) provided by financing activities	(320,019)	2,379,825
Total cash (used in) provided during the fiscal year	**843,802**	**2,669,503**

Cash flow structure for the fiscal year - TGLT (standalone)

(amounts stated in thousands of Argentine pesos)

	Dec 31, 2018	Dec 31, 2017
Funds (used in) provided by operating activities	370,221	(735,514)
Cash (used in) provided by investing activities	(2,092,180)	73,083
Cash (used in) provided by financing activities	(47,761)	2,379,826
Total cash (used in) provided during the fiscal year	**790,574**	**1,730,347**

VIII. MAIN INDICATORS, RATIOS OR INDEXES

TGLT Group

Index	Formula	Dec 31, 2018	Dec 31, 2017
Liquidity	Current assets / Current liabilities	0.81	1.65
Solvency	Shareholder's equity / Liabilities	(0.10)	0.12
Fixed asset-to-equity capital ratio	(Non-current assets/Total assets)	0.54	0.31
Profitability	Net income/loss for the year/Average equity	8.83	(0.39)

TGLT (standalone)

Index	Formula	Dec 31, 2018	Dec 31, 2017
Liquidity	Current assets / Current liabilities	0.96	3.21
Solvency	Shareholder's equity / Liabilities	(0.13)	0.12
Fixed asset-to-equity capital ratio	(Non-current assets/Total assets)	0.52	0.34
Profitability	Net income/loss for the year/Average equity	2.56	(1.60)

IX. RELATED PARTIES

As of December 31, 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	Dec 31, 2018	Dec 31, 2017
OTHER RECEIVABLES			
Inversiones y Representaciones S.A.		32,180	-
Total Receivables from related parties – Non-current		**32,180**	-
Receivables from related parties – Current			
ACCOUNTS RECEIVABLE FROM SALES			
AGL Capital S.A. in local currency		-	255
AGL Capital S.A. in foreign currency	39	-	1,563
Marina Río Luján S.A.		186	21
		186	**1,839**
OTHER RECEIVABLES			
Marina Río Lujan S.A.		85.399	14,140
Marina Río Lujan S.A. in foreign currency	39	208.892	276,891
Individual shareholders		2.505	3,699
Other shareholders		3.528	5,228
UTE Malvinas		8.529	-
Limp Ar Rosario S.A.		1.620	-
SES S.A.		1.256	-
Altos del puerto		1.256	-
Logística Ambiental Mediterránea S.A.		11.877	-
UTE Echeverría		13.304	-
UTE Procrear		17.579	-
Eleprint S.A.		415	-
TOTAL RECEIVABLES FROM RELATED PARTIES – CURRENT		**356,160**	**299,958**
TOTAL RECEIVABLES FROM RELATED PARTIES		**356,346**	**299,958**

PAYABLES TO RELATED PARTIES – Current OTHER ACCOUNTS PAYABLE	Dec 31, 2018	Dec 31, 2017
Marina Río Lujan S.A.	287	424
UT Crik	2,000	-
UTE Posadas	3,189	-
Limp Ar Rosario S.A.	19,097	-
Total Payables to related parties	**24,573**	**424**

b) As of December 31, 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		Dec 31, 2018	Dec 31, 2017
Marina Río Luján S.A.	Loans granted	(230,550)	-
Individual shareholders	Loans borrowed	-	11,004
Individual shareholders	Collections received	-	157
Marina Río Luján S.A.	Collections received	66	-
AGL S.A.	Collections received	3,197	935
Comisiones y Corretajes S.A.	Collections received	-	8,558
Senior Directors and Managers	Collections received	-	2,921
Individual shareholders	Payments made	-	(11,523)
AGL S.A.	Payments made	(339)	-
Comisiones y Corretajes S.A.	Payments made	-	(255)
Other shareholders	Payments made	-	(51,094)
Altos del Puerto S.A.	Financial contributions	(1,256)	-
Limp Ar Rosario S.A.	Financial contributions	19,097	-
Logística Ambiental Mediterránea	Financial contributions	(11,877)	-
UTE Hospital Esteban Echeverría	Financial contributions	3,424	-
UTE PRO.CRE.AR	Financial contributions	(8,605)	-
UT Crick	Financial contributions	2,000	-
Newbery 3431 S.A.	Financial contributions	(3,750)	-
Limp Ar Rosario S.A.	Dividends	6,840	-
Marina Río Luján S.A.	Write-off due to capitalization	191,061	-
Total		**(30,692)**	**(39,297)**

- Transactions and their effect on profit/loss

		Profit/(Loss)	
Name of related party	**Transaction**	**Dec 31, 2018**	**Dec 31, 2017**
AGL S.A.	Services provided	1,434	1,542
Marina Río Luján S.A.	Services provided	153	-
Individual shareholders	Financial results	-	(496)
Marina Río Luján S.A.	Financial results	55,257	-
AGL S.A.	Financial results	(100)	152
Comisiones y Corretajes S.A.	Financial results	-	(5,085)
Other shareholders	Results from bad debts	(12)	-
America Pavilion S.A.	Results for higher value	131,255	-
Comisiones y Corretajes S.A.	Commissions	-	(4,224)
Senior Directors and Managers	Income from the delivery of units	-	7,622
Senior Directors and Managers	Professional fees	-	3,934
Other shareholders	Bad debts	-	(3)
Total		**187,987**	**3,442**

c) As of December 31, 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).

X. CORPORATE GOVERNANCE

Corporate governance policies

The Company complies with Argentine Companies Law No. 19550, as amended, and with Capital Market Law No. 26831, Regulatory Decree No. 1023, dated August 1, 2013, CNV's Regulations, as restated in 2013, and other CNV's corporate governance regulations. On October 11, 2007, the CNV issued Resolution No. 516/2007, which approved a corporate governance code that completed the corporate governance legal framework duly established by Transparency Decree No. 677/2001, and CNV regulations then in force. Subsequently, the CNV published General Resolution No. 606/2012, whereby Resolution No. 516/07 was rendered ineffective as from fiscal years beginning on January 1, 2012, and a new Code of Corporate Governance was established. Under this new Resolution, issuers should file a report on the degree of compliance with the Code of Conduct, according to the terms and conditions of such Resolution. Such principles and recommendations were substantially implemented, as Annex IV, Title IV of the new CNV Regulations, as restated in 2013, which were published in General Resolution No. 622/2013 of the CNV.

The Code of Corporate Governance sets a series of principles and recommendations for issuers. A detail of such principles and recommendations and their degree of implementation and compliance is included as Exhibit I to this Letter to Shareholders.

In addition, TGLT intends to implement corporate governance practices that comply with the highest international standards, thus complementing the adherence to the regulations described above with other good corporate governance practices such as the following:

- A single class of action, each representative of 1 (one) vote
- Mandatory public offering in case of public offering withdrawal
- Buenos Aires Stock Exchange Arbitral Tribunal for claims associated with shares and/or shareholders
- Mandatory public offering for the acquisition of shares, pursuant to Section II, Chapter II, Tittle III of the CNV Regulations

Currently, accounting information is prepared in accordance with the professional accounting standards in force in Argentina, issued by the Argentine Federation of Professional Councils of Economic Sciences, adopted for entities included in the public offering system of Law No. 26831, either due to their capital, their corporate notes or due to the fact that they have requested authorization to be included in the aforementioned system; the International Financial Reporting Standards (IFRS) of the International Auditing Standards Board (IASB) as from the fiscal year beginning on January 1, 2012, as well as the relevant regulations of the CNV and the Argentine Companies Law.

Administration bodies

Management

TGLT work team is recognized for a culture characterized by (i) its entrepreneurial dynamism, (ii) a result-oriented system based on merits, (iii) team work, and (iv) a comprehensive view.

The Company has gone through a process for the recruitment of senior personnel, aimed at hiring professionals highly qualified in their areas of responsibility. As a result of this strategy, TGLT has a senior staff with significant experience with the clear objective of building and developing the Company's planned growth.

The management of Company's business and the fulfillment of the corporate purpose is the responsibility of a top-line management, directly answerable to the General Manager. The General Manger is responsible for appointing top managers. Top managers meet on a weekly basis to discuss and make decisions on the Company's ordinary business, which, due to its nature, do not merit consideration of the Board of Directors.

The table below includes information on our current top-line management providing services to the Company:

Name	Position	Date as from which they hold office
Teodoro José Argerich	General Manager	October 1, 2018
Manuel Luis Moreno	Administrative and Financial Manager	October 10, 2018
Alejandro Belio	Operations Manager	January 22, 2010
Rodrigo Lores Arnaiz	Business Process and Support Manager	July 17, 2006
Federico Wilensky	Legal Manager	November 1, 2017

Please refer to the Board of Directors section below to see the background of top managers.

Remuneration Our compensation policy is aimed at attracting, retaining, and promoting highly qualified professionals as well as aligning their interest with those of our Shareholders through variable compensation systems based on compliance with financial and operative targets, or an options plan. Our top managers are paid a fixed amount, established based on their education and professional background, ability and experience, and an annual bonus, varying depending on their individual performance and our results.

Board of Directors

The Board of Directors is made up of six (6) regular directors and six (6) alternate directors, who hold office for a term of three (3) fiscal years, and may be reelected indefinitely. According to the resolutions adopted at the Shareholders' Annual General Meeting and the Board of Directors' Meeting -both held on 14 April 2016, and at the Shareholders' Annual and Extraordinary General Meetings held on April 20, 2017, April 26, 2018, and November 2, 2018, the Company's Board of Directors is made up as follows:

Director	Position at TGLT	Capacity
Federico Nicolás Weil	President and Regular Director	Non-independent
Darío Ezequiel Lizzano	Vice-president and Regular Director	Non-independent
Mariano Sebastián Weil	Regular Director	Non-independent
Carlos Alberto Palazón	Regular Director	Non-independent
Alejandro Emilio Marchionna Faré	Regular Director	Independent
Mauricio Wior	Regular Director	Independent
Alejandro Belio	Alternate Director	Non-independent
Rodrigo Javier Lores Arnaiz	Alternate Director	Non-independent
Santiago Daireaux	Alternate Director	Non-independent
Pedro Eugenio Aramburu	Alternate Director	Non-independent
Daniel Alfredo Vicien	Alternate Director	Independent
Luis Rodríguez Villasuso	Alternate Director	Independent

Find below a brief description of our Directors' background:

Federico N. Weil Mr. Weil is the founder of TGLT, and Chairman of the Board since 2005. He is also President of CAP Ventures Compañía Argentina de Participaciones S.A., a venture capital fund headquartered in Buenos Aires, and Director of AGL Capital S.A., a financial company. Before 2005, Mr. Weil was the cofounder of Adecoagro (NYSE AGRO), and Managing Partner of SLI Ventures, a venture capital fund headquartered in Miami, FL. Mr. Weil is an industrial engineer, graduated from Universidad de Buenos Aires. He also did a Master's in Business Administration at the Wharton Business School of the University of Pensylvania.

Darío Ezequiel Lizzano Mr. Lizzano is a Regular Director and Vice-chairman of the Board of Directors of TGLT. He has worked as co-director of investment banking at Vinci partners Investimentos. He has served as General Director of Pointstate Capital since December 2014, working as a Senior Portfolio Manager. Previously, he was Managing Director of Morgan Stanley from July 2007 to 2014, serving as Director of Equities and Research for the Latin American division and as Head of Distribution of Emerging Markets. In addition, he served as General Director and Director of Equities and Research for Latin America at Santander Investment Securities Inc. Mr. Lizzano holds a degree in Business Administration from Universidad Católica Argentina.

Mariano Weil Mr. Weil is a Regular Director of the Board of Directors of TGLT. Mariano began his professional career in the Financial Leadership Program of General Electric Company in 1998. Subsequently, he was transferred to the headquarters of GE, where he worked at Corporate Treasury and Financial Planning. In 2004, he joined GE Capital Solutions, GE's financial services division in Stamford, Connecticut, until his transfer to Mexico City in 2006 to fulfill the role of Financial Director for Latin America. Mariano was also Director of Banco HNS Chile, a joint venture of GE Capital with Banco Edwards shareholding group. He is the founder of AGL Capital S.A. Mr. Weil holds a degree in Economics from University of San Andrés. Mariano is the brother of Federico Weil, the President of TGLT.

Carlos Alberto Palazón Mr. Palazón is a Regular Director of TGLT, and a Partner of LP Advisors, an advisor in Argentina of PointArgentum. He previously served as Portfolio Manager at CIMA Investments, worked as a Senior Research Analyst at BGN and as a Portfolio Manager at Consultatio Asset Management. He has developed extensive experience by working in emerging markets sector since the early 1990s. Mr. Palazón holds a degree in Economics from Universidad Católica Argentina (UCA), Buenos Aires, and is also a CFA Charterholder.

Alejandro Emilio Marchionna Faré Mr. Marchionna Faré is an Independent Regular Director of TGLT. In addition, he is the Chairman of the Audit Committee. He has been a member of the Company's Board of Directors since February 19, 2010. He is also Chairman of the Board of Integra Negocios S.A. and of Andes Foundation. He has worked as a Strategy Consultant for over 30 years and is currently a part-time postgraduate professor at the IAE Business School. He has previously worked at Serra Consulting, The Fare Partners (London), Fenlane (London), Towers Perrin (London), and Telesis (Paris). Mr. Marchionna holds a Bachelor's Degree in Operational Research and Industrial Engineering from Universidad Católica Argentina. He obtained a Master's in Business Administration from Harvard University and a PhD from Universidad del CEMA (Buenos Aires).

Mauricio Wior Mr. Wior is an Independent Regular Director of TGLT and also the Director of Banco Hipotecario. He has held various positions at Bellsouth, a company where he served as Vice-president for Latin America from 1995 to 2005. Mr. Wior was also the General Manager of Movicom Bellsouth from 1991 to 2005. In addition, he led the operations of several cell phone companies in Uruguay, Chile, Peru, Ecuador, and Venezuela. He was President of the Latin American Association of Cell Phones (ALCACEL), the Chamber of Commerce of the United States in Argentina, and the Israeli-Argentine Chamber of Commerce. He was Director of the Institute for Business Development of Argentina (IDEA), the Foundation of Latin American Economic Research (FIEL) and Tzedaka. Mr. Wior obtained a Master's Degree in Finance, as well as a Bachelor's Degree in Economics and Accounting from the Tel Aviv University, in Israel.

Alejandro Belio Mr. Belio is an Alternate Director of TGLT and has also served as Operations Director since January 2010. Previously, he served as General Manager of Faena Properties S.A. He also worked as General Manager of Creaurban S.A., Project Manager of Malecón

2000 Foundation (Guayaquil, Ecuador), Leader of Lain/OHL Group of Construction Works (Barcelona, Spain), and Project Director of Graziani S.A. He is an architect graduated from Universidad de Buenos Aires in 1979, obtained his MBA in Universidad del CEMA, and completed the Senior Management Program of the IAE.

Rodrigo Lores Arnaiz Mr. Lores Arnaiz is Deputy Director, Manager of Processes and Business Support for TGLT. Prior to joining TGLT, he was Senior Manager of Accenture in the strategic consulting team for clients in the mass consumption sector in Argentina and Chile. He also worked for 5 years as an accountant in the audit and business advisory division of Arthur Andersen. Mr. Lores Arnaiz obtained his MBA from Wharton School of Business, where he graduated in Strategic Management and Finance. He is a public accountant who graduated with honors from Universidad de Buenos Aires.

Santiago Daireaux Mr. Daireaux is Deputy Director of TGLT. He is a top lawyer specialized in corporate law and M&A in Argentina and Latin America. He has been an associate at Fornieles & del Carril law firm, and worked for a year as a foreign associate at Reboul, MacMurray, Hewittt, Maynard & Kristol law firm in New York. Currently, Mr. Daireaux is partner in the law firm Pérez Alati, Grondona, Benites & Arntsen and a member of the Bar Association of the City of New York and the City of Buenos Aires. Mr. Daireaux is a lawyer graduated from the Universidad Católica Argentina and earned a Master in Law (LLM) degree from University of Pennsylvania.

Pedro Eugenio Aramburu Mr. Aramburu is Deputy Director of TGLT. Its activity has focused mainly on mergers and acquisitions, corporate investments and venture capital, as well as on corporate law and corporate governance. He has vast experience in local and international mergers and acquisitions, joint ventures, structuring private equity investments, advising large local and multinational companies, investment funds and strategic investors. Mr. Aramburu has been a Partner in the law firm PAGBAM since 2007. Between September 1997 and October 1998, he worked as an associate at Dewey Ballantine LLP (NY, USA), and in 2002 and 2003 he worked as an associate in Cuatrecasas (Madrid, Spain) as a member of the Latin American department, providing advice to the largest European companies investing in Argentina. He graduated in law at Universidad Católica Argentina in 1996 and earned a Master in Law (LLM) degree from Columbia University, School of Law, in 1997. He has written several articles related to business law, relating to project financing and tortuous interference.

Daniel Alfredo Vicien Mr. Vicien is an independent Deputy Director of TGLT and his activity focuses on strategy, finance and business process consulting. He has directed consulting projects in reengineering and process optimization, development of new businesses, strategic use of internal and external information for the management, and organizational change for the implementation of new strategies. He has organized workshops for the development of entrepreneurs, both in-company and in *ad hoc* seminars for Universidad Austral. He has a vast experience training company personnel. In the teaching field, he is a tenured professor of Finance in the postgraduate courses in Marketing at Universidad of San Andrés, and he used to be professor of Strategic Planning, Business Management and Control, Data Processing and Operational Research at UNBA and UCA. He has served as Manager of Business Units in leading national and international companies. He has more than 26 years of experience as manager in business areas, strategic planning, systems planning, financial planning and control, operations and administration. He is currently Chairman of the Board of Directors of Cabernet de los Andes S.A. (organic, high-altitude vineyard and winery) and Executive Director of Pehuén Rucá (realtor), both national SMEs. He earned a Bachelor's Degree in Operational Research and in Industrial Engineering from the Universidad Católica Argentina and obtained a M.I.B. in "École Nationales des Ponts et Chaussees". He has a postgraduate degree from the IAE (PDD) and is a Business Administrator certified by IGEP/ADE.

Luis Armando Rodríguez Villasuso Mr. Rodríguez Villasuso is independent Deputy Director of TGLT. Currently, he is Director of Habitat AFP (Chile) and Nedken Solutions (Spain). Previously, he worked at Citigroup, as Manager of Retirement Services for Latin America and at Banco Rio, where he was the main Manager of Insurance and Pensions. He was also a Senior Consultant at Deloitte. Mr. Rodríguez Villasuso earned a Bachelor's degree in Naval Engineering and Mechanics from the Universidad de Buenos Aires and an MBA from IAE Business School. He has also obtained a diploma of Business Administrator certified by IGEP/ADE.

Remuneration Our shareholders fix the remuneration of our Directors, including their fees and any additional salary deriving from any technical or administrative position they may hold in the Company. The remuneration of our Directors is within the parameters set by the Companies Law and the CNV regulations. Any remuneration paid to our Directors must have been previously approved at an Annual Shareholders' Meeting. For Directors, the amounts to be paid may not exceed the limits imposed by article 261 of the Companies Law, unless expressly authorized by the Shareholders' Meeting, after being treated as a special item on the Agenda.

Supervisory Committee

Our Supervisory Committee is responsible for reviewing and supervising our administration and matters and verifying compliance with the bylaws and the decisions adopted at the Shareholders' Meeting. The members of the Supervisory Committee are appointed at the Annual General Shareholders' Meeting for a term of three fiscal years. The current structure of our Supervisory Committee, whose members were elected at the Annual General Meetings of Shareholders held on April 14, 2016, April 20, 2017 and April 26, 2018, is as follows:

Name	Position	Profession	Capacity
Ignacio Fabián Gajst	Supervisory Auditor	Public Accountant	Regular
Fernando Gustavo Sasiain	Supervisory Auditor	Attorney-at-law	Regular
Ignacio Arrieta	Supervisory Auditor	Attorney-at-law	Regular
Silvana Elisa Celso	Supervisory Auditor	Public Accountant	Alternate
Diego María Serrano Redonnet	Supervisory Auditor	Attorney-at-law	Alternate
Alfredo Germán Klein	Supervisory Auditor	Attorney-at-law	Alternate

The members of the Supervisory Committee qualify as independent in accordance with CNV Regulations.

The following are the main powers and duties of the Supervisory Committee:

- Supervise the administration of the Company, for which purpose it will examine the books and documentation at least once every three months;
- Check cash and banks and securities, as well as liabilities and compliance; also, request the preparation of trial balances;
- Speak but not vote at meetings of the Board of Directors and the Executive Committee and at Shareholders' Meetings;
- Ensure that Directors create and maintain the qualification bond in favor of the Company;
- Submit to the Annual Meeting a written and well-founded report on the economic and financial situation of the Company, providing its opinion on the annual report, inventory, balance sheet and statement of income;
- Provide Shareholders who represent not less than 2% of the capital, at their request, information on the matters that are within its competence;
- Call Extraordinary Shareholders' Meetings, when deemed necessary and to Annual and Special Shareholders' Meetings, when the Board of Directors failed to do so;
- Include in the Agenda the items it deems convenient;
- Monitor that the company bodies duly comply with the law, bylaws, regulations and decisions adopted by the Shareholders' Meeting;
- Supervise the liquidation of the Company; and
- Investigate the complaints made in writing by shareholders representing not less than 2% of the capital.

Environmental and/or sustainability policy

TGLT builds and develops real estate projects that, due to their visibility and scope, inevitably have an impact on the environment and the community. TGLT guarantees a healthy integration of its projects with its surroundings, through a modern architecture that protects the environment and is functional to the needs of the neighborhood where they are developed so that they contribute to invigorate the communities and their environment.

Our activities are subject to national, provincial and municipal laws and regulations, authorizations and permits required with respect to construction, zoning, land use, environmental protection, historical heritage protection, among other requirements, all of which are considered and carefully weighed when evaluating the acquisition of land and the development of buildings. We must obtain permits and authorizations from different government authorities in order to carry out the projects.

When building and developing new projects, we seek the sustainability of the building in harmony with the environment and consider maintaining historic buildings on the acquired land by combining those structures with new modern buildings to achieve innovative projects that preserve the architectural heritage of the city while protecting the environment and using resources efficiently. Forum Puerto Norte is a project that highlights the importance we attach to these principles. Its design takes into account aesthetic and design factors in addition to a perfect interaction of the project with the neighborhood and the city where it is located, as it considers factors such as the environment, sustainability, preservation of natural resources and space. In mixed-use projects, such as Venice, these considerations are especially important. This requires close collaboration between design teams, architects, site engineers, contractors and customers. To this end, we have trained staff and are aware of the new challenges of this type of buildings. Working towards sustainable and environmentally-friendly buildings is a premise that we seek to fulfill at each stage of the works, minimizing the environmental impact and ensuring that the works comply with the most demanding standards in the field.

Although the rest of the projects that the Company carries out have not been prequalified for LEED certification, as a distinctive feature, they use some novel concepts in housing architecture, such as the use of double hermetic glass in the facades (which allows for a better internal-external thermal balance in terms of management of room temperature), and maximization of green spaces both on the ground floor and on the roof, among others.

Internal controls

The Board of Directors has implemented an internal control system designed to guarantee that the Company will meet its goals by ensuring the effectiveness and efficiency of transactions, the reliability of information, and compliance with laws, regulations and policies.

The Company has a strong control environment based on the documentation and implementation of policies and procedures seeking to control risks and to prevent fraud. Such efforts are aimed at generating control awareness among employees, by strengthening ethical values, as well as at outlining controls applicable to the Company's transactions.

The Board of Directors regularly analyzes and assesses the Company's risks based on the activities performed and the markets where it operates, so as to foresee any difficulties and/or take advantage of opportunities. In addition, risks are then exposed and analyzed by the Audit Committee in compliance with their Annual Update Plan.

The internal control system includes control activities performed by the Company's Internal Control area to guarantee compliance with the policies and procedures in force, which, in turn, are used to see that all Management instructions are fulfilled. This area also makes different reviews aimed at evaluating the effectiveness and efficiency of controls, and at contributing to the ongoing improvement of risk management and control processes.

The Audit Committee receives information on any significant deficiencies and substantial weaknesses in the design or operation of the internal control system of financial reporting, that may reasonably affect the Company's ability to record, process, synthesize and report financial information, as well as any fraud or possibility of fraud involving management or employees playing an important role in the internal control system of the Company's financial reports.

Relationship with investors

For the purpose of achieving an appropriate valuation of TGLT's performance in the capital markets, the Company maintains a continuous and open dialog with the investment community, and seeks to provide transparent information for the correct evaluation of the Company's activities.

In addition to complying with the information requirements set forth by the National Securities Commission and the Buenos Aires Stock Exchange, the Company maintains a website dedicated to investor relations (www.tglt.com/ri Spanish version and www.tglt.com/ir English version), where it issues press releases about relevant events, prepares communications and conducts open teleconferences with investors, before the publication of the financial statements or of facts of exceptional relevance. Besides, the Company actively participates in investor conferences and holds periodic meetings with current or potential investors. Investors may obtain more information about the Company by phone at (54 11) 4896 8500 or email at inversores@tglt.com.

XI. DIVIDENDS POLICY

In accordance with the Companies Law, the Company's Bylaws, and the CNV Regulations, the Company may declare dividends once or more times in any fiscal year, and may even pay anticipated dividends out of the realized and liquid earnings, as disclosed in the Company's consolidated financial statements or in any special consolidated statements in case of anticipated dividends.

Dividends will be distributed and paid to the Company's shareholders, insofar as the funds are legally available. The shareholders with voting rights will decide on such matter at the Annual Shareholders' Meeting. At such Annual Shareholders' Meeting, common stock shall be entitled to one vote each. The Company's Board of Directors is responsible for recommending the amount of dividends to be distributed among shareholders. The Board of Directors' recommendation will depend on several factors, including but not limited to, the results of the Company's operations, cash flow, financial condition, capital position, legal requirements, contractual and regulatory requirements, and investment and acquisition opportunities.

The Board of Directors may also decide to pay dividends in advance. In this case, each individual director and member of the Supervisory Committee or supervisory auditor shall be held jointly and severally liable for the payment of said dividends, if the unappropriated retained earnings of the year for which dividends are paid are not sufficient to cover the payment and distribution of said dividends.

Once approved, dividends are distributed among shareholders in proportion to their shareholdings. In accordance with the CNV Regulations, dividends in cash must be paid to the shareholders within 30 days of being approved at the meeting. In case of dividends in shares, the latter must be delivered within three months after the Company is notified of the CNV's authorization to perform the public offering.

Pursuant to Argentine laws, the Company's Bylaws and the CNV Regulations, the Company must set up a legal reserve composed of at least 5% of net income, plus or less prior years' income/loss, until 20% of the capital is reached. As provided for by the Companies Law and the Company's Bylaws, the net income (adjusted to show changes in prior years' income/loss) must be allocated as follows:

(i) to meet the legal reserve requirement;

(ii) to pay accumulated fees to the members of the Board of Directors and the Supervisory Committee.

(iii) to pay dividends of preferred shares (if any), which will be first applied to accumulated dividends pending payment; and

(iv) the remaining balance of net income may be allocated to the payment of additional dividends on preferred shares, or may be allocated to voluntary or contingent reserves, or as decided by shareholders at the Annual Shareholders' Meeting.

As from the date on which Law No. 26893 came into effect, all dividends distributed to Argentine and/or foreign individuals, whether in cash, kind or any other type, except for bonus shares, are subject to a 10% withholding tax ("Dividend Tax") levied on the amount of said dividends. However, if dividends are distributed to local companies, the Dividend Tax shall not be applicable. The Company withholds and pays this tax on behalf of their shareholders and offsets the applicable taxes to any amounts owed to shareholders.

It is to note that Law 27430 derogated the 35% withholding rate that used to be applied to earnings obtained as from the date on which such law came into effect. Additionally, such law states that all distributed dividends will be subject to a 7% (in 2018 and 2019) and a 13% (as from 2020) tax rate.

The Company must pay the wealth tax levied on Argentine and foreign individuals holding their shares as of December 31 each year. The Company pays such tax on behalf of its shareholders, whenever applicable, and pursuant to the Wealth Tax Law, it is entitled to request the reimbursement of said tax amount paid to the related shareholder in different ways, even by withholding dividends. It is to note that law 27260 "Tax Amnesty Regime" provided the possibility of enjoying the wealth tax exemption benefit for fiscal years 2016, 2017 and 2018 –including the substitute taxpayer regime- to taxpayers who have complied with tax liabilities during fiscal years 2014 and 2015, and have no tax debts, among other requirements. This is a way to reward those deemed as "tax compliant". Therefore, the

Company has not been levied with this tax as of the end of fiscal years 2016/2017.

XII.PERSPECTIVES

By merging with Caputo, we aim to continue improving the construction capacity of our real estate projects, making the cost structure more efficient, and offering the possibility of earning a margin in all such projects. Likewise, this merger allows us to incorporate a relevant backlog of works for third parties, while placing the merged company in an optimal position to capitalize on the opportunities that the construction sector in Argentina has to offer, being able to participate in major private and public projects, even in investments in Public-Private Participation (PPP) projects.

As of December 31, 2018, the Company's retained works portfolio is worth $ 5,926 million, more than one and a half times the income of the last 12 months in real terms of the construction segment, which mostly belong to the private sector (81 % of total revenue). This way, the Company is expected to have a sustained level of activity in the construction segment, and to grow in the Real Estate sector, by launching future projects from our large land bank as well as the possibility of acquiring new projects.

In the Services area, our subsidiary SES S.A. continues to operate primarily focused on providing maintenance services for public spaces in the City of Buenos Aires, while Limp Ar Rosario S.A. provides urban hygiene and waste management services in the northern area of the city of Rosario. In 2018, Logística Ambiental Mediterránea S.A. was incorporated in Córdoba for the purposes of providing urban hygiene and waste management services in that city.

In addition, and after the already mentioned merger with Caputo, the Company continues strengthening its HHRR processes, systems and structure, so as to streamline their current operations as well as the management and/or development of new projects.

XIII.ACKNOWLEDGMENT

We wish to express our gratitude to suppliers, clients, banking institutions, professionals, advisors and personnel for all the support provided.

City of Buenos Aires, March 11, 2019.

THE CHAIRMAN

EXHIBIT I

REPORT ON THE CODE OF CORPORATE GOVERNANCE

CNV GENERAL RESOLUTION 622/13

In compliance with General Resolution 622/13 issued by the CNV, the Code of Corporate Governance of TGLT S.A. (hereinafter the "Code of Corporate Governance") is attached as Exhibit I to this Letter to Shareholders, and it is identified in Appendix III, Title IV "Regular Reporting Regime" of the CNV Regulations, as provided for by the General Resolution 622/13 (n.t. 2013, hereinafter and jointly with any other regulation issued by the CNV referred to as the "Regulations"), for fiscal year ended December 31, 2018. Ordered text as per the version approved in February 2019.

PRINCIPLE I. MAKE CLEAR THE RELATIONSHIP BETWEEN THE ISSUER, THE ECONOMIC GROUP THAT THE ISSUER HEADS AND/OR FORMS PART OF AND ITS RELATED PARTIES

Recommendation I.1: Ensuring the disclosure by the Administration body of the policies applicable to the relationship between the Issuer and the Economic Group that the Issuer heads and/or forms part of and its related parties.

Level of compliance: Total

The Company performs transactions with related parties and they are disclosed in the Financial Statements as provided for by the IFRS issued by the IASB. A list of the companies on which control, as well as joint control or significant influence is exercised is included in the Financial Statements. In such transactions, the Company applies the provisions of sections 99 inc. a), 109, 110, 72 and 73 of the Capital Markets Law No. 26831 ("LMC"), as well as those of the CNV Regulations.

The Company has no internal rules to authorize operations between related parties, regardless of the aforementioned regulatory framework, as the Board of Directors understands that said regulatory framework covers all the requirements necessary so that the interest of the Company and its shareholders may be protected. Additionally, as from the date on which the new ordered text of the CNV Regulations came into effect, the number of transactions between related parties that must be subject to the procedure established in the LMC has increased; thus increasing as well the disclosure of transactions between related parties.

Recommendation I.2: Ensuring the existence of mechanisms to prevent conflicts of interest.

Level of compliance: Total

The Company has a "Code of Conduct and Ethics" (see VIII.1) that includes a specific section for the prevention, identification and treatment of conflicts of interest, and has decided to follow and comply with all specific procedures provided for in the regulations in force regarding the identification, management and resolution of the conflicts of interest that may arise between the members of the Board of Directors, senior managers and/or members of the supervisory committee in their relationship with the Company or with related parties.

Recommendation I.3: Preventing the improper use of privileged information.

Level of compliance: Total

The Company has internal policies that prevent the improper use of privileged information by all employees. These policies are structured on the basis of a Code of Ethics and agreements to protect confidential or privileged information. Periodic training sessions are provided, so as to prevent the inappropriate use of information that may add value to their competitiveness and that may have an impact on its financial performance, on its market share, on its image or on its relationships with interested parties.

PRINCIPLE II. PROVIDE THE BASIS FOR A SOLID ADMINISTRATION AND SUPERVISION OF THE ISSUER

Recommendation II: 1 Ensuring that the Administration body assumes the administration and supervision of the Issuer and its strategic goals.

II.1.1 The Administration body approves:

II.1.1.1 The strategic or business plan, as well as the management goals and annual budget.

Level of compliance: Total

The Board of Directors is, in accordance with the provisions of the Companies Law No. 19550, its amendments ("LGS") and the Bylaws, the highest administrative and representative body of the Company, being empowered, to perform, within the scope included in the corporate purpose, any and all acts of administration and disposition, by any legal title, except those reserved by the LGS or the Bylaws to the exclusive competence of the Annual Shareholders' Meeting. Accordingly, the Board of Directors sets forth the strategic guidelines and business plans, and approves the annual budget as well as the objectives of organizational performance. The Board of Directors approves the assumptions applied to the annual budget, the detail of investments, as well as the consolidated production and other business volumes, the statements of income or loss and cash flows, and approves the organizational objectives that are implemented by the Company's management.

II.1.1.2 the investment policy (in financial assets and capital goods) and the financing policy.

Level of compliance: Total

The Board Directors sets forth and approves the financing and investment policies, and delegates the ordinary management of the Company's business to the managers appointed for such purposes as provided for by section 270 of the LGS. The Board of Directors also approves the annual investments and financing budgets when approving the annual budget.

II.1.1.3 the corporate governance policy (compliance with the Code of Corporate Governance)

Level of compliance: Total

The Board of Directors sets forth and approves the corporate governance policy described in the Ordered Text of the Company's Bylaws, which is supported by the CNV regulations in force in terms of corporate governance, and the standards governing other authorized markets where the Company lists or trades its securities.

II.1.1.4 the recruitment, evaluation and remuneration policy for senior managers.

Level of compliance: Total

The Board of Directors approves the Company's human resources policy, and decides the selection, evaluation and remuneration of senior managers.

II.1.1.5 the policy on the assignment of responsibilities to senior managers

Level of compliance: Total

The Board of Directors is primarily an administrative, supervisory and control body, and has delegated the ordinary management of the Company's business to certain designated managers as provided for by section 270 of the LGS, establishing the responsibilities and roles according to the position for which they have been appointed.

These managers report directly to the Board of Directors, and respond to the Company and third parties for the performance of their duties to the same extent as fashion as the members of the Board of Directors.

II.1.1.6 the supervision of the plans for the succession of senior managers.

Level of compliance: Non-compliance

As previously mentioned, the human resources management keeps updated descriptions of all positions involved, highlighting the roles and responsibilities of each one of those managers. While no age limit has been set for senior managers' retirement, they will work for the furtherance of their plans during 2019.

II.1.1.7 the policy on corporate social responsibility.

Level of compliance: Total

The Board of Directors sets forth and approves the Company's corporate social responsibility policies, the main pillars of which are: (a) corporate action, which seeks to ensure that corporate governance is committed to ethics and transparency when relating with stakeholders; (b) sustainable development and investment, whereby it is sought to conduct business and perform activities with social responsibility; and (c) human rights, diversity and commitment to the workforce, which seeks to respect and support internationally recognized human rights, the promotion of decent work (supporting the eradication of child labor, slavery and degrading work), and respect for human and cultural diversity at the workplace, while seeking to commit to the social responsibility of the Company.

II.1.1.8 the policies on comprehensive risk management, internal control, and prevention of fraud.

Level of compliance: Total

The Board of Directors approves policies related to risks, internal controls and fraud prevention.

As to fraud prevention, the Company prepares the Internal Audit Plan on an annual basis, which is presented to the Audit Committee.

In addition, the Audit Committee receives information on any significant deficiencies and substantial weaknesses in the design or operation of the internal control system of financial reporting, that may reasonably affect the Company's ability to record, process, summarize and report financial information, as well as any fraud or possibility of fraud involving management or employees playing an important role in the internal control system of the Company's financial reports.

II.1.1.9 the policy on ongoing training for the members of the Administration body and senior management.

Level of compliance: Total

The Board of Directors, through the office of the General Manager, promotes and encourages its members and senior managers to be continuously trained by offering various executive level training programs and courses, which may be completed in-house or at different educational institutions.

Non-executive members participate in orientation and support activities, in order to have the best tools for decision making.

II.1.2 If relevant, add other policies followed by the Administration body which have not been mentioned, and describe their important points.

There are no other relevant policies to mention and describe.

II.1.3 The Issuer has a policy aimed at ensuring the availability of relevant information for the decision making process of the Administration body and for consultation at management level. Such information must be consistent for all members (executive, external and independent members) and must be provided sufficiently in advance, allowing for an appropriate analysis of its contents. Please specify.

Level of compliance: Total

The Company guarantees the availability of relevant information for the decision making process of the Administration body. In this regard, Section 7 of the Bylaws establishes that Board meetings are to be called in writing and at least five days before the date of the meeting, indicating the items to be discussed and accompanying the necessary documentation to decide on such items.

The Company's General Management is responsible for calling valid Board of Directors' meetings and for ensuring that all information related to them is made available. Besides, they will be available to the members of the Board so that they may make the consultations they deem pertinent on the items to be discussed at Board meetings. All other senior managers may be consulted depending on the items to be discussed.

II.1.4. Issues submitted for the consideration of the Administration body are accompanied by an analysis of risks associated with the decisions that may be adopted, taking into consideration the corporate risk level defined as acceptable by the Issuer. Please specify.

Level of compliance: Total

All matters submitted to the Board of Director's consideration are accompanied by an analysis of the risks associated with the decisions that may be adopted. For such purposes, every responsible area issues, if applicable, an analysis and opinion on their area of competence so as to consider all risks related to the decision, taking into account the level of risk acceptable by the Company.

Recommendation II.2: Ensuring an effective corporate Management Control.

The Administration body verifies:

II.2.1 Compliance with the annual budget and business plan.

Level of compliance: Total

The Board of Directors has created a system to control budgetary deviations, and takes part in it directly or through senior managers, depending on the significance of such deviations.

On a regular basis, or whenever there are budgetary deviations demanding the analysis of the Administration body, the Office of the General Manager will explain how it has complied with the annual budget.

Likewise, the Management shares and reviews the budget control report and the outlook on a monthly basis, and any relevant issues may be submitted to the consideration of the Board of Directors.

The budgetary control is aimed at following up the most important economic-financial and operational variables of the Company, which are monitored on a monthly basis.

II.2.2 The performance of senior managers and compliance with the objectives set for them (the level of profit foreseen versus the profit made, financial rating, quality of accounting report, market share, etc.).

Describe the main aspects of the Issuer's Management Control policy by detailing the techniques used and the monitoring frequency applied by the Administration body.

Level of compliance: Total

The performance of senior managers is reviewed by the Board of Directors on a regular basis.

In addition, at all Board Meetings, the General Manager (head of the Office of the General Manager) prepares a report on the Company's business, which provides relevant information to evaluate compliance with the objectives set for senior managers.

Recommendation II.3: II.3: Communicating the Administration body's performance evaluation process and its impact.

II.3.1 Each member of the Administration body complies with the Bylaws and, if applicable, with the Operation Regulations of the Administration body. Detail the main provisions of the Regulations. State the degree of compliance with Bylaws and Regulations.

Level of compliance: Total

Board Members abide by the Bylaws. It is worth noting that there are no Regulations governing the Company's Board of Directors.

II.3.2 The Administration body discloses the results of its administration considering the objectives set at the beginning of the period so that the shareholders may evaluate the degree of compliance with those objectives, containing both financial and non-financial aspects. In addition, the Administration body assesses the degree of compliance with the policies mentioned in Recommendation II, items II.1.1 and II.1.2.

Detail the main aspects of the assessment by the General Shareholders' Meeting of the degree of compliance by the Administration body with the objectives set and the policies mentioned in Recommendation II, items II.1.1 and II.1.2, stating the date of the Shareholders' Meeting when the assessment was submitted.

Level of compliance: Partial

The Board of Directors discloses the results of their performance in the Letter to Shareholders on an annual basis. Such performance is analyzed and approved by the Shareholders' Meeting when addressing and solving the matters analyzed in subsection 1 and 2 of Section 234 of the LGC.

During the first half of 2019, the Board of Directors will assess the degree of compliance with the policies mentioned in Recommendation II, items II.1.1 and II.1.2.

Recommendation II.4: The number of external and independent members in the Administration body should be significant.

The proportion of executive, external and independent members of the Administration body (as defined by the regulations of this Commission) bears relation to the capital structure of the Issuer. Please specify.

Level of compliance: Total

Section 7 of the Bylaws establishes that the Company's administration shall be entrusted to a Board of Directors composed of between 6 (six) and 9 (nine) regular members, as determined by the Shareholders' Meeting, and an equal number of alternate members, of which at least 2 (two) regular members and 2 (two) alternate members must meet the independence requirements established by CNV regulations. Such directors will hold office for three (3) years, and may be indefinitely re-elected.

The Board of Directors considers that the number and composition of its members is currently in line with the complexity of the Company's decision-making processes of the scope of its operations, and should the circumstances change, and if deemed appropriate, its modification may be proposed to the Shareholders' Meeting as it has been done in the past. Finally, the Board of Directors considers that the current number of independent Directors is adequate for the Company's structure.

II.4.2 At a General Meeting held during this fiscal year, the shareholders have agreed on a policy stating that at least 20% of the total number of members of the Administration body should be independent members.

Describe the relevant aspects of such policy and any agreement of shareholders that clarifies how the members of the Administration body are appointed and their term of office. State whether the independence of the members of the Administration body has been questioned during the year, or if any abstentions or conflicts of interest have occurred.

Level of compliance: Total

The Shareholders' Meeting designates and establishes the proportion of independent Directors over the total number of Directors, within the framework of the provisions of the Bylaws and the applicable regulations. The Company does not have a specific policy aimed at maintaining a proportion of independent Directors over the total of its members; although it is usual that the number of independent members that make up the Board of Directors be sufficient to be part of the Audit Committee.

On May 27, 2015, Federico N. Weil, Bienville Argentina Opportunities Master Fund, LP; and Pointargentum Master Fund LP entered into a shareholders agreement with respect to TGLT (the "Shareholders Agreement"), which was timely reported as Relevant Fact 4-309068-D of that same date, and which will be in force while all signatories are shareholders of TGLT. Said Shareholders Agreement states that each one of the signatories will appoint two (2) regular directors and two (2) alternates, i.e. 25% of the total number of directors will be independent directors.

On July 7, 2017, the parties to the Shareholders Agreement executed an addendum that was duly reported as Relevant Fact 4-499911-D. On April 23, 2018, the Company was notified 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. This way, the Company reduced the composition of the Board of Directors in proportion to the number of directors that should be appointed by Bienville Argentina Opportunities Master Fund LP.

Recommendation II.5: Requiring the existence of regulations and procedures intended to select and propose members of the Administration body and senior management of the Issuer.

II.5.1. The Issuer has a Committee for Appointments:

Level of compliance: Non-compliance

The Company has no Committee for Appointments, and considers it is not necessary to create one, as all functions delegated to it, as per the scope set forth in the regulations in force, are effectively performed by the Board of Directors supported by senior managers.

II.5.2 The Committee for Appointments:

As stated in II.5.1, items II.5.2.1 to II.5.2.7 of Exhibit III to the CNV's standards are not applicable.

II.5.3 If relevant, describe any additional policies implemented by the Issuer's Committee for Appointments that may have not been mentioned before.

As stated in II.5.1, this item is not applicable.

Recommendation II.6: Evaluating the convenience that the members of the Administration body and/or supervisory auditors and/or members of the supervisory committee perform functions at several Issuers.

Level of compliance: Partial

The Board of Directors considers that, as long as its members and/or Supervisory Auditors duly fulfill their responsibilities, it is not necessary to set limits to their participation in the Board of Directors or Supervisory Committee of other companies, a such activity by itself does not harm the interests of the Company, notwithstanding the analysis of each case in particular.

Recommendation II.7: Ensuring training and career development for the members of the Administration body and the senior managers of the Issuer.

II.7.1: The Issuer has Continued Training Programs in

connection with the Issuer's needs for the members of the Administration body and senior management, that include matters concerning their roles and responsibilities, comprehensive business risk management, knowledge specific to the business and its regulations, corporate governance dynamics and corporate social responsibility. In case of the Audit Committee members, international accounting standards, auditing standards, internal controls, and regulations specific to the capital markets.

Describe the programs implemented in the year and their level of compliance

Level of compliance: Partial

The Office of the General Manager, as instructed by the Board of Directors, defines the training guidelines and strategies of senior managers and other employees by offering various executive level training programs and courses, which may be completed in-house or at different educational institutions.

The Company has no formal continuous training program for Directors. Nevertheless, Directors have developed different training activities related to their functions at TGLT. In addition, Directors keep updated about matters related to politics, economy, regulations and other relevant aspects, all of which are addressed at the Company's quarterly meetings.

II.7.2 The Issuer encourages the members of the Administration body and senior managers, by other means not mentioned in II.7.1, to be constantly trained so as to add value to the Issuer. Describe how it is accomplished.

Level of compliance: Total

The Company believes all actions mentioned in item II.7.1 are sufficient to keep the members of the Administration body and senior managers dully trained.

PRINCIPLE III. ENDORSE AN EFFECTIVE POLICY TO IDENTIFY, MEASURE, MANAGE AND COMMUNICATE CORPORATE RISK

Recommendation III: The Administration body must have a comprehensive corporate risk management policy, and must monitor its proper implementation.

III.1 The Issuer has comprehensive business risk management policies in place (compliance with strategic, operational, financial, reporting, legal and regulatory objectives, among others). Describe their most relevant aspects.

Level of compliance: Total

The Board of Directors regularly analyzes and assesses the Company's risks based on the activities performed and the markets where it operates, so as to foresee any difficulties and/or take advantage of opportunities. The Board of Directors has implemented a planning system by preparing annual budgets and regular reviews, as well as an internal control system designed to make sure the Company meets its goals, ensuring the effectiveness and efficiency of transactions, the reliability of information, and compliance with laws, regulations and policies.

In addition, risks are then exposed and analyzed by the Audit Committee in compliance with their Annual Update Plan, placing special emphasis on: (A) regulatory issues that may have an impact on the Company's material; (b) insurance policies and coverage of insurable risks; (c) responsibility on environmental issues and their remediation; (d) issues that may result in controversial interpretations that may have a material impact on the Company; and (e) updating policies related to exchange risks and their application.

III.2: There is a Risk Management Committee as part of the Administration body or of the office of the General Manager. Report on the existence of manuals of procedures and detail the main risk factors that are specific to the Issuer or its business and the mitigating actions implemented. In the absence of a Risk Management Committee, please describe the supervisory role played by the Audit Committee when it comes to managing risks.

In addition, specify the degree of interaction between the Administration body or its committees with the Issuer's General Manager in terms of comprehensive business risk.

Level of compliance: Partial

Our comments for Recommendation III.1 are applied.

To date, the Company has no business risk management manual in place. The Company will analyze the possibility of preparing a business risk management manual.

III.3: There is an independent function within the Issuer's office of the General Manager that implements the comprehensive risk management policies (function discharged by the Risk Management Officer or equivalent position). Specify.

Level of compliance: Non-compliance

There is no independent Risk Management Officer or equivalent position. The Company will analyze the possibility of creating such function in the future.

III.4: The comprehensive risk management policies are permanently updated in line with the generally accepted recommendations and methodologies in the matter. Identify them.

Level of compliance: Partial

The company has implemented its own comprehensive risk management policies, and updates them based on their needs, experience, new challenges and endeavors, all of which have proven effective to date.

III.5: The Administration body communicates the outcomes of its supervisory tasks concerning risk management performed together with the office of the General Manager in the financial statements and in the Letter to Shareholders. Specify the

main sections dealing with these matters.

Level of compliance: Total

Note "Risk - Risk Management" to the Company's Financial Statements, includes information about the market, liquidity and credit risks faced by the Company, jointly with the Company's strategies to mitigate such risks.

Market risks involve the risk of increases in construction costs, risks in the demand of the Company's products, and risk of providers' noncompliance with the construction contracts entered into with them. Credit risks involve risks related to the sale of the Company's products, to financial instruments, to cash deposits and to liquidity risks.

PRINCIPLE IV. SAFEGUARD THE INTEGRITY OF FINANCIAL INFORMATION WITH INDEPENDENT AUDITS

Recommendation IV: Guaranteeing independence and transparency in the functions entrusted to the Audit Committee and the External Auditor.

IV.1: Upon electing the members of the Audit Committee, the Administration body takes into account that most of its members must be independent and so evaluates the advisability of it being chaired by an independent member.

Level of compliance: Total

In accordance with the provisions of the Transparency Regime set forth by the LMC, the CNV Regulations and the Bylaws, the Company has an Audit Committee composed of 3 (three) regular directors and an equal, or fewer, number of alternate directors, who are appointed by the Board of Directors from among its members by a simple majority vote. Most of the directors sitting on the Board are independent, as provided for by the CNV Regulations. The members of the Audit Committee shall be directors conversant in financial, accounting or business issues.

When selecting the members of the Audit Committee, the Board of Directors assesses if it is convenient that such committee be presided over by an independent member. The President and Vicepresident of the Audit Committee shall be appointed by its own members. Currently, the Audit Committee is presided over by an independent director.

IV.2: There is an internal audit function that reports to the Audit Committee or to the Chairman of the Board of

Directors in charge of evaluating the internal control system. Please indicate if the Audit Committee or the Administration body conduct an annual assessment of the area's performance and the degree of independence of its professional involvement, which means that the professionals discharging such function are independent from the remaining operational areas and that they meet the requirements of independence vis-à-vis the controlling shareholders or the related entities that wield significant influence on the Issuer.

Specify, also, whether the internal audit function conducts its work in accordance with the international standards that govern internal audit practitioners as issued by the Institute of Internal Auditors (IIA).

Level of compliance: Partial

The Company has appointed an individual responsible for the internal audit function, who is primarily engaged in evaluating the efficacy and efficiency of the Company's internal controls, and in contributing to the continuous improvement of the risk management and control processes. Such individual holds regular meetings with the Audit Committee which, as it has been doing even since its inception during the second half of 2012, has evaluated and supervised the functioning of internal audit systems, and has issued their own opinion regarding the presentation of the annual financial statements. The audit function will analyze the possibility of adhering to the international auditing standards issued by the IIA.

IV.3: The members of the Audit Committee undertake an annual assessment of the suitability, independence and performance exhibited by the External Auditors designated by the Shareholders' Meeting. Describe all relevant aspects in the procedures followed in making such evaluation.

Level of compliance: Total

The Audit Committee meets with the External Auditors on a quarterly basis, so that the latter may submit to them the results of their work on the Company's Financial Statements. The members of the Committee evaluate their performance as well as the independence of the auditors on an annually basis, and inquire them about any aspects considered relevant.

It is worth noting that every time the Board of Directors proposes that the designation of External Auditors may be submitted to the consideration of the Shareholders' Meeting, the Audit Committee prepares a report on them as provided for by the legislation in force.

In addition, and as part of their Annual Management Report, the Audit Committee reports if it has become aware of any relevant issue worth being mentioned about the External Auditors' independence during the fiscal year, and offers an opinion on the planning and performance of the external audit during that fiscal year.

IV.4: The Issuer relies on a policy concerning the turnover of the Supervisory Committee members and/or the External Auditor. When it comes to External Auditors, the policy addresses whether the turnover includes the external audit firm or just the individuals.

Level of compliance: Partial

As to the turnover of the Supervisory Committee members, section 10 of the Bylaws states that they shall hold office during 3 (three) fiscal years and may be indefinitely reelected.

The Company thus meets the provisions of the applicable regulations regarding external auditors' turnover.

PRINCIPLE V. OBSERVE THE RIGHTS OF SHAREHOLDERS

Recommendation V.1: Ensuring that the shareholders have access to the Issuer's information.

V.1.1: The Administration body fosters periodical informational meetings with shareholders, which coincide with the submission of interim financial statements. Explain further, providing the quantity and frequency of the meetings held in the course of the year.

Level of compliance: Total

The Company complies with the regular reporting regimes set forth by the Listing and/or Trading Rules and Regulations of the Argentine stock exchange and securities market Bolsas y Mercados Argentinos S.A. ("BYMA") and Mercado Abierto Electrónico S.A. ("MAE"). All information deemed relevant about the Company is published this way, so that its shareholders may be informed. Regardless of the information that must be made public to the CNV, BYMA and MAE, within the framework of the applicable reporting and legal requirements, the Company discloses all the information it considers relevant directly to the shareholders in a transparent and precise manner.

When presenting the interim and annual financial statements, the Company holds telephone conferences with its investors where it discloses the results and other data that arise from these financial statements. In addition, the Company has an Investor Relationship Management, which is in frequent contact with shareholders to keep them informed of the financial statements, which are made available to them if any relevant event takes place.

V.1.2: The Issuer relies on "information for investors" mechanisms and on an area that specializes in addressing investors' concerns. In addition, the Issuer has a web-site accessible to shareholders and other investors serving as an access channel for them to contact each other. Detail.

Level of compliance: Total

As mentioned in Recommendation V.1.1, the Company meets all regular reporting regimes set forth by the Listing and/or Trading Rules and Regulations of the BYMA and MAE. All information deemed relevant about the Company is published this way, so that its shareholders may be informed. In addition, the Company has an Investor Relationship Management, which is in charge of responding to shareholders' inquiries and concerns. On a quarterly basis, the Company issued press releases reporting the results of their operations, among others, to shareholders, corporate bodies and controlling authorities.

The Company has a web site (www.tglt.com) with a regularly updated section ("Investors") exclusively addressed to investors where you can find, among others, information on the shareholding structure, composition of the Board of Directors, management, Audit Committee and Supervisory Committee, press releases, quarterly and annual reports, presentations, analyst coverage and risk factors .

Recommendation V.2: Promoting the active participation of all shareholders.

V.2.1 The Administration body meets the legal standards aimed at promoting the attendance of shareholders at the Shareholders' Meetings. Explain all actions required by law and differentiate them from those voluntarily offered by Issuer to their shareholders.

Level of compliance: Total

The Board of Directors takes all legally required actions to promote shareholders attendance and involvement at Annual Shareholders' Meetings so as to secure the exercise of their rights.

The Company's Board of Directors, acting through the Investor Relationship Management, assists shareholders in all matters needed to take part at shareholders' meetings, for example, in obtaining account balance vouchers so that the collective deposit agent may attend meetings, or in communicating attendance to the meeting in compliance with the LGS, the LMC and other applicable Rules and Regulations.

V.2.2: The Annual Shareholders' Meeting has a set of rules for its operation to make sure that the information will be available to the shareholders sufficiently in advance for decision-making purposes. Describe the salient points of this set of rules.

Level of compliance: Non-compliance

The Company believes it is not necessary to have a set of rules regulating Shareholders' Meetings, as all legal requirements set to call and conduct such meetings are complied with. In addition, all legally required information is made available to Shareholders in due time and fashion.

V.2.3: The Issuer has mechanisms in place for minority shareholders to submit matters to the consideration of the Annual Shareholders' Meeting, in line with the provisions in force. Provide further information on the results.

Level of compliance: Total

There is no statutory or factual impediment preventing minority shareholders from requesting that certain matters be discussed at the shareholders' meetings. However, to date, no minority shareholder has ever requested that a given matter be discussed as provided for by the legislation in force.

V.2.4: The Issuer relies on policies to promote the involvement of the most relevant shareholders such as institutional investors. Specify.

Level of compliance: Non-compliance

The Company believes it is not necessary to implement any additional policies to promote the involvement of the most relevant shareholders, as all actions legally required to call such meetings are effectively met, and assistance is provided to all shareholders requiring help to attend such meetings, as provided for by Recommendation V.2.1.

V.2.5: At the Shareholders' Meetings in which the nominations to the Administration body are debated, (i) the position of each one of the candidates is made known as to whether or not to adopt a Corporate Governance Code; and (ii) the foundations for such position are also made known before the vote.

Level of compliance: Non-compliance

Currently, the Company does not disclose the position of each one of the candidates as to whether or not to adopt a Corporate Governance Code. The Company will analyze the possibility of implementing such recommendation in the future.

Recommendation V.3: Ensuring the principle of equality between shares and votes.

The Issuer relies on a policy that promotes the principle of equality between shares and votes. State changes in the structure of outstanding shares by class over the past three years.

Level of compliance: Total

The Company promotes equality between shares and votes as indicated in section 5 of the Bylaws, whereby it is stated that all of the Company's shares are common stock of ARS 1 of nominal value each and one vote per share. Although the Company has announced that it has entered into a recapitalization agreement with holders of convertible corporate bonds, whereby the Company may issue preferred convertible shares. These types of shares have not been issued during the fiscal year under analysis.

There have been no changes in the structure of outstanding shares by class over the past three years.

Recommendation V.4: Establishing mechanisms to protect all shareholders from takeovers.

The Issuer adheres to the mandatory public tender offer regime. If not, explain further if there are other alternative mechanisms set forth in the Bylaws, as would be the case of tag-along or other rights.

Level of compliance: Total

Pursuant to section 86 and subsequent of the LMC, the Mandatory Acquisition of Shares in a Public Offering is applicable to all companies included in the public offering system. Accordingly, if the Company's shares were to be acquired by another entity, such shares must be offered in a public offering that must meet all applicable legal requirements, and the procedures described by the LMC and the CNV Regulations must be thoroughly complied with.

Recommendation V.5: Increasing the percentage of outstanding shares.

The Issuer relies on shareholder dispersion for at least 20 per cent for its ordinary shares. If not, the Issuer relies on a policy to increase shareholder dispersion through the market.

Indicate the percentage of shareholder dispersion as a percentage of the Issuer's capital stock and the changes in such percentage over the last three years.

Level of compliance: Total

As of December 31, 2018, the three majority shareholders hold 45.8% of the capital stock, while the remaining 54.2% is listed in the BCBA, and are traded over-the-counter in the USA as American Depositary Receipts ("ADRs").

Shareholder dispersion has not varied significantly ever since the Company adhered to the public offering regime in November 2010.

Recommendation V.6: Ensure that there is a transparent policy on dividends.

V.6.1: The Issuer relies on a dividend distribution policy set forth in the Company's Bylaws and approved by the Shareholders' Meeting setting out the conditions for distributing dividends in cash or in shares. If such policy existed, state the criteria, frequency and conditions that must be satisfied for the payment of dividends.

Level of compliance: Partial

The Company's Board of Directors determines if it is convenient to distribute dividends and proposes to the Shareholders' Meeting the timing and amount of such distribution. If applicable, the Board of Directors may also suggest the capitalization of net profits, when proposing the dividends distribution to the Shareholders' Meeting, always considering the evolution and projection of the business and the commitments assumed by the Company. All of the Company's shares of stock are equally entitled to the payment of dividends.

The Company has not planned any upcoming dividends distribution, as they seek to reinvest all profits obtained from the ordinary course of business to finance profit growth and generate more value for shareholders.

In accordance with the applicable legislation, the Company explains the dividends distribution in a section of the Letter to Shareholders, to which this Code has been attached, and in a Note to the financial statements. Notwithstanding the foregoing, the company has no formal dividends policy in force, and does not plan to have one, regulating the amount and payment of dividends or other distributions.

V.6.2: The Issuer relies on documented process to prepare the proposal to allocate their retained earnings to set up reserves, either legal, optional and/or contemplated by the Bylaws, transfer earnings to future fiscal years and/or pay dividends.

Explain these processes further and identify the minutes of the Annual Shareholders' Meeting that approves the distribution (in cash or in shares) or not of dividends, if this is not contemplated in the Company's Bylaws.

Level of compliance: Non-compliance

The Company will analyze the possibility of setting up documented process to prepare the proposal to allocate their retained earnings to set up reserves, either legal, optional and/or contemplated by the bylaws, transfer earnings to future fiscal years and/or pay dividends.

PRINCIPLE VI. MAINTAIN A DIRECT AND RESPONSIBLE RELATIONSHIP WITH THE COMMUNITY

Recommendation VI: Informing the community about the matters related to the Issuer, and provide a direct communications channel with the company.

VI.1: The Issuer has an updated website accessible to the public, that should supply not only relevant company information (Bylaws, economic group, the composition of the Administration body, financial statements, letter to shareholders, to name but a few) but also receive the concerns of users in general.

Level of compliance: Total

The Company has a free-access web site (www.tglt.com) where updated, sufficient and differentiated information is provided to different stakeholders, either shareholders, potential investors, clients or the public at large, so that they may easily access the information uploaded. All users may make inquiries and/or provide feedback of any nature at the RI Contact section of this web site, which will then be considered and analyzed by the Company.

The Company guarantees that all information transmitted by electronic means meets the highest standards of confidentiality and integrity, and are prone to keeping and recording information.

VI.2: The Issuer releases a Social and Environmental

Responsibility Statement on an annual basis, verified by an independent External Auditor. If this statement is released, state its scope or its legal or geographical coverage and where it is available. Specify the rules or initiatives adopted to implement the enterprise social responsibility policy (Global

Reporting Initiative and/or the UN's Global Pact, ISO 26.000, SA8000, UN's Millennium Development Goals, SGE 21-Foretica, AA 1000, Ecuador Principles, to name but a few).

Level of compliance: Non-compliance

Currently, the Company issues no Social and Environmental Responsibility Statement. The possibility of issuing such statement in the future, its frequency, and if it will be verified by an external independent auditor will be analyzed.

PRINCIPLE VII. PAY REMUNERATION FAIRLY AND RESPONSIBLY

Recommendation VII: Establishing clear remuneration policies for the members of the Administration body and senior managers, with emphasis on the limitations imposed under collective bargaining agreements or envisaged in the Bylaws, based on the existence or non-existence of profits.

VII.1. The Issuer has a Remunerations Committee:

Level of compliance: Non-compliance

Currently, the Company has no Remunerations Committee. However, some members of the Board of Directors meet in groups to analyze and project the remunerations of the Company's directors, managers and administrative staff. In the future, it will be analyzed if it is convenient to set up a Remunerations Committee and which would be their functions in line with this recommendation.

As stated in VII.1, items VII.1.1 to VII.1.5 are not applicable.

VII.2 The Remunerations Committee:

As stated in VII.1, items VII.2.1 to VII.2.7 are not applicable.

VII.3 If relevant, describe the policies implemented by the Issuer's Remunerations Committee that may have not been mentioned before.

As stated in VII.1, item VII.3 is not applicable.

VII.4 If no Remunerations Committee is in place, explain how he functions described in VII. 2 are performed by the members of the Administration body themselves.

The Board of Directors makes sure, directly in case of its own members and through the Human Resources Management in case of senior managers and key employees, if there is a clear relationship between the performance of key members of staff and their fixed and variable remuneration (which is tied to the Company's performance), taking into account the risks assumed and how they are managed.

On a regular basis, the Board of Directors entrusts the Human Resources Management with the task of reviewing the Company's market position in terms of salaries and benefits, by analyzing comparable companies operating in the same business, and makes recommendations.

The Board of Directors defines and communicates, either directly in case of its own members and through the Human Resources Management in case of senior managers and key employees, the hiring, promotion, removal, dismissal and suspension policy in place (as applicable).

Likewise, the Board of Directors reports guidelines to determine the retirement plans to be offered to the members of the Board of Directors and senior managers of the Issuer; reports regularly to the Administration body and to the Shareholders' Meetings the actions undertaken and the topics analyzed at their meetings; and is responsible for explaining at shareholders' meetings, if asked by any shareholder, the remuneration plans for directors and senior managers.

PRINCIPLE VIII: ENCOURAGE BUSINESS ETHICS

Recommendation VIII: Ensuring ethical conduct at the Issuer.

VIII.1. the Issuer has a Business Code of Conduct. Indicate the main guidelines and whether it is available to the public. This Code is signed by, at least, the members of the Administration body and senior managers. Indicate if the Issuer promotes extending the enforcement of this code to suppliers and customers.

Level of compliance: Partial

On March 1, 2018, as part of its commitment to the highest standards of integrity, behavior and business ethics, the Company implemented a new Code of Conduct and Ethics along with other policies aimed at preventing corruption and money laundering, which comply with the provisions of Law 27401 and the Foreign Corrupt Practices Act of the United States ("FCPA"). The new "Code of Business Conduct and Ethics of TGLT" and the new policies mentioned have already been communicated to the recipients, and are in force as of the date of this report. Such Code is made available to the public at the Company's institutional web page.

The Code of Conduct and Business Ethics of TGLT is supported by honesty, dignity, respect, loyalty, dedication, efficiency, transparency and awareness to guide the behavior of the people to whom it applies. This way, it seeks to meet increasing levels of competitiveness, profitability and social responsibility, including the appreciation of its employees, health, safety, the environment and contribution to the regions where the business operates.

The Company will promote the extensive application of the "Code of Conduct and Business Ethics of TGLT" to suppliers and clients.

VIII.2 The Issuer has mechanisms to receive complaints of illicit or unethical conduct, whether personally or by electronic means, ensuring that the information provided is strictly confidential and properly recorded. State if the receipt and assessment of complaints work is performed by the Issuer's employees, or by external and independent professionals to ensure greater protection of the complainants.

Level of compliance: Total

The head of internal audit and the Director of Legal Affairs are the contact persons designated to receive reports of illicit or unethical behavior, either personally or by electronic means making sure the information sent is in line with high confidentiality and integrity standards. Such reports may be anonymous and may be received through an on-line form at the following web page: *http://tglt.com/Denuncias*.

VIII.3: The Issuer relies on policies, processes and systems to handle and find a resolution for the reports mentioned in Section VIII.2. Describe their most relevant aspects and indicate the degree of involvement of the Audit Committee in said resolutions, in particular in those reports associated to internal controls for financial reporting and on the behaviors of the Administration

body and senior management members.

Level of compliance: Total

The Company relies on policies, processes and systems to handle and find a resolution for the reports mentioned before. They abide by the following basic principles: (i) Integrity: acting independently and impartially; (ii) Confidentiality: preserving privacy and respect for people, information and documents originated by the subject under review; (iii) Equality: promoting inclusion and access to the complaints system for all individuals; and (iv) Cooperation: promoting collaboration, empathy and participation for the resolution of differences or points of view that do not coincide.

Likewise, these policies pursue the correct referral to levels with attributions for research and decision-making, with guarantees that all resources have been exhausted to access the most fair and adequate solution.

Regarding the involvement of the Audit Committee, it is worth noting that the current policies establish that reports will be sent directly and/or anonymously. Such reports may refer to accounting, auditing and internal control issues, as well as other issues related to conflicts of interests that are considered relevant, involving the external auditors, the administration of the Company and the "related parties" as this term is defined in article 72 of the LMC. The Committee will address these complaints and will submit them to the Board of Directors and/or the Supervisory Committee for them to be dealt with, and said bodies will proceed in accordance with the provisions of the applicable regulations in cases of conflict of interest, violation of legislation, the Bylaws and/or third parties rights.

PRINCIPLE IX. EXTEND THE SCOPE OF THE CODE

Recommendation IX: Encouraging the incorporation of good governance practices in the Bylaws.

Level of compliance: Partial

The Bylaws are in line with the requirements of the LGS and the Rules and Listing Regulations of the BYMA. They include provisions on the integration and operation of the Board of Directors, Audit Committee and Supervisory Committee, as well as protection mechanisms for all shareholders in case of buyouts, but do not include other provisions regarding the previously mentioned good corporate governance practices.

Notwithstanding this, the Board may in the future consider the convenience and opportunity of including other provisions that make good corporate governance.

THE CHAIRMAN

TGLT

CONSOLIDATED FINANCIAL STATEMENTS

TGLT S.A.

AS OF DECEMBER 31, 2018

(For the twelve-month period)

FISCAL YEAR NO. 14 BEGINNING JANUARY 1, 2018

FINANCIAL STATEMENTS AS OF DECEMBER 31, 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 C.U.I.T.

Taxpayer Identification Number: 30-70928253-7

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

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

Capital Structure

(Figures in pesos, whole numbers)

Shares	Issued, subscribed and paid in	Registered
Common, registered shares, one vote per share at a nominal value of $ 1 each	71,993,485	70,349,485
	71,993,485	70,349,485

TGLT

TGLT S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2018 AND DECEMBER 31, 2017

(amounts stated in thousands of Argentine pesos)

	Notes	Dec 31, 2018	Dec 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	5	91,497	3,997
Intangible assets	6	41,377	1,169
Investment property	35	344,490	23,425
Investments in companies	47	2,052,888	388,370
Goodwill	7	716,152	-
Inventories	8	2,282,855	2,035,316
Deferred tax assets	9	664,432	125,563
Other receivables	10	338,591	224,016
Receivables from related parties	29	32,180	-
Accounts receivable from sales	11	33,197	-
Total non-current assets		6,597,659	2,801,856
Current assets			
Contract assets		2,380	-
Inventories	8	1,002,289	2,646,662
Other assets	45.4	804,494	39,945
Assets held for sale	45.4	143,611	199,350
Other receivables	10	1,194,025	417,366
Receivables from related parties	29	355,090	302,521
Accounts receivable from sales	11	1,299,780	14,846
Other financial assets	15	2,718	287
Cash and cash equivalents	12	843,802	2,669,503
Total Current assets		5,648,189	6,290,480
Total assets		**12,245,848**	**9,092,336**
SHAREHOLDERS' EQUITY			
Attributable to parent company's owners		(1,300,832)	957,559
Total shareholders' equity		**(1,300,832)**	957,559
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	28	-	296,480
Payables to related parties	29	6,939	
Other accounts payable	13	955,418	33,312
Contract liabilities	14	1,209,663	1,468,573
Loans	15	4,353,354	2,468,051
Other tax burden	16	9,013	18,009
Accounts payable	17	-	36,303
Total non-current liabilities		6,534,387	4,320,728
Current liabilities			
Provisions and allowances	18	157,519	69,976
Other accounts payable	13	2,120,022	59,795
Contract liabilities	14	1,989,131	2,459,648
Payables to related parties	29	31,512	425
Loans	15	1,351,393	954,806
Other tax burden	16	115,108	27,384
Payroll and social security contributions	19	136,449	36,976
Accounts payable	17	1,118,098	205,039
Total current liabilities		7,012,293	3,814,049
Total liabilities		**13,546,680**	**8,134,777**
Total shareholders' equity and liabilities		**12,245,848**	**9,092,336**

Notes 1 to 50 are an integral part of these financial statements.

TGLT S.A.

TGLT

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

FOR THE TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2018 AND 2017

(amounts stated in Argentine pesos)

	Notes	Dec 31, 2018	Dec 31, 2017
Income from ordinary activities	22	5,469,527	1,940,345
Cost of ordinary activities	23	(4,691,440)	(1,715,649)
Gross profit		**778,087**	**224,696**
Selling expenses	24	(454,982)	(248,687)
Administrative expenses	25	(595,854)	(298,238)
Other operating costs		(794,306)	(87,712)
Other expenses		(25,518)	(1,600)
Investment property appraisal at fair value	35	813,603	(4,067)
Income from sale of investment property	35	(1,548)	97,821
Other income and expenses, net	27	152,897	16,909
Operating income/loss		**(127,621)**	**(300,878)**
Gain/loss on investments in companies	48	765,951	(22,378)
Financial results			
Exchange gains/losses	26	(2,789,656)	83,901
Financial income	26	132,235	41,360
Financial costs	26	(933,419)	(154,592)
Gains/losses from the exposure to changes in the currency purchasing power		767,686	(188,857)
Income/(loss) for the period before income tax		**(2,184,824)**	**(541,444)**
Income tax	28	668,560	85,969
Income/loss for the period		**(1,516,264)**	**(455,475)**
Other comprehensive profit or loss to be reclassified as profit or loss			
Exchange gain/loss from a net investment abroad		(108,109)	(13,697)
Total other comprehensive gain/loss		(108,109)	(13,697)
Total comprehensive loss for the period		**(1,624,373)**	**(469,172)**
Income/loss for the period attributable to:			
		(1,594,150)	(469,172)
		77,886	-
Total for the period		**(1,516,264)**	**(469,172)**
Income/loss per share attributable to parent company's owners			
Basic	37	**(22.14)**	**(6.33)**
Diluted	37	1.02	(1.60)
Total comprehensive loss for the period attributable to:			
Controlling interest		(1,702,259)	(469,172)
Non-controlling interest		77,886	-
Total income/loss for the period		**(1,624,373)**	**(469,172)**

Notes 1 to 50 are an integral part of these financial statements.

TGLT S.A.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2018

(amounts stated in Argentine pesos)

	Capital								Reserves			Income/loss	Shareholders' equity attributable to		Total
	Capital stock	Capital adjustment	Stock premium	Buyback premium	Shares to be issued	Capital contribution	Total	Transactions between shareholders	Legal reserve	Optional reserve	Foreign currency translation reserve	Unappropriat ed retained income/loss	Controlling interest	Non-controlling interest	
alance as of January 1, 2018	70,349	410,153	1,885,990	(160)	-	1,072,529	3,438,861	(36,484)	404	7,673	(103,102)	(2,352,093)	955,259	-	955,259
RS 15 transition effect (1)	-	-	-	-	-	-	-	-	-	-	-	(126,557)	(126,557)	-	(126,557)
djusted balances as of January 1, 2018	70,349	410,153	1,885,990	(160)	-	1,072,529	3,438,861	(36,484)	404	7,673	(103,102)	(2,478,650)	828,702	-	828,702
ranslation of shares (2)	1,644	642	20,521	-		(6,230)	16,577						16,577		16,577
cquisition of companies (3)	-	-	-	-	-	-	-	(481,708)	-	-	-	-	(481,708)	(77,886)	(559,594)
hares to be issued	-				37,860		37,860						37,860		37,860
ther comprehensive loss for the period, et of income tax	-	-	-	-	-	-	-	-	-	-	(108,109)	-	(108,109)	-	(108,109)
ıcome/loss for the period	-	-	-	-	-	-	-	-	-	-	-	(1,594,154)	(1,594,154)	-	(1,516,268)
omprehensive income/loss for the eriod	-	-	-	-	-	-	-	-	-	-	(108,109)	(1,594,154)	(1,702,263)	77,886	(1,624,377)
alance as of December 31, 2018	**71,993**	**410,795**	**1,906,511**	**(160)**	**37,860**	**1,066,299**	**3,493,298**	**(518,192)**	**404**	**7,673**	**(211,211)**	**(4,072,804)**	**(1,300,832)**	**-**	**(1,300,832)**

(1) See Note 45
(2) See Note 42
(3) See Note 33.3

Notes 1 to 50 are an integral part of these financial statements.

TGLT S.A.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2017

(amounts stated in Argentine pesos)

	Capital									Reserves			Income/loss	Shareholders' equity attributable to		Total
	Capital stock	Capital adjustment	Treasury stock	Stock premium	Irrevocable contribution	Buyback premium	Capital contribution	Total	Transactions between shareholders	Legal reserve	Optional reserve	Foreign currency translation reserve	Unappropriated retained income/loss	Controlling interest	Non-controlling interest	
Balance as of January 1, 2017	70,339	411,300	18	1,890,517	13,715	-	2,655	2,388,544	(36,572)	-	-	(89,296)	(1,894,162)	368,514	-	368,514
Resolution of Shareholders' Meeting (1)	-	-	-	-	-	-	-	-	-	405	7,691	-	(8,096)	-	-	-
Return of irrevocable contribution	-	-	-	-	(14,112)	-	-	(14,112)	-	-	-	-	-	(14,112)	-	(14,112)
Sale of treasury stock	15	3	(18)	-	397	(160)	-	237	-	-	-	-	-	237	-	237
Transactions with owners	-	-	-	-	-	-	126	126	-	-	-	-	-	126	-	126
Equity component of convertible corporate bonds	-	-	-	-	-	-	995,729	995,729	-	-	-	-	-	995,729	-	995,729
Law No. 27430 Tax Reform	-	-	-	-	-	-	76,595	76,595	-	-	-	-	-	76,595	-	76,595
Income/loss for the year	-	-	-	-	-	-	-	-	-	-	-	-	(455,480)	(455,480)	-	(455,480)
Other comprehensive loss for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(14,053)	-	(14,053)	-	(14,053)
Comprehensive income/loss for the fiscal year	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
Balance as of December 31, 2017	**70,354**	**411,303**	-	**1,890,517**	-	**(160)**	**1,075,103**	**3,447,118**	**(36,572)**	**405**	**7,691**	**(103,349)**	**(2,357,739)**	**957,555**	-	**957,555**

(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 50 are an integral part of these financial statements.

TGLT

TGLT S.A.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2018 AND 2017

(amounts stated in thousands of Argentine pesos)

Operating activities	Dec 31, 2018	Dec 31, 2017
Income/loss for the period	(1,516,264)	(455,475)
Adjustments to obtain the cash flow from operating activities		
Income tax	(668,560)	85,969
Depreciation of property, plant and equipment	15,920	4,946
Impairment of goodwill	322,954	59,265
Amortization of intangible assets	25,453	1,082
Depreciation of investment property for rent	706	(65,861)
Gain/loss on investments in companies	765,951	22,378
Loss from sale of other assets	(122,624)	14,054
Investment property appraisal at fair value	(1,208,593)	-
Gain/loss on sale of property, plant and equipment	(996)	(99)
Effect of financial statements conversion	108,109	-
Present value of liabilities	149,546	-
Effect of conversion on cash flows	(227)	
Exchange gains/losses and accrued interest	2,534,274	540,006
Other expenses	792,961	-
Gains/losses from the exposure to changes in the currency purchasing power	(52,250)	127,154
Changes in operating assets and liabilities		
Accounts receivable from sales	(649,610)	18,461
Other receivables	(557,036)	100,661
Receivables from related parties	(143,127)	(948)
Other assets	-	(1,684)
Other financial assets	(2,431)	-
Assets held for sale	55,739	-
Inventories	(124,004)	1,974,609
Tax assets and liabilities	(5,093)	141,183
Contract assets	(2,380)	-
Accounts payable	561,812	(345,610)
Payroll and social security contributions	70,776	10,863
Other tax burden	16,728	(46,868)
Payables to related parties	22,543	300,873
Contract liabilities	(1,642,074)	(2,302,680)
Provisions and allowances	196,159	39,484
Other accounts payable	822,548	(28,801)
Net cash flows provided by/ (used in) operating activities	**482,346**	**192,962**
Investment activities		
Investments not considered as cash	5,526	(554)
Payments for purchase of investment property	(4,684)	(2,031)
Transfer of property, plant and equipment	484	2,386
Collections from sale of investment property	-	71,523
Collections from sale of other assets	181,205	-
Payments for purchase of property, plant and equipment	(58,434)	(491)
Payments for purchase of intangible assets	(44,379)	(108)
Payments for purchase of companies	(2,080,569)	-
Dividends in associates	38,678	-
Decrease in non-controlling interest	-	2,157
Contributions in associates	(25,855)	-
Net cash flow provided by / (used in) investment activities	**(1,988,028)**	**72,882**
Financing activities		
Loans	(298,919)	1,709,742
Transactions between shareholders	(58,960)	-
Shares to be issued	37,860	-
Collections from the sale of treasury stock	-	119
Capital contribution	-	669,964
Net cash flow provided by / (used in) financing activities	**(320,019)**	**2,379,825**
Increase / (decrease) in cash and cash equivalents	(1,825,701)	2,645,669
Cash and cash equivalents at beginning of the period	2,669,503	23,834
Cash and cash equivalents at year-end (See Note 12)	**843,802**	**2,669,503**

Notes 1 to 50 are an integral part of these financial statements.

Note 1. Corporate information

1.1 Business model

TGLT was founded in 2005 by Federico Weil. In April 2015, PointArgentum Master Fund LP became a shareholder. TGLT is a leader developer in the Argentine residential market and expects to get the same position in Uruguay. 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.

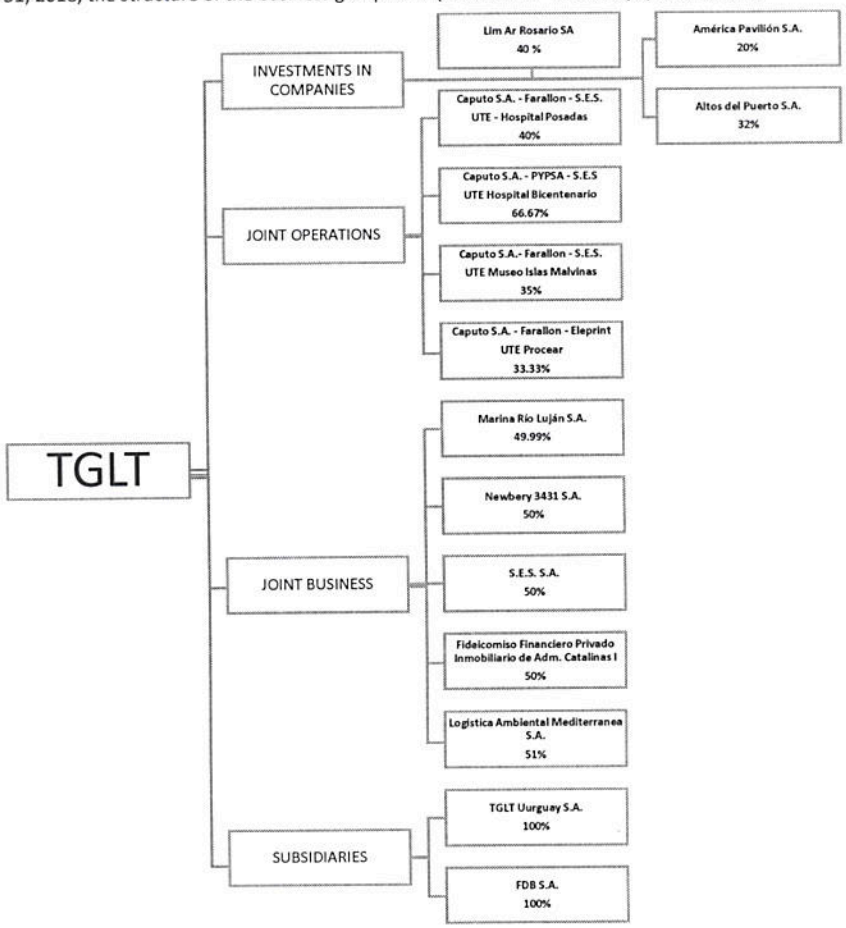
In order to expand the Company's activities to the construction business, on January 19, 2018 the Company acquired 82.32% of the shares in Caputo Sociedad Anónima Industrial, Comercial y Financiera (hereinafter "Caputo"), one of the most active and well-known construction companies in the country, which 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 Wednesday, September 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.

Note 1. Corporate information (cont.)

1.2 Corporate structure

As of December 31, 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.

Note 2. Statement of compliance with IFRS

These 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

3.1 Accounting standards

The company prepares its consolidated financial statements in accordance with the provisions of the CNV described in Chapter III, Title IV of the CNV Standards (N.T. 2013 and amendments). As per such standards, issuing companies must present its consolidated financial statements in accordance with Technical Resolution 26 issued by the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE"), which provide for the application of the IFRS issued by the IASB, their amendments, and any IFRS Notices of Implementation issued by the FACPCE as provided for by that Technical Resolution.

As of December 31, 2018, all conditions have been met so that the Company's consolidated financial statements for the fiscal year then ended may include the inflation adjustment provided for by IAS 29 "Financial reporting in hyperinflationary economies". These consolidated financial statements meet all IFRS requirements.

3.2 Reporting currency

The financial statements as of December 31, 2018, including figures for the prior fiscal year, have been restated to consider changes in the purchasing power of the Company's functional currency (the Argentine peso) pursuant to IAS 29 and General Resolution No. 777/2018 of the CNV. Accordingly the financial statements are stated in terms of the measuring unit current at the end of the reporting period.

In accordance with IAS 29, the financial statements of an entity with a functional currency that is hyperinflationary must be restated. Under IAS 29, hyperinflation is established by following non-exclusive guidelines, as follows: (i) analyze the behavior of population, prices, interest rates and wages upon the changes in price indexes and the purchasing power loss, and (ii) as a quantitative factor, that is the condition mainly considered in practice, verify whether the cumulative inflation rate over three years is approaching or exceeds 100%.

Even though in recent years an important growth was recorded in the general level of prices, the 3-year accumulated inflation in Argentina had remained below the accumulated 100%. However, due to various macroeconomic factors, the 3-year inflation rate in 2018 was over that percentage and, according to Government goals and other available projects, this trend would not reverse in the short term.

To evaluate this quantitative condition and to restate the financial statements, the CNV has established certain indexes to be used in the application of IAS 29 as determined by the Argentine Federation of Professional Councils of Economic Sciences. These indexes combine the Consumer Price Index (IPC) published by the National Institute of Statistics and Census (INDEC) as from January 2017 (base month: December 2016) and the Wholesale Price Index (IPIM) published by the INDEC to date, by computing for the months of November and December 2015, on which no INDEC information is available on changes in the IPIM, the IPC variation in the City of Buenos Aires.

Considering such index, inflation amounted to 47.64% and 24.79% in the fiscal years ended December 31, 2018 and 2017, respectively.

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

A summary of the effects of applying IAS 29 is as follows:

Restatement of the statement of financial position

(i) Monetary items (those with a fixed nominal value in local currency) are not restated as they are already stated in terms of the measuring unit current at the end of the reporting period. In an inflationary period, maintaining monetary assets generates a purchasing power loss and maintaining monetary liabilities generates a purchasing power gain, provided those items are not subject to an adjustment system somehow offsetting those effects. The monetary income or loss is included in the income/loss for the reporting period.

(ii) Assets and liabilities subject to changes based on specific agreements are adjusted based on such agreements.

(iii) Non-monetary items stated in current value at the end of the reporting period are not restated for presentation in the statement of financial position but the adjustment process must be completed to determine in terms of constant measuring unit the income/loss on the holding of non-monetary items.

(iv) Non-monetary items stated at historical cost or at a current value for a date prior to the end of the reporting period are restated by using indexation rates reflecting the variation in the general level of prices from the acquisition or revaluation date to period-end, and then the restated amounts of assets are compared with the corresponding recoverable values. The depreciation of property, plant and equipment and amortization of intangible assets charged to P&L, as well as any use of non-monetary assets shall be determined based on the new restated amounts.

As of December 31, 2018 and 2017, the items subject to this restatement process have been those relating to Property, plant and equipment, Intangible assets and goodwill, Investments in subsidiaries, associates and joint operations, Other non-financial receivables and Inventories.

(v) When borrowing costs are capitalized in non-monetary assets pursuant to IAS 23, the part of borrowing costs that compensates the creditor for inflation is not capitalized.

(vi) The restatement of non-monetary assets in terms of the measuring unit current at the end of the reporting period without an equivalent adjustment for tax purposes gives rise to a taxable temporary difference and to the recognition of deferred tax liabilities with a contra-account in P&L.

When in addition to the restatement there is a revaluation of non-monetary assets, then the deferred tax related to the restatement is recognized in P&L and the deferred tax related to the revaluation (excess of revaluation amount over restatement amount) is recognized in other comprehensive income.

Restatement of statement of comprehensive profit or loss

(i) Expenses and revenues are restated from the date of registration, except for P&L items reflecting or including in their determination the use of assets stated in a purchasing power currency for a registration date prior to that of the registration of the use, restated by taking as a basis the acquisition date of the assets to which the item relates (such as depreciation, impairment and other use of assets stated at historical value); and also except for P&L derived from comparing two measurements stated in a purchasing power currency of different dates, for which the compared amounts shall be identified, compared, restated separately and compared again, but with already restated amounts.

(ii) The net loss and/or net income from maintaining monetary assets and liabilities is presented in a separate item of P&L for the year.

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

Restatement of statement of changes in shareholders' equity

To the transition date (beginning of comparative year), the Company has applied the following specific standards:

a) Shareholders' equity items, except for retained earnings, unappropriated retained income/loss and other shareholders' equity items, were restated as from the date of contribution or from the time at which they were generated by any other means.

b) Retained earnings and other shareholders' equity items were maintained at nominal value to transition date (non-restated legal amount).

c) Restated unappropriated retained income/loss was determined as a difference between the restated net assets to the transition date and the remaining shareholders' equity items stated as mentioned above.

(ii) After the restatement to the transition date mentioned in (i) above, all shareholders' equity items are restated by applying the general price index from the beginning of the fiscal year, and each variation in these items is restated from the date of contribution or from the time at which they were generated by any other means.

Other comprehensive profit or loss generated after the transition date is presented in real terms.

Restatement of statement of cash flows

IAS 29 requires that all cash flow items be restated in terms of the measuring unit current at the end of the reporting period.

Monetary income/loss generated by cash and cash equivalents is presented in the statement of cash flows separately from cash flows from operating, investment and financing activities as a specific item of the reconciliation between cash and cash equivalents at the beginning and at the end of the year.

3.3 Newly Issued Standards and Interpretations - Issued Standards and Interpretations adopted to date

IFRS 16 Leases (applicable to fiscal years beginning on or after January 1, 2019).

IFRS 16 Leases was issued in January 2016 and is applicable to fiscal years beginning on or after January 1, 2019. IFRS 16 eliminates the current dual accounting model for leases, which makes a distinction between on-balance sheet finance leases and off-balance sheet operating leases where there is no recognition of future lease payments. Instead, it adopts a single on-balance sheet model, similar to the current finance lease model.

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 separate 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.

(amounts stated in thousands of Argentine pesos)

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

4.1 Applicable accounting standards (cont.)

4.2 Consolidation criteria

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

The financial statements of subsidiaries (except TGLT Uruguay S.A.) were prepared in accordance with other accounting standards. Therefore, and in order to apply accounting standards consistently with those applied by TGLT, 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 the subsidiaries 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 stand-alone 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 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	12/31/2018	12/31/2017
TGLT Uruguay S.A.	Exclusive	100.00%	100.00%
SITIA S.A. (1)	Exclusive	-	95.00%

(1) See Note 33.2 to the consolidated financial statements.

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.

Control is achieved when the investor has exposure or rights to variable returns from its interest in the investee and has the ability to use its power to affect its return. Specifically, the investor controls an investee any if and only if the investor has:

- Power over the investee (i.e. existing rights that give the investor the current ability to direct the relevant activities of the investee,
- Exposure, or rights, to variable returns from its interest in the investee,
- The ability to use its power over the investee to affect its return significantly.

When the investor has less than the majority of the voting or similar rights of an investee, the investor considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Contractual agreements between the investor and other holders of voting rights of the investee.
- Rights arising from other contractual agreements.
- The investee's voting rights, potential voting rights or a combination of both.

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

4.1 Applicable accounting standards (cont.)

4.2 Consolidation criteria (cont.)

The investor will re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three criteria of control described above. The consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ceases when the parent company loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the parent company gains control of the subsidiary until the date the parent company ceases to control the subsidiary.

Profit or loss and each item of other comprehensive profit or loss are attributed to the owners of the parent company and to non-controlling interests, even if the non-controlling interests result in a loss. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, shareholders' equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated fully on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, the following steps apply:

- Derecognition of the assets (including goodwill) and liabilities of the subsidiary,
- Derecognition of the carrying amount of any non-controlling interests,
- Derecognition of accumulated exchange gains/losses, recorded in shareholders' equity,
- Recognition of the fair value of the consideration received,
- Recognition of the fair value of any residual investment retained,
- Recognition of any positive or negative balance as profit or loss, and
- Reclassification to P&L or accumulated gains/losses, as applicable, of the parent company's interest in components previously recognized in OCI, as would be required if the parent company had directly disposed of the related assets or liabilities.

4.3 Functional currency

For the purposes of these consolidated financial statements, the profit or loss and financial position of each entity are stated in pesos (legal tender in Argentina), which is the functional currency (currency of the main economic environment in which a company does business) for all companies domiciled in Argentina, and the currency in which consolidated financial statements are presented. The functional currency of TGLT S.A. Uruguay and its subsidiary FDB S.A., located in Uruguay, is the American dollar.

When preparing the stand-alone financial statements, transactions in currencies other than the entity's functional currency (foreign currency) were recorded using the exchange rates prevailing at the dates when the transactions were performed. At the end of each fiscal year, the monetary items stated in foreign currency were converted by applying the exchange rates prevailing at that date.

The non-monetary items recorded at fair value, stated in foreign currency, were reconverted at the exchange rates prevailing at the date when the fair value was determined. Non-monetary items calculated in terms of historical costs in foreign currency were not reconverted. The profit or loss charged to Other comprehensive profit or loss related to foreign exchange gains/losses generated by investments in associates with a functional currency other than the peso and by the conversion of the financial statements to the presentation currency (pesos) has no effect on the income tax nor the deferred tax since at the time it was generated such transactions had no impact on the accounting or taxable profit.

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

4.4 Borrowing costs

Financial costs generated by loans granted to be applied to the financing of urban projects (under development) directly are included as part of the cost of such assets, under IAS 23 "Borrowing costs". In addition, in the case of general loans, i.e. without any specific allocation to a specific urban project, the allocation criteria set by such IAS was applied. The amount of borrowing costs capitalized during the fiscal years reported does not exceed the total borrowing costs incurred during that same fiscal year, respectively. The remaining borrowing costs are charged to profit or loss as incurred.

4.5 Income tax

Income tax assets and liabilities for the year are stated at the expected recoverable amounts or amounts payable to the tax authorities. The tax rates and regulations used to compute those amounts are the ones approved or whose approval is next to be obtained as of the end of each fiscal year in the countries where TGLT Group companies do business and generate taxable income. The tax rate applicable by the Company and its subsidiaries in Argentina until fiscal year 2017 is 35%. Moreover, the Tax Reform Law No. 27430 changed that rate for capital companies, to 30% for fiscal years beginning as from January 1, 2018 and up to December 31, 2019, and 25% for fiscal years beginning as from January 1, 2020.

4.6 Deferred tax

The deferred tax was recognized on the temporary differences between accounting bases applied to the assets and liabilities included in the financial statements and their respective tax bases.

The deferred tax liabilities were generally recognized for all future taxable temporary differences. The deferred tax assets were recognized for all deductible temporary differences to the extent it is likely that the Company may record future taxable income against which these deductible temporary differences may be used. These assets and liabilities are not recognized if temporary differences arise from goodwill or initial recognition (other than a business combination) of other assets and liabilities in a transaction that does not affect the income for tax or accounting purposes.

The measurement of deferred tax assets and liabilities at the end of each fiscal year being reported shows the tax consequences of the way in which the entity intends to recover or settle the book value of its assets or liabilities.

Deferred tax assets were offset with deferred tax liabilities only when a) the right to offset them was legally allowed by tax authorities, and b) the tax assets and liabilities result from the relevant Income Tax paid to the same tax authorities and TGLT S.A. had the intention of settling its assets and liabilities as net assets and liabilities. Deferred tax charges were recorded as income or expenses and included in comprehensive profit or loss.

4.7 Minimum presumed income tax

Minimum presumed income tax related to items recognized directly in shareholders' equity are recognized in shareholders' equity and not in the statement of comprehensive profit or loss.

In addition, TGLT Group companies organized in Argentina must consider the minimum presumed income tax. This tax is supplementary to the income tax because, whereas the latter is levied on taxable income for the year, minimum presumed income tax is a minimum levy on the potential income of certain productive assets at a 1% rate. Therefore, the Company's tax liability will be represented by the higher of the two taxes. However, if minimum presumed income tax exceeds income tax in a given fiscal year, such excess can be computed as a credit towards future income taxes occurring in any of the next ten fiscal years.

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

4.7 Minimum presumed income tax (cont.)

On July 22, 2016, Law No. 27760 was published by the Official Gazette, which eliminates the minimum presumed income tax for fiscal years beginning as from January 1, 2019.

The minimum presumed income tax is measured by its non-discounted nominal amount and, therefore, is similar to the deferred income tax assets provided the effect of the discount is not significant.

The carrying amount of minimum presumed income tax is reviewed at each year-end and is reduced by charging an expense to P&L for the year in the Income tax expenses line, to the extent it is not probable to use it as a credit towards future income tax. The minimum presumed income tax not recognized as a credit or previously written off is reviewed at each year-end and is recognized as a credit in the Income tax expenses line, to the extent it is probable to use it as a credit towards future income tax.

As of December 31, 2018 and 2017, the Company has not recorded any minimum presumed income tax credit or liabilities, due to the existence of an accounting loss and tax loss in the income tax return, as set forth by Instruction 2/2017 of the Tax Authorities, which applies the case law of the Supreme Court in the judgments "Hermitage SA c/PEN - MEOSP - Tít. V L. 25063 s/proceso de conocimiento" and "Diario Perfil SA c/AFIP-DGI s/DGI", dated 2/11/2014.

As from fiscal year 2019, Law No. 27260 eliminated the minimum presumed income tax.

Pursuant to General Resolution No. 3363/12 (published by the Official Gazette on September 12, 2012), the Company shall file with the tax authorities, in addition to separate financial statements prepared under IFRS, a statement of financial position as of December 31, 2018 and a stand-alone statement of profit or loss for the year then ended, prepared in accordance with Argentine professional accounting standards in force for entities not governed by Technical Resolution No. 26, together with a professional report detailing measurement and presentation differences arising from the application of IFRS with respect to Argentine professional accounting standards

4.8 Wealth tax – Substitute taxpayer

Individuals and foreign entities, as well as undivided estates, whether domiciled or resident in Argentina or abroad, are subject to wealth tax at a rate of 0.25% of the value of the shares issued by Argentine entities as of December 31 of each year. The tax is levied on the Argentine issuers of such shares, such as TGLT S.A., who acts as a substitute taxpayer for the corresponding shareholders, and is based on the value of shares (equity value) or on the book value of shares derived from the most recent financial statements as of December 31 each year. On June 29, 2016, the Argentine Congress enacted the Tax Amnesty Law No. 27260, which sets forth a tax amnesty and tax reform regime enabling to voluntarily and exceptionally report, without the obligation to bring them to the country, assets held in the country and abroad, within a term extended from its effective date to March 31, 2017. The specific tax was 10% until the end of 2016 and 15% until the end of March 2017. Among the provisions resulting from the law with respect to personal property, there is a reduction in the tax rate and an increase in the minimum amount subject to tax, from $ 800,000 for fiscal year 2016, to $ 950,000 for fiscal year 2017 and $ 1,050,000 for 2018. Tax rates were changed to 0.75%, 0.50% and 0.25% respectively.

This regime also included the possibility to enjoy the wealth tax exemption benefit for fiscal years 2016, 2017 and 2018 –including the substitute taxpayer regime- to taxpayers who have complied with tax liabilities for fiscal years 2014 and 2015 and have no tax debts, among other requirements, to reward those deemed as "tax compliant".

Accordingly, TGLT S.A. has applied for this benefit and avoided the payment of this tax for fiscal years 2016 and 2017. Regarding the wealth tax remaining balance, the Company has the right to be refunded the tax paid by the shareholders through the reimbursement method deemed advisable by the Company.

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

4.9 Investment property

Investment property consists of assets developed and maintained to obtain income, capital appreciation or both and is measured at fair value, except when they are measured at cost value because the fair value cannot be reliably measured, but it is expected to be measured when the construction is completed.

4.10 Property, plant and equipment

Property, plant and equipment (PP&E) is stated at cost, net of accumulated depreciation and accumulated losses due to impairment, when applicable. This cost includes the cost of replacing part of the PP&E, as well as borrowing costs incurred due to long term construction projects, if the requirements for recognition are met. Repair and maintenance costs are recognized in the statement of profit or loss as they are incurred.

Depreciation is calculated using the straight-line method, applying rates that are sufficient to extinguish their values at the end of the estimated useful life. These useful lives are based on criteria and standards that are reasonable according to the experience of management. For more information regarding the useful lives assigned, please refer to Note 4.25.

Property, plant and equipment components or any significant part thereof initially recognized are written off when they are sold or when no future economic benefits from their use or sale are expected. Any profit or loss at the time an asset is written off (calculated as the difference between the net income obtained from the sale of the asset and its book value) is included in the statement of profit or loss when the asset is written off.

The residual values, useful lives and depreciation methods and rates of the assets are verified and adjusted prospectively to the year-end date, if applicable. Changes in PP&E are presented in Note 5.

4.11 Intangible assets

4.11.1 Trademarks and software

This includes expenses incurred in software acquisition and trademark registration. The intangible assets acquired are initially measured at cost. Following initial recognition, they are measured at cost less any accumulated amortization and any accumulated loss due to impairment. Amortization is calculated using the straight-line method, the rate of which is determined based on the useful life assigned to the assets as from the month they are added. Changes in intangible assets are presented in Note 6.

The amortization period and method for intangible assets with a defined useful life are verified at least at the end of each fiscal year reported. The changes in the expected useful life or expected pattern for the asset use are recognized upon changing periods or amortization methods, as the case may be, and they are treated as changes in accounting estimates. The amortization expense in intangible assets with defined useful lives is recognized in the statement of profit or loss under the expense category that is consistent with the purpose of the intangible asset at issue. Any gain or loss that results from writing off an intangible asset is calculated as the difference between the net income obtained from the sale and the asset book value, and it is recognized in the statement of profit or loss when the asset is written off.

4.11.2 Software development

Software development expenses incurred in a specific project are listed as intangible assets when the Company can prove the following:

- The technical feasibility of completing the intangible asset so that it is available for its expected use or sale;
- Its intention of completing the asset and its capacity to use or sell it;
- How the asset will generate future financial benefits;
- The availability of resources for completing the asset; and
- The capacity to perform reliable measurements of disbursements during their development.

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

4.11 Intangible assets (cont.)

After development is initially recognized as an asset, the cost model is applied, which requires that the asset be measured at cost less the accumulated amortization and accumulated losses due to impairment. Amortization of assets begins when development has been completed and the asset is available for use. The asset is amortized throughout the period in which generation of future financial benefits is expected. During the development period, the asset is subject to annual tests to determine whether there is any impairment. The Board of Directors has been able to verify that these assets meet all requirements of IAS 38 for their capitalization.

4.12 Impairment test of non-financial assets

As a general rule, IAS 36 establishes that at year-end, management must assess whether there is any indication of the impairment of a non-financial asset. If there is any such indication, or when yearly impairment tests for determining the impairment of assets are required, the recoverable value of such asset is estimated. The recoverable value of an asset is the highest of the fair value less the sales cost, whether of an asset or of a cash generating unit and its value in use; and it is determined for individual assets unless the asset does not generate cash flows substantially independent of other assets or asset groups. When the book value of an asset or of a cash-generating unit is greater than its recoverable value, the asset is considered impaired, and its value is reduced to its recoverable value.

When evaluating the value in use, the estimated cash flow is calculated at present value using a "before tax discount rate" that reflects current market assessment of the time value of money and the asset specific risks. To determine the fair value less the sales cost, recent market transactions, if any, are taken into account. If this type of transactions cannot be identified, the valuation model deemed most appropriate is used.

To determine the value impairment of goodwill resulting from business combinations, such goodwill was distributed among each of the Company's Cash-Generating Units (CGU) that have benefited from business combination synergies. This forces the Company to conduct impairment tests of the CGUs at each date of issuance of financial statements including such CGUs.

Due to the fact that the remaining assets that must undergo the impairment test set forth by IAS 36 are included in any of the CGUs to which goodwill was assigned, the Company must carry out the impairment test at each date of preparation of financial statements, regardless of whether there are indications of impairment. Consequently, creating a procedure for monitoring indications was not necessary, according to IAS 36.

Management calculates value impairment in detailed estimates and predictions conducted separately for each of the Group's CGUs to which individual assets are assigned.

Losses due to impairment of continued transactions, including the impairment of assets, are recognized in the statement of profit or loss under the expense categories related to the function of the impaired asset. A loss due to impairment previously recognized is only reversed if there has been a change in the assumptions used for determining the recoverable value of an asset as from the last time the last loss due to impairment has been recognized.

This reversal is limited in such a way that the asset book value does not exceed its recoverable value or exceed the book value determined, net of the respective amortization, if no loss due to impairment has been recognized for the asset in prior periods. This reversal is recognized in the statement of profit or loss unless the asset is recognized based on its newly assigned value, in which case the reversal is treated as a revaluation increase. The loss due to impairment recognized to determine goodwill is not reversed in any subsequent fiscal year.

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

4.13 Inventories

Inventories include urban real property under development (work-in-process) and completed units ready for sale.

4.13.1 Units under construction

Real property classified as inventories are valued at the acquisition and/or construction cost, or at its estimated market value, whichever lower. The value of the land and improvements, direct costs and overall construction expenses, borrowing costs (when the requirement set forth by IAS 23 are met) and real property taxes are included in costs.

Additionally, and as a result of the acquisition of land by the Company, the highest value of the differences in measurement of identifiable assets upon the acquisition is included in this account. Therefore, the highest inventory value is obtained mainly by comparing the book values and the respective fair values of the main assets acquired at that time.

The fair value of identifiable assets was obtained from the reports issued by independent professional experts when business combinations occurred.

4.13.2 Finished projects

The units of real property urban projects are listed as "Finished projects" when the construction process has finished and such units can be delivered or sold. If disbursements are made after construction has been completed, they are recognized in profit or loss to the extent they are not part of post-construction costs required for the units to be ready for delivery or sale.

When a functional unit is delivered to the customer, the cost of construction of that unit is recognized, reducing the inventory value accordingly. The cost of the inventory property is recognized as a profit or loss on disposal, determined by considering its sales prices less a margin calculated on the basis of a weighted average of units developed simultaneously during the project.

The percentage gross margin is based on the estimated total revenue and estimated total costs for each building calculated as of the date the unit is delivered, considering the buildings already launched and therefore minimizing the use of estimates.

4.14 Leases

Pursuant to IAS 17 "Leases", the financial ownership of an asset in a finance lease is transferred to the lessee if the lessee takes on substantially all the risks and rewards of ownership of such leased asset. The related asset is thus recognized at the beginning of the lease at the lower of its fair value, or at the present value of the minimum payments for the lease, established at the beginning of the lease.

All other leases are treated as operating leases. Operating lease payments are recognized as an expense based on a straight line basis over the term of the lease and related costs such as maintenance and insurance are expensed when they are incurred.

Leases are classified as operating leases when the lessor does not transfer substantially all the risks and rewards inherent to the ownership of the leased asset.

Costs relating to operating leases are recognized on a line by line basis in P&L each year.

4.15 Assets held for sale and other assets

Pursuant to IFRS 5 "Assets held for sale", the Company has valued the assets for sale at the lower of its book value before the asset was classified as held for sale and its recoverable value.

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

4.16 Revenue recognition

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.

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 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 one and 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.

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

4.16 Revenue recognition (cont.)

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.

- *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 available information.

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	166,978
Financial costs (shareholders' equity)	Implicit financial costs not capitalized	(166,978)
Contract liabilities (liabilities)	Incremental contract revenues	14,251
Income from services rendered (shareholders' equity)	Incremental contract revenues	(14,251)
Deferred tax liabilities (liabilities and shareholders' equity)	Impact of previous changes	54,368
Unappropriated retained income/loss (shareholders' equity)	**Net decrease in previous changes**	**(126,557)**

(amounts stated in thousands of Argentine pesos)

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

4.16 Revenue recognition (cont.)

Breakdown of income

- ***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	Dec 31, 2018
Forum	1,131,998
Astor	202,376
Metra	55,062
Other	20,318
Total income per trademark - Real estate development segment	**1,409,754**

Geographic distribution	Dec 31, 2018
Argentina	
City of Buenos Aires	274,754
Rosario	55,380
Uruguay (Montevideo)	1,084,332
Total income per geographic distribution - Real estate development segment	**1,414,466**

- ***Construction and services segment***

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	Dec 31, 2018
Housing	2,285,181
Industrial	1,244,892
Business	525,471
Other	20,597
Total income per project - Construction segment	**4,076,141**

Breakdown of income (cont.)

- ***Construction and services segment (cont.)***

Type of client	Dec 31, 2018
Private	3,225,758
Public	850,383
Total income per client - Construction segment	**4,076,141**

Type of contract	Dec 31, 2018
Costs formula	490,571
CAC ratio	2,390,957
Other	1,194,613
Total income per contract - Construction segment	**4,076,141**

(amounts stated in thousands of Argentine pesos)

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

4.16 Revenue recognition (cont.)

Status of Contracts

	Status as of January 1, 2018	(+) New contracts	(-) Income	(+) Price adjustments	Dec 31, 2018
Construction	5,513,072	2,142,100	(4,076,141)	2,347,269	5,926,300
Real estate development (1)	5,338,966	1,089,556	(1,393,386)	147,906	5,183,042
Contracts balances	**10,852,037**	**3,231,656**	**(5,469,527)**	**2,495,175**	**11,109,342**

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

- 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.

4.16.2 Services rendered

The revenue from services rendered is recognized in profit or loss when the Company has rendered such services, independently of the moment they have been invoiced.

4.17 Classification of items into current and non-current

The Company shall classify an asset as current when it meets any of the following criteria:

a) it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
b) it holds the asset primarily for the purpose of trading;
c) it expects to realize the asset within twelve months after the reporting period; or
d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company shall classify all other assets as non-current.

The Company shall classify a liability as current when it meets any of the following criteria:

a) it expects to settle the liability in the entity's normal operating cycle;
b) it holds the liability primarily for the purpose of trading;
c) the liability is due to be settled within twelve months after the reporting date; or
d) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.

The Company shall classify all other liabilities as non-current.

4.18 Investments in companies

Investments in associates are accounted for under the equity method.

Investments in associates and joint ventures are valued using the equity method. According to this method, the investment is initially recognized at cost under "Investments in associates" in the statement of financial position, and the book value increases or decreases to recognize the investor's interest in the investments in associates after the acquisition date, which is presented in the statement of comprehensive profit or loss under "Investments in associates". The investment includes, if applicable, the goodwill identified in the acquisition. Associates are considered those in which the Group has significant influence, understood as the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies. Significant influence is presumed in companies in which the interest is equivalent to or higher than 20% and lower than 50%.

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

4.18 Investments in companies (cont.)

Under the provisions of IFRS 11 "Joint Arrangements" and IAS 28 "Investments in Associates and Joint Ventures", investments in which two or more parties have joint control shall be classified in each case as a joint operation when the parties that have joint control have rights over the net assets of the joint arrangement. Considering this classification, joint operations shall be accounted for under the equity method.

4.19 Business combinations

Business combinations recorded by the Company took place before 2011 and are accounted for using the acquisition method. Combinations are accounted for by applying the acquisition method. The consideration of the acquisition was calculated at the estimated fair value (at the date of exchange) of the assets assigned and liabilities incurred and the equity instruments, except for deferred tax assets or liabilities and liabilities or assets related to agreements entailing benefits to employees that were recognized and calculated pursuant to IAS 12, "Income Taxes", and IAS 19 "Employee Benefits", respectively. The costs associated with the acquisition were charged to P&L as incurred.

4.20 Goodwill

It is related to profit or loss from the restatement of business combinations prior to December 31, 2010, as well as profit or loss arising from the acquisition of Caputo. Goodwill is the excess of the amount of the consideration transferred, the amount of any non-controlling interest in the entity acquired, where applicable, and the fair value of the ownership interest previously held by the purchaser (if any) in the entity in relation to the net amount as of the date of acquisition of the identifiable assets acquired and liabilities incurred.

Goodwill is not amortized, but is assessed to determine whether it is necessary to record any impairment at year-end. Changes in the ownership interests in a subsidiary are recognized as equity transactions and do not affect the book value of goodwill.

4.21 Provisions

Provisions and allowances are recognized when the Company is faced with a current obligation (whether legal or implicit) resulting from a past event, and it is probable that the Company will incur costs or expenses to discharge such obligation, and it was possible to reasonably estimate the amount of the obligation.

The amount recognized as a provision or allowance is the best estimate of the disbursement required for discharging the current obligation, at year-end, taking in to account the respective risks and uncertainties. When a provision or allowance is calculated using the cash flow estimated for discharging a current obligation, its book value represents the present value of such cash flow.

When the recovery of some or all the financial benefits is required to reverse a provision or allowance, an account receivable was recognized as an asset if it was virtually certain that the payment would be received and the amount receivable could be calculated reliably. Note 33 contains a detailed description of the main claims received by the Company and Note 18 presents the provisions and allowances set up by the Company for lawsuits and other contingencies.

4.22 Financial instruments

The Company classifies financial instruments based on two criteria, as per IFRS 9: i) the contractual terms of financial instruments are solely payments of principal and interest (SPPI).

The classification and measurement of financial instruments used by the Company are as follows:

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

4.22 Financial instruments (cont.)

a) **Financial instruments stated at fair value through profit or loss (FVTPL).**

These instruments are measured at fair value. Net income and loss, including any interest or dividend income, is recognized in P&L.

Financial instruments stated at FVTPL are held for trading and mainly acquired to be sold in the short term. Derivative instruments are also classified as held for trading unless they are designated under hedge accounting. Financial instruments under this category are classified as Other assets or current financial liabilities. They are subsequently stated by determining their fair value with changes through the consolidated statement of comprehensive profit or loss, under Other income (expenses).

b) **Financial instruments measured at amortized cost**

They are maintained with the objective to collect contractual cash flows that comply with the "solely payments of principal and interest" (SPPI) criteria.

These instruments are subsequently stated at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Financial income and expenses, exchange gains and losses and impairment are recognized in P&L. Any gain or loss on derecognition is recognized in profit or loss for the period.

This category includes Trade receivables and other accounts receivable, Trade payables and other accounts payable and loans included in Other current and non-current financial liabilities. They are recognized through the amortized cost, and the accrual of the agreed terms is charged directly to P&L.

c) **Financial instruments stated at fair value through other comprehensive income (FVTOCI).**

Income or loss reclassified to P&L upon derecognition. Financial instruments under this category meet the "SPPI" criteria and remain within the business model of the Company, both to collect the cash flows and to sell them.

To the date of each statement of financial position, the Company evaluates whether there is objective evidence that a financial instrument or a group of financial instruments might have suffered impairment losses.

Hedge instruments

Derivatives are initially recognized at fair value at the date on which the derivative contract has been entered into and subsequently at each year-end they are recognized at fair value as of that date.

The method to recognize the resulting gain or loss depends on whether the derivative is regarded as a hedging instrument and if it has been designated as such, it depends on the nature of the item being hedged.
A derivative that has not been designated as a hedging instrument is stated at fair value and valuation changes are recognized immediately in P&L for the period where they occur.

A derivative that has been designated as a hedging instrument can be classified as:

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

4.22 Financial instruments (cont.)

a) **Hedges of the exposure to changes in fair value of recognized assets and liabilities (fair value hedge)**

Changes in the fair value of derivative instruments that are designated and qualify as hedge of the exposure to changes in fair value of assets and liabilities are recorded in the same accounts in the Consolidated Statement of Consolidated Profit or Loss where the changes in the fair value of these underlying assets or liabilities are recorded.

b) **Hedges of a specific risk associated with a recognized asset or liability or a highly probable transaction (cash flow hedge).**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in shareholders' equity under Cash Flow Hedge Reserves. The income or loss relating to the non-effective part is immediately recognized in the Statement of profit or loss under Other income (loss).

At the time of invoicing or accrual of underlying expenses or income, the amount accumulated in shareholders' equity (Cash Flow Hedge Reserves) to that date is transferred to P&L for the year (Income and Expenses).

At the beginning of the transaction, the Company documents the relationship between the hedging instruments and the hedged items, as well as objectives for risk management and the strategy to conduct various hedging transactions.

The Company also documents its evaluation, both at the beginning and at the end of each year, of whether the derivatives used in hedging transactions are highly effective to offset changes in the fair value or in the cash flows of the hedged items.

In those hedges where the documentation is insufficient or the hedging tests are not highly effective, derivative instruments are treated as investments, with immediate effect on P&L for the period.

As of December 31, 2018, the Company has no hedging instruments.

Trade receivables (net of accumulated impairment)

Trade receivables are recognized as assets when the Company generates its right to collect, based on the income recognition criteria.

Trade receivables are initially recognized at fair value and subsequently recognized at amortized cost according to the effective interest rate method, less accumulated impairment.

Long-term receivables are recorded at discounted values, in order to recognize the portion of implicit financial income.

The Company measures accumulated impairment in an amount equal to the Expected Credit Loss (ECL) for life. It also uses the simplified approach by applying IFRS 9 practical guidelines on the stratification of portfolio due dates.

The Company measures accumulated impairment in an amount equal to Expected Credit Loss (ECL) considering the total amount of the loan and up to the due date. To this end, it stratifies its clients based on risk categories of international rating agencies adapted to the group's operations, which include the corresponding probabilities of default that are applied to credit balances exposed after debugging insurance and guarantees, when applicable.

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

4.22 Financial instruments (cont.)

Trade payables and other accounts payable

Suppliers are initially recognized at fair value and subsequently measured at amortized cost, by applying the effective interest rate method to significant transactions with terms over one year.

Interest-bearing loans

Interest-bearing loans, classified under Other financial liabilities, are initially recognized at fair value, i.e. the placement value net of all transaction expenses directly associated with the placement, which are then discounted by applying the amortized cost method based on the effective rate

4.23 Trade and other payables

Trade payables are initially recognized at fair value and subsequently measured at amortized cost, by applying the effective interest rate method.

4.24 Shareholders' equity accounts

Shareholders' equity items were prepared in accordance with accounting standards in force. Variations in this item were accounted for in accordance with the respective Shareholders' Meeting decisions, legal provisions or regulations, although the items would not have existed or would have had different balances had IFRS been applied in the past.

4.241. Capital stock

It is made up of contributions agreed or made by shareholders represented by shares and includes outstanding shares at nominal value.

4.242. Capital adjustment

It accounts for the restated capital stock pursuant to IAS 29.

4.242. Stock premium

The stock premium involves the difference between the subscription amount of capital increases and the related nominal value of shares issued restated under IAS 29.

4.24.3. Treasury stock

The "Share capital" account will be debited by the nominal value of the shares acquired, disclosing this value in "Treasury stock". The cost of acquisition of the treasury stock will be debited to the account "Cost of treasury shares", and must be disclosed in Shareholders' equity as part of capital accounts and after Share Capital, Share Capital adjustment and Stock Premiums. This entry will be reversed when shares are disposed of.

4.244. Capital contribution

See Note 42 to the consolidated financial statements.

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

4.24 Shareholders' equity accounts (cont.)

4.24.5. Legal reserve

In accordance with the provisions of Law No. 19550, the Company has to allocate to the legal reserve not less than 5% of the net income, comprising P&L, prior-year adjustments, transfers from other comprehensive profit or loss, accumulated retained earnings and accumulated losses for prior years, until reaching 20% of the share capital, and this amount is restated under IAS 29.

4.24.6. Irrevocable contributions

Irrevocable contributions are related to shareholders' contributions. The Annual Shareholders' Meeting of the Company discussing the contribution may decide to fully or partially capitalize the contribution. Contributions in foreign currency are converted to pesos at the bid exchange rate published by Banco de la Nación Argentina at the date of acceptance of the contribution by the Company in accordance with the provisions of General Resolution No. 622/2013 of the CNV.

4.24.7. Accumulated gains/losses

It includes accumulated retained earnings or losses without any specific allocation that, if positive, can be distributed by a decision of the Shareholders´ Meeting, as long as they are not subject to legal restrictions. Accumulated retained earnings include the profit or loss for prior years that have not been distributed, amounts transferred from other comprehensive profit or loss and prior-year adjustments resulting from the application of accounting standards.

Additionally, as per the CNV regulations, when the net balance of other comprehensive profit or loss is positive, it may not be distributed, capitalized or used to absorb accumulated losses.

When the net balance is negative, there will be a restriction on the distribution of accumulated retained earnings in the same amount. In order to absorb the negative balance of "Accumulated retained earnings", when applicable, at the end of the year to be considered at the Shareholders' Meeting, balances must be in the following order for allocation purposes:

a) Reserved earnings (voluntary, statutory and legal, in that order);
b) Capital contributions;
c) Stock premiums and treasury stock trading premium (when the balance of this account is positive);
d) Other equity instruments (when it is legal and feasible from a corporate standpoint);
e) Capital adjustments; and
f) Share capital.

4.25 Judgment, accounting estimates and significant assumptions

The preparation of the Company's financial statements requires judgment, estimates and assessments by Management that affect the amount of recognized revenues, expenses, assets and liabilities reported and the disclosure of contingent liabilities at each year-end.

The uncertainty regarding these assumptions and estimates may result in profits and losses requiring a significant adjustment in future periods to the book value of assets or liabilities.

In the process of applying the Company's accounting policies, management did not make any judgments that could have a potentially material effect on the amounts recognized in the consolidated financial statements, except for what is mentioned in relation to the recognition of tax credits.

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

4.25 Judgment, accounting estimates and significant assumptions (cont.)

The main accounting estimates and underlying assumptions included in the Company's consolidated financial statement as of Monday, December 31, 2018 are described below. Such estimates and assumptions are periodically reviewed by management. The effects of the reviews of the accounting estimates are recognized in the year in which the estimates are reviewed, whether it is in the current year or in a future year.

a) Estimation of useful lives

Below is a description of the periods during which management believes that the assets will no longer be usable or will cease to provide economic benefits to the Company: a) ten years for furniture and fixtures, b) five years for hardware, c) 50 years for real property, d) three years for improvements in own property, e) five years for improvements in third-party property, f) five years for facilities, g) one year for showrooms, h) ten years for trademarks, i) three years for software, and j) three years for software development; k) 33 months for contractual rights

(1) In order to estimate the useful life of the different showrooms, the projects launch and estimated time for sales have been taken into account.

Management reviews its estimations regarding the useful lives of depreciable or amortizable assets at each year-end based on the expected usefulness of the assets. The uncertainty of these estimates is related to the technical obsolescence that could change the usefulness of certain assets such as software or technological equipment.

Goodwill has been classified as having an undefined useful life and is subject to an impairment analysis.

b) Estimation of the impairment of non-financial assets

There is impairment when the book value of an asset or cash generating unit exceeds its recoverable amount, which is the fair value less the sales cost, or its use value, whichever the higher. Calculation of the fair value less the sales cost is based on available information on similar sales transactions, performed by independent parties for similar assets, or at observable market prices, less the incremental costs incurred upon disposing of the asset.

Calculation of the use value is based on a discounted cash flow model. Cash flow is obtained from the Company's budget for the following years and does not include restructuring activities that the Company has not yet agreed, or significant future investments that could increase the return on the asset or of the cash-generating unit subject to testing. The recoverable amount is very sensitive to the discount rate used for the discounted cash flow model, and to future inflows expected at the growth rate used for the purposes of extrapolation, and therefore, the uncertainty is related to these estimation variables.

c) Taxes

The Company sets provisions based on reasonable estimates. The amount of these provisions is based on various factors, such as the experience with previous tax audits and the different interpretations of tax regulations made by the entity subject to the tax and the tax authority. Differences in the interpretation may result in a large number of issues according to the conditions prevailing in the jurisdiction of the financial group entity.

The deferred tax asset that result from tax losses are recognized for all the tax losses not used, provided it is likely that there will be a future tax profit available that can be used to offset the losses.

The determination of the amount of the deferred tax asset that can be recognized requires a significant level of judgment by management, based on the timing and level of future tax profits and future tax planning strategies.

Contingencies include pending lawsuits or claims for potential damages to third parties arising from the performance of the Company's own activities, as well as claims by third parties resulting from legislation interpretation issues. The nature of contingencies includes labor, commercial, tax and customs matters.

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

4.25 Judgment, accounting estimates and significant assumptions (cont.)

The final cost of them can vary with respect to the provisions recorded by TGLT Group based on different interpretations of the regulations, opinions and final assessments of damages and legal costs of the proceedings where TGLT Group is a defendant. Therefore, any change in the factors or circumstances related to this type of provisions, as well as in the rules and regulations, might have a significant effect on the contingent liabilities recorded in connection with such lawsuits.

4.26 Cash and cash equivalents

Cash and cash equivalents includes cash, bank deposits (including short-term time deposits) and highly liquid investments that are easily convertible into cash and are subject to a minimum risk of value change. Cash and cash equivalents are disclosed in local currency at its nominal value and in foreign currency converted at the exchange rate in effect prevailing at year-end. Foreign exchange gains/losses were charged to the profit or loss for the applicable fiscal year. Assets such as bonds and government securities, mutual funds and unsecured notes were classified as "Financial assets at fair value with changes through profit or loss", considering the nature and purpose defined upon initial recognition. The net income or loss on assets were recognized in profit or loss and classified as financial income/expenses in the consolidated statement of comprehensive profit or loss.

Time deposits in foreign currency have not been included in the consolidated statement of cash flows because their maturity date is over 90 days.

4.27 Earnings per share

Basic earnings per share are calculated by dividing the net income for the year attributable to the shareholders of the parent company by the weighted average of common shares outstanding during the year, net, if any, of repurchases made. The diluted earnings per share are calculated by dividing the net income for the year by the weighted average of common shares outstanding, and when dilutable, including stock options, they are adjusted for the effect of all potentially dilutable shares, as if they had been converted.

When computing diluted earnings per share, the income available to the owners of common shares used in the calculation of the basic earnings per share is adjusted for any income/loss resulting from the potential conversion into common shares.

The weighted average of outstanding shares is adjusted to include the number of additional common shares that would have been outstanding if the potentially dilutable common shares had been issued. The diluted earnings per share are based on the most beneficial conversion rate or strike price for all the term of the instrument from the holder's perspective. The calculation of diluted earnings per share excludes potential common shares if their effect is anti-dilutable.

At the date of the issuance of these financial statements, TGLT has not issued equity instruments that give rise to potential common shares (also considering the Company's intention to settle the Stock Benefit Plans through repurchase in the market); therefore the calculation of diluted earnings per share agrees with the calculation of basic earnings per share.

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

4.28 Dividend Distribution

In accordance with the provisions of Law No. 19550, General Resolution No. 622 and the bylaws of the parent company, at least 5% of the income resulting from the sum of the net income and the prior-year adjustments, transfers from other comprehensive profit or loss to unappropriated retained income/loss and accumulated losses for prior years (if any) shall be allocated to increase the balance of the legal reserve until it reaches 20% of the capital stock and the balance of the Capital adjustment account.

Under the provisions of Law No. 25063, dividends distributed in cash or in kind, in excess of accumulated taxable income determined at the end of the fiscal year immediately prior to the date of payment or distribution will be subject to a 35% withholding tax rate as a one-off payment. For these purposes, the profit to be considered in each year shall be that resulting from adding to the profit assessed based on the application of the general rules of the Income Tax Law, the dividends or profits from other corporations not computed in the assessment of such profit in the same fiscal periods.

It is to note that Law 27430 derogated the 35% withholding rate for earnings obtained as from fiscal year 2018. Additionally, such law stated that all distributed dividends will be subject to a 7% tax rate for fiscal years 2019 and 2019 and a 13% rate for fiscal year 2020 onwards.

4.29 Comparative information

The Company's accounting information is comparatively presented.

(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	Forklift	Showrooms	Formwork	Total
Original value									
Balance as of 1/1/2018	5,538	7,335	-	7,466	-		46,196	-	66,535
Acquisitions	369	1,066	34,931	9,269	5,219	-	-	7,580	58,434
Conversion adjustment	370	502		1,241			3,887		6,000
Transfers	-	-	-	-	-	-	-	-	-
Acquisition of companies	574	1,291	46,129	17,708	10,855	591	-	2,738	79,886
Decreases	(137)	(832)	(373)	-	(1,921)	-	(41,381)	-	(44,644)
Total	6,714	9,362	80,687	35,684	14,153	591	8,702	10,318	166,211
Depreciation and impairment									
Balance as of 1/1/2018	(3,849)	(6,849)	-	(7,106)	-	-	(44,734)	-	(62,538)
Depreciation	(404)	(732)	(5,549)	(4,106)	(2,159)	(118)	(1,458)	(1,394)	(15,920)
Conversion adjustment	(320)	(436)		(1,241)			(3,887)		(5,884)
Acquisition of companies	(227)	(1,149)	(13,393)	(11,992)	(5,420)	(418)	-	(2,175)	(34,774)
Decreases	135	834	372	-	1,680	-	41,381	-	44,402
Total	(4,665)	(8,332)	(18,570)	(24,445)	(5,899)	(536)	(8,698)	(3,569)	(74,714)
Residual value as of Dec 31, 2018	**2,049**	**1,030**	**62,117**	**11,239**	**8,254**	**55**	**4**	**6,749**	**91,497**

	Furniture and fixtures	Hardware	Improvements in third-party property	Facilities	Showrooms	Total
Original value						
Balance as of 1/1/2017	5,491	7,452	6,799	9	55,829	75,580
Acquisitions	44	58	401	-	223	726
Conversion adjustment	80	105	266	-	835	1,286
Transfers	-	-	-	-	(5,438)	(5,438)
	(77)	(280)	-	(9)	(5,253)	(5,619)
Total	5,538	7,335	7,466	0	46,196	66,535
Depreciation and impairment						
Balance as of 1/1/2017	(3,263)	(6,271)	(6,463)	(9)	(40,919)	(56,925)
Depreciation	(583)	(702)	(377)	-	(5,658)	(7,320)
Conversion adjustment	(65)	(86)	(266)	-	(765)	(1,182)
MRL deconsolidation	62	210	-	9	2,608	2,889
Total	(3,849)	(6,849)	(7,106)	-	(44,734)	(62,538)
Residual value as of Dec 31, 2017	**1,689**	**486**	**360**	**-**	**1,462**	**3,997**

(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	2,309	10,735	117	-	13,161
Acquisitions	352	481	-	-	833
Acquisition of companies	5,313	-	-	63,184	68,497
Conversion adjustment	636	-	25	-	661
Decreases	(1,229)	-	-	-	(1,229)
Total	7,381	11,216	142	63,184	81,923
Amortization and impairment					
Balance as of January 1, 2018	(1,942)	(10,052)	2		(11,992)
Amortization	(1,204)	(1,266)	(7)	(22,976)	(25,453)
Acquisition of companies	(3,780)	-	-	-	(3,780)
Conversion adjustment	(525)	-	(25)		(550)
Decreases	1,229				1,229
Total	(6,222)	(11,318)	(30)	(22,976)	(40,546)
Residual value as of Dec 31, 2018	**1,159**	**(102)**	**112**	**40,208**	**41,377**

	Software	Software development	Trademarks	Total
Original value				
Balance as of January 1, 2017	2,102	10,736	112	12,950
Acquisitions	71	98	(1)	168
Conversion adjustment	136	-	6	142
MRL deconsolidation	-	(99)	-	(99)
Total	2,309	10,735	117	13,161
Amortization and impairment				
Balance as of January 1, 2017	(1,641)	(8,674)	(77)	(10,392)
Amortization	(209)	(1,378)	(15)	(1,602)
Conversion adjustment	(92)	-	(5)	(97)
MRL deconsolidation	-	-	99	99
Total	(1,942)	(10,052)	2	(11,992)
Residual value as of Dec 31, 2017	**367**	**683**	**119**	**1,169**

Note 7. Goodwill

	Caputo S.A.I.C. y F.	Total
Original value		
Balance as of January 1, 2018	-	-
Increases	1,039,106	1,039,106
Decreases	-	-
Total	1,039,106	1,039,106
Impairment		
Balance as of January 1, 2018		
Impairment loss	(322,954)	(322,954)
Total	(322,954)	(322,954)
Residual value as of Dec 31, 2018	**716,152**	**716,152**

(amounts stated in thousands of Argentine pesos)

Note 7. Goodwill (cont.)

	Marina Río Luján 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

Non-current	Notes	**Dec 31, 2018**	Dec 31, 2017
Projects under construction			
Astor San Telmo	31.1.1.	727,702	770,449
Metra Puerto Norte	31.1.2.	266,639	596,495
Proa	31.1.2.	-	668,180
Forum Puerto del Buceo		1,322,460	-
Other projects		-	191
Impairment			
Metra Puerto Norte		(33,946)	-
Total Inventory – Non-current		**2,282,855**	2,035,315
Current			
Projects under construction			
Forum Puerto del Buceo	31.1.3.	794,047	2,079,686
Metra Puerto Norte	31.1.2.	-	283,120
Other inventory		102	-
Projects completed			
Astor Núñez		4,387	194,616
Astor Palermo	31.1.4.	8,622	27,402
Forum Alcorta		31,603	61,838
Forum Puerto Norte		4,595	-
Metra Puerto Norte	31.1.2.	180,693	-
Impairment			
Forum Puerto Norte		(4,595)	-
Metra Puerto Norte		(17,165)	-
Total Inventory - Current		**1,002,289**	**2,646,662**
Total Inventory		**3,285,144**	**4,681,977**

Note 9. Deferred tax assets

		Dec 31, 2018	Dec 31, 2017
Minimum presumed income tax		54,752	81,033
Income tax		41,826	18,617
Minimum presumed income tax credit	41	18,169	25,913
Deferred tax	28	549,685	-
Total Tax assets		**664,432**	**125,563**

(amounts stated in thousands of Argentine pesos)

Note 10. Other receivables

Non-current	Notes	Dec 31, 2018	Dec 31, 2017
Advance payments to work suppliers		58,747	46,243
Prepayments for the purchase of real property		-	176,448
Accounts receivable from exchanges		274,319	-
Security deposit	39	5,525	1,325
Subtotal Other receivables – Non-current		**338,591**	**224,016**
Current			
Value added tax in local currency		54,466	67,706
Value added tax in foreign currency	39	194,455	183,841
Turnover tax		25,176	3,469
Wealth tax in foreign currency	39	8,222	10,841
Advance payments to work suppliers in local currency		262,973	14,601
Advance payments to work suppliers in foreign currency	39	158,559	78,135
Security deposits in local currency		327	377
Security deposits in foreign currency	39	59,130	-
Insurance to be accrued in local currency		2	175
Insurance to be accrued in foreign currency	39	2,374	962
Loans granted in local currency		35,497	-
Expenses to be rendered in local currency		77,364	21
Expenses to be rendered in foreign currency	39	3,149	1,570
Expenses to be recovered		11,956	4,945
Maintenance fees to be recovered in local currency		28,267	34,346
Receivables from the sale of investment property	39 and 35	4,440	28,682
Receivable from a judgment	32.3	2,083	2,998
Accounts receivable from exchanges		161,389	-
Sundry receivables UTES		4,775	-
Tax credits UTES		4,598	-
Collectible equipment fund in local currency		1	1
Collectible equipment fund in foreign currency	39	2,194	1,655
Collectible operative fund in local currency		102	121
Collectible operative fund in foreign currency	39	10	7
Sundry		122,494	28
Allowance for doubtful receivables		(29,978)	(17,115)
Subtotal Other receivables – Current		**1,194,025**	**417,366**
Total Other receivables		**1,532,616**	**641,382**

Note 11. Accounts receivable from sales

Non-current	Dec 31, 2018	Dec 31, 2017
Receivables from sale of units	**33,197**	-
Subtotal accounts receivable from sales - Non-current	**33,197**	-

(amounts stated in thousands of Argentine pesos)

Note 11. Accounts receivable from sales (cont.)

Current	Notes	Dec 31, 2018	Dec 31, 2017
Accounts receivable from sales of units in local currency		13,180	2,045
Accounts receivable from sales of units in foreign currency	39	49,776	17,670
Accounts receivable from services rendered in local currency		1,226,248	241
Accounts receivable from services rendered in foreign currency	39	113	25
Accounts receivable from services rendered in local currency		16,989	-
Allowance for bad debts in local currency		(2,798)	(4,009)
Allowance for bad debts in foreign currency	39	(3,728)	(1,126)
Subtotal Accounts receivable from sales - current		**1,299,780**	**14,846**
Total accounts receivable from sales		**1,332,977**	**14,846**

Maturity of accounts receivable from sales is the following:

	Dec 31, 2018	Dec 31, 2017
To become due		
0 to 90 days	1,332,977	14,846
Total	**1,332,977**	**14,846**

Note 12. Cash and cash equivalents

	Notes	Dec 31, 2018	Dec 31, 2017
Cash in local currency		1,062	157
Cash in foreign currency	39	1,379	1,035
Banks in local currency		9,338	13,240
Banks in foreign currency	39	812,787	33,734
Checks to be deposited in local currency		1,275	351
Checks to be deposited in foreign currency	39	8,585	573
Time deposits	31.1.5 and 39	-	5,526
Mutual funds in local currency		-	62,138
Mutual funds in foreign currency	39	9,376	1,025,612
Bonds and government securities in foreign currency	39	-	1,527,137
Total Cash and cash equivalents		**843,802**	**2,669,503**

(amounts stated in thousands of Argentine pesos)

Note 13. Other accounts payable

Non-current	Notes	Dec 31, 2018	Dec 31, 2017
Payable for purchase of shares	33.3 and 39	955,418	33,121
Security deposits in foreign currency	39	-	191
Subtotal Other accounts payable – Non-current		**955,418**	**33,312**

Current	Notes	Dec 31, 2018	Dec 31, 2017
Sundry creditors in foreign currency	39	19,039	12,343
Payable for purchase of shares	33.3 and 39	1,104,209	33,121
Security deposits in local currency		30	-
Security deposits in foreign currency	39	6,543	-
Dividends to be paid in cash		295	-
Contributions to be subscribed		7	-
Provision for directors' fees		6,441	1,668
Deferred income		8,556	12,663
Other payables		936,002	-
Other payables - UTES		38,900	-
Subtotal other accounts payable – Current		**2,120,022**	**59,795**
Total Other accounts payable		**3,075,440**	**93,107**

Note 14. Contract liabilities

Non-current	Dec 31, 2018	Dec 31, 2017
Advanced collections	1,271,363	1,570,412
Equipment fund	150	49
Operative fund	2	3
Other contract liabilities	16,999	-
Value added tax	(78,851)	(101,891)
Total contract liabilities - Non-current	**1,209,663**	**1,468,573**

Current		
Advanced collections	1,965,887	2,434,921
Equipment fund in local currency	18,296	35,333
Equipment fund in foreign currency	408	-
Collectible operative fund in local currency	8,233	11,471
Value added tax	(3,693)	(22,077)
Total contract liabilities - Current	**1,989,131**	**2,459,648**
Total contract liabilities	**3,198,794**	**3,928,221**

Note 15. Loans

Non-current	Notes	Dec 31, 2018	Dec 31, 2017
Corporate notes in foreign currency	2 and 39	4,351,524	2,467,043
Financial lease in local currency	3	1,486	1,008
Financial lease in foreign currency	3 and 39	344	-
Subtotal Loans – Non-current		**4,353,354**	**2,468,051**

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (cont.)

Current	Notes	Dec 31, 2018	Dec 31, 2017
Loans received in local currency	1.1	19,390	-
Loans received in foreign currency	1.1 and 39	-	83,250
Mortgage-backed bank loans in foreign currency	1.2 and 39	648,435	364,164
Bank overdrafts in local currency		146,906	-
Corporate notes in local currency	2.1	-	195,388
Corporate notes in foreign currency	2 and 39	531,167	311,418
Financial lease in local currency	3	5,297	586
Financial lease in foreign currency	3 and 39	198	-
Subtotal Loans – Current		**1,351,393**	**954,806**
Total Loans		**5,704,747**	**3,422,857**

The following is a breakdown of loans:

FOR THE PERIOD/YEAR	Dec 31, 2018	Dec 31, 2017
Balance at beginning of year	3,422,857	896,162
Gains/losses from the exposure to changes in the currency purchasing power	(1,110,117)	166,680
Inclusion of balances from the purchase of Caputo	58,287	-
New disbursements under existing loans	4,396,449	2,807,860
Accrued interest	441,517	271,195
Effects of exchange rate variation	1,783,916	195,856
Bank overdrafts	114,104	-47,393
Payment of principal	(3,492,958)	-513,878
Payment of interest	(207,568)	-227,461
ON swap	-	-199,119
Conversion of corporate notes	(10,581)	-
Effect of financial statements conversion	308,841	72,955
Balance at period-end	**5,704,747**	**3,422,857**

(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

						Outstanding amount in pesos			
						Dec 31, 2018		Dec 31, 2017	
Entity	Loans	Maturity	Disbursement	Repayment	Annual rate	Non-current	Current	Non-current	Current
BBVA	20,000	8/22/2020	20,000	(5,403)	21.82%	-	13,070	-	-
Provincia (a)	20,000	4/5/2019	20,000	(8,333)	28.07%	-	6,667	-	-
Total in local currency						**-**	**19,737**	-	-

1.2 Mortgage backed banking loans

					Amount pending settlement			
					Dec 31, 2018		Dec 31, 2017	
Bank	Loan amount	Maturity	Disburseme nt	Repayment	Non-current	Current	Non-current	Current
BBVA	15,000	(a)	14,121	(5,268)	-	323,975	-	182,019
Itaú	15,000	(a)	14,121	(5,295)	-	324,460	-	182,145
Total in foreign currency					**-**	**648,435**	**-**	**364,164**

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 of loan	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.	

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (cont.)

1. Loans borrowed (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 December 31, 2018, the net position is broken down as follows:

Bank	Type	Maturity	Rate	Principal plus interest in US$	Dec 31, 2018
BBVA	TB USA	12/5/2019	3.07%	10,582	397,874
BBVA	BTB	12/5/2019	3.07%	(10,549)	(396,625)
ITAU	TB London	1/14/2019	2.75%	617	23,209
ITAU	BTB	1/14/2019	3.25%	(617)	(23,212)
ITAU	TB London	1/22/2019	2.77%	2,387	89,768
ITAU	BTB	1/22/2019	3.27%	(2,386)	(89,728)
ITAU	TB London	2/28/2019	3.05%	207	7,769
ITAU	BTB	2/28/2019	3.55%	(206)	(7,728)
ITAU	TB London	4/1/2019	3.12%	513	19,275
ITAU	BTB	4/1/2019	3.62%	(512)	(19,256)
ITAU	TB London	5/16/2019	3.11%	306	11,523
ITAU	BTB	5/16/2019	3.61%	(306)	(11,512)
ITAU	TB London	10/24/2019	3.67%	3,887	146,159
ITAU	BTB	10/24/2019	4.54%	(3,872)	(145,603)
Santander	Time deposit	1/10/2019	2.20%	9,684	364,110
Santander	BTB	1/10/2019	2.75%	(9,662)	(363,305)
		Total Other financial assets			2,718

(*) 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.

(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 Monday, December 31, 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) 0.90 multiplied by the variation of the CAC Index; and b) Badlar + 600 bps.	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		

	Dec 31, 2018		Dec 31, 2017	
Class	**Non-current**	**Current**	Non-current	Current
IX	-	-	-	43,701
XII	-	-	-	151,687
Total in local currency	**-**	**-**	**-**	**195,388**
XV	881,400	54,986	-	-
Convertible ON	3,470,124	476,181	2,467,043	311,418
Total in foreign currency	**4,351,524**	**531,167**	**2,467,043**	**311,418**

As mentioned in Note 42 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.	$ 993,344

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. 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. It is repayable in 4 years, in 48 consecutive and monthly installments. The annual nominal rate amounts to 27%.

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (continued)

3. Finance leases (continued)

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

	Dec 31, 2018	Dec 31, 2017
Up to 1 year	6,583	678
Over 1 year and up to 5 years	2,517	1,893
	9,101	2,571
Future finance charges	(1,775)	(977)
Present value of finance lease liabilities	**7,325**	**1,594**

The fair value of finance lease liabilities is as follows:

	Dec 31, 2018	Dec 31, 2017
Up to 1 year	5,495	586
Over 1 year and up to 5 years	1,830	1,008
Fair value of finance lease liabilities	**7,325**	**1,594**

Note 16. Other tax burden

Non-current	Notes	Dec 31, 2018	Dec 31, 2017
National tax payment plan		8,996	17,717
Municipal tax payment plan		17	292
Subtotal Other tax burden - Non-current		**9,013**	**18,009**
Current			
Turnover tax		7,170	2,327
Wealth tax		-	16
Provincial taxes		17,039	5,324
Municipal taxes		3	19
Stamp tax		2,337	4,129
National tax payment plan		30,356	3,682
Provincial tax payment plan		19	-
Municipal tax payment plan		194	5,173
National tax provision		12,043	-
Wealth tax provision in foreign currency	39	-	12
Withholdings and collections to be deposited in local currency		44,389	4,596
Withholdings and collections to be deposited in foreign currency	39	997	2,106
Other tax burden UTES		561	-
Subtotal Other tax burden - Current		**115,108**	**27,384**
Total Other tax burdens		**124,121**	**45,393**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 17. Trade payables

Non-current	Notes	**Dec 31, 2018**	Dec 31, 2017
Contingency fund in local currency		-	10,341
Contingency fund in foreign currency	39	-	25,962
Subtotal Trade payables - Non-current		**-**	**36,303**
Current			
Suppliers in local currency		256,867	8,211
Suppliers in foreign currency	39	111,148	36,969
Deferred checks in local currency		139,847	51,730
Deferred checks in foreign currency	39	7	272
Provision for expenses in local currency		104,238	4,629
Provision for expenses in foreign currency	39	40,986	6,738
Provision for works in local currency		347,515	31,687
Provision for works in foreign currency	39	29,427	33,130
Insurance payable in local currency		4	9
Insurance payable in foreign currency	39	852	74
Contingency fund in local currency		68,534	31,139
Contingency fund in foreign currency	39	617	451
Trade payables - UTES		18,056	-
Subtotal Trade payables - Current		**1,118,098**	**205,039**
Total Trade payables		**1,118,098**	**241,342**

Note 18. Provisions

	Notes	**Legal claims**	**Onerous contracts** (I)	**Dec 31, 2018**	Dec 31, 2017
In local currency					
Balances as of January 1, 2018		46,908	-	46,908	4,112
Balances incorporated as a result of the merger with CAPUTO S.A.I.C. Y F.		126,680	-	126,680	67,674
Additions (II)		4,926	-	4,926	-
Recoveries (II)		-	-	-	-
Used during the period		(20,995)		(20,995)	(2,362)
Provisions in local currency		**157,519**	**-**	**157,519**	**69,424**
In foreign currency					
Balances as of January 1, 2018		-	373	373	7,196
Used during the period		-	(825)	(825)	(8,238)
Effect of exchange rate variation		-	452	452	1,594
Provisions in foreign currency	39	**-**	**-**	**-**	**552**
Total Provisions		**157,519**	**-**	**157,519**	**69,976**

(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.

(amounts stated in thousands of Argentine pesos)

Note 19. Payroll and social security contributions

	Notes	Dec 31, 2018	Dec 31, 2017
Salaries payable in local currency		66,885	17,979
Salaries payable in foreign currency	39	8,636	2,341
Social security contributions payable in local currency		22,073	8,214
Social security contributions payable in foreign currency	39	576	377
Provision for thirteenth month salary and vacation pay in local currency		37,481	7,182
Provision for thirteenth month salary and vacation pay in foreign currency	39	940	1,349
Social security payables - UTES		57	-
Advances to personnel		(199)	(466)
Total Payroll and social security contributions		**136,449**	**36,976**

Note 20. Capital Stock

The Company's capital stock is distributed as follows (whole numbers)

	Dec 31, 2018		Dec 31, 2017	
Shareholders	Shares	Stake	Shares	Stake
Federico Nicolás Weil	13,806,745	19.2%	13,806,745	19.6%
The Bank of New York Mellon ADRS (1)				
PointArgentum Master Fund LP	*10,160,820*	*14.1%*	*9,560,830*	*13.6%*
Bienville Argentina Opportunities Master Fund LP	-	-	*9,560,830*	*13.6%*
Other holders of ADRS	*18,556,400*	*25.8%*	*20,554,935*	*29.2%*
Bienville Argentina Opportunities Master Fund LP	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.

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 is negative, distribution of unappropriated retained income/loss shall be restricted in the same amount.

(amounts stated in thousands of Argentine pesos)

Note 22. Income from ordinary activities

	Dec 31, 2018	Dec 31, 2017
Income from the delivery of units	1,388,220	1,924,709
Income from the sale of inventories	21,080	-
Revenue from services rendered	4,060,227	15,636
Total Income from ordinary activities	**5,469,527**	**1,940,345**

Note 23. Cost of ordinary activities

	Dec 31, 2018	Dec 31, 2017
Cost of delivery of goods	1,435,203	1,712,887
Cost of sale of inventories	5,786	-
Cost of services rendered	3,236,340	2,762
Total Cost of ordinary activities	**4,691,440**	**1,715,649**

Note 24. Selling expenses

	Dec 31, 2018	Dec 31, 2017
Payroll and social security contributions	57,901	26,211
Other payroll expenses	502	682
Rent and building maintenance fees	2,199	1,516
Professional fees	9,332	3,237
Taxes, rates and contributions	149,455	22,896
Transport and per diem	874	642
Information technology and services expenses	877	2,560
Equipment maintenance expenses	135	-
Contractual agreements	174,879	90,856
Depreciation of property, plant and equipment	4,625	5,683
Office expenses	1,147	706
Insurance	93	296
Advertising expenses	14,973	13,813
Sales expenses	11,877	26,966
Building management fees	17,182	24,923
Post sales expenses	8,808	27,700
General expenses	123	-
Total Selling expenses	**454,982**	**248,687**

(amounts stated in thousands of Argentine pesos)

Note 25. Administrative expenses

	Dec 31, 2018	Dec 31, 2017
Payroll and social security contributions	340,887	124,089
Other payroll expenses	7,332	3,102
Rent and building maintenance fees	29,312	7,838
Professional fees	57,731	60,935
Directors' fees	10,848	6,571
Supervisory audit committee's fees	1,772	2,082
Public offering expenses	7,392	5,187
Taxes, rates and contributions	2,833	9,195
Transport and per diem	2,758	1,892
Information technology and services expenses	9,501	4,937
Depreciation of property, plant and equipment	11,250	1,635
Office expenses	14,872	9,207
Investment property maintenance expenses	687	(86)
Equipment maintenance expenses	899	-
Bank expenses	7,811	2,597
Litigation-related expenses	8,344	-
Tax on bank account debits and credits	56,665	23,581
Other bad debts	17,282	31,927
Insurance	5,011	3,549
Donations	64	-
General expenses	2,603	-
Total Administrative expenses	**595,854**	**298,238**

Note 26. Financial results

	Profit/(Loss)	
Exchange gains/losses	**Dec 31, 2018**	Dec 31, 2017
Exchange gains	303,098	511,265
Exchange losses	(3,092,758)	(427,364)
Total Exchange gains/losses	**(2,789,660)**	**83,901**
Financial income		
Interest	46,524	29,400
Gain from holding cash equivalents	21,630	11,775
Gain from sales of cash equivalents	23,610	-
Index adjustment	9,774	1
Present value	752	184
Gain from financial instruments	29,945	-
Total Financial income	**132,235**	**41,360**
Financial costs		
Interest	(773,013)	(148,121)
Subtotal Interest	**(773,013)**	**(148,121)**
Other financial costs		
Loss from discounted trade documents	-	(231)
Sale of shares	(8,935)	-
Gain from sales of cash equivalents	-	(4,767)
Present value	(151,471)	(1,473)
Subtotal Other financial costs	**(160,406)**	**(6,471)**
Total Financial costs	**(933,419)**	**(154,592)**

(amounts stated in thousands of Argentine pesos)

Note 27. Other income and expenses, net

	Profit/(Loss)	
	Dec 31, 2018	Dec 31, 2017
Rental income	5,607	11,141
Debt forgiveness	-	(68)
Recovery of expenses	57,852	3,207
Recovery of provision for expenses	401	21
Contract compliance guarantee	(49,008)	-
Sale of property, plant and equipment	3,432	160
Sale of other assets	122,624	-
Contract termination	712	2,562
Depreciation of investment property	(703)	-
Lawsuits and other contingencies	(1,837)	(477)
Sundry	13,817	302
Total Other income and expenses, net	**152,897**	**16,848**

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 December 31, 2018 and 2017, is broken down as follows:

	Dec 31, 2018	Dec 31, 2017
Income tax	701,159	532,889
Deferred tax	249,277	(445,003)
Statute of limitations on tax loss carryforwards	(281,876)	(1,287)
Total Income tax	**668,560**	**85,969**

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:

Deferred tax assets	**Dec 31, 2018**	Dec 31, 2017
Tax loss from national source income	769,871	446,069
Tax loss from foreign source income	51,728	23,619
Property, plant and equipment	(4,936)	2,658
Finance lease valuation	(103)	16
Bonus	18,250	-
Provision for sundry expenses	243,762	28,281
Deferred income	78,407	56,194
Subtotal Deferred tax assets	**1,156,979**	**556,837**
Deferred tax liabilities		
Bad debts	3,884	(512)
Cash equivalents	64	(56,663)
Inventories	(276,844)	(311,763)
Foreign currency	112,506	19,447
Investment property	106,539	(23,732)
Financial costs	(33,112)	(26,369)
Corporate notes	(473,092)	(453,629)
Valuation UTES	(162)	-
Other receivables	(35,323)	-
Intangible assets	(11,754)	(95)
Subtotal Deferred tax liabilities	**(607,294)**	**(853,317)**
Net position of deferred tax assets/(liabilities) (1)	**549,685**	**(296,480)**

(amounts stated in thousands of Argentine pesos)

Note 28. Income tax and deferred tax (continued)

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 and value added 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 fiscal year, 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:

	Dec 31, 2018	Dec 31, 2017
Income tax calculated at the tax rate prevailing in each country:	831,792	165,566
Impairment of and statute of limitations on income tax loss carryforwards	(281,876)	(1,917)
Understated provision for income tax	-	101
Directors' fees	(369)	(2,128)
Presumed interest	(853)	(786)
Intangible assets	(3,754)	(1)
Non-deductible expenses	6,603	(12,451)
Effect of the conversion of financial statements	2,766	6,710
Loans	-	(240)
Investment property	279,002	-
Contract liabilities	12,857	-
Adjustment Tax Reform Law No. 27430	18,589	(22,736)
Inventories	(87,274)	2,698
Sundry	(108,923)	(48,847)
Income tax	**668,560**	**85,969**

Tax losses from national and foreign-source income accumulated as of December 31, 2018 may be used up to the dates indicated below:

	Pesos
Year	2018
2019	19,540
2020	65,901
2021	11,281
2022	163,768
2023	561,109
Total	**821,599**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 29. Related parties

As of December 31, 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	Dec 31, 2018	Dec 31, 2017
OTHER RECEIVABLES			
Inversiones y Representaciones S.A.		32,180	-
Total Receivables from related parties – Non-current		**32,180**	-
Receivables from related parties – Current			
ACCOUNTS RECEIVABLE FROM SALES			
AGL Capital S.A. in local currency		-	256
AGL Capital S.A. in foreign currency	39	-	1,567
Marina Río Luján S.A.		186	21
		186	**1,844**
OTHER RECEIVABLES			
Marina Río Lujan S.A.		85,399	14,174
Marina Río Lujan S.A. in foreign currency	39	208,892	277,555
Individual shareholders		2,505	3,707
Other shareholders		3,528	5,241
UTE Malvinas		8,529	-
Limp Ar Rosario S.A.		1,620	-
Altos del puerto		1,256	-
Logística Ambiental Mediterránea S.A.		11,877	-
UTE Echeverría		13,304	-
UTE Procrear		17,579	-
Eleprint S.A.		415	-
Total Receivables from related parties – Current		**354,904**	**300,677**
Total Receivables from related parties		**355,090**	**302,521**
PAYABLES TO RELATED PARTIES – Non-current			
América Pavilion S.A.		5,897	-
Altos del Puerto S.A.		1,042	-
Total Payables to related parties – Non-current		**6,939**	-
PAYABLES TO RELATED PARTIES – Current			
OTHER ACCOUNTS PAYABLE			
Marina Río Lujan S.A.		287	425
UT Crik		2,000	-
UTE Posadas		3,189	-
Limp Ar Rosario S.A.		19,097	-
Total Payables to related parties – Current		**24,573**	**425**
Total Payables to related parties		**31,512**	**425**

(amounts stated in thousands of Argentine pesos)

Note 29. Related parties (continued)

b) As of December 31, 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		Dec 31, 2018	Dec 31, 2017
Marina Río Luján S.A.	Loans granted	(230,550)	-
Individual shareholders	Loans borrowed	-	11,030
Individual shareholders	Collections received	-	157
Marina Río Luján S.A.	Collections received	66	-
AGL S.A.	Collections received	3,197	938
Comisiones y Corretajes S.A.	Collections received	-	8,578
Senior Directors and Managers	Collections received	-	2,927
Individual shareholders	Payments made	-	(11,550)
AGL S.A.	Payments made	(339)	-
Comisiones y Corretajes S.A.	Payments made	-	(256)
Other shareholders	Payments made	-	(51,217)
Altos del Puerto S.A.	Financial contributions	(1,256)	-
Limp Ar Rosario S.A.	Financial contributions	19,097	-
Logística Ambiental Mediterránea	Financial contributions	(11,877)	-
UTE Hospital Esteban Echeverría	Financial contributions	3,424	-
UTE PRO.CRE.AR	Financial contributions	(8,605)	-
UT Crick	Financial contributions	2,000	-
Newbery 3431 S.A.	Financial contributions	(3,750)	-
Limp Ar Rosario S.A.	Dividends	6,840	-
Marina Río Luján S.A.	Write-off due to capitalization	191,061	-
Total		**(30,692)**	**(39,392)**

- Transactions and their effect on profit/loss

		Profit/(Loss)	
Name of related party	**Transaction**	**Dec 31, 2018**	Dec 31, 2017
AGL S.A.	Services provided	1,434	1,545
Marina Río Luján S.A.	Services provided	153	-
Individual shareholders	Financial results	-	(497)
Marina Río Luján S.A.	Financial results	55,257	-
AGL S.A.	Financial results	(100)	152
Comisiones y Corretajes S.A.	Financial results	-	(5,097)
Other shareholders	Results from bad debts	(12)	-
America Pavilion S.A.	Results for higher value	131,255	-
Comisiones y Corretajes S.A.	Commissions	-	(4,234)
Senior Directors and Managers	Income from the delivery of units	-	7,640
Senior Directors and Managers	Professional fees	-	5,822
Other shareholders	Bad debts	-	(4)
Total		**187,987**	**5,327**

c) As of December 31, 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).

(amounts stated in thousands of Argentine pesos)

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	Dec 31, 2018	Dec 31, 2017
To become due		
Up to 3 months	1,719,469	186,493
From 3 to 6 months	77,555	83,824
From 6 to 9 months	152,887	48,471
From 9 to 12 months	315,904	113,966
Over 12 months	1,081,924	349,579
Without any established term	557,318	278,004
Past due		
Up to 3 months	6,870	-
From 3 to 6 months	200	23,975
Over 12 months	4,894	-
	3,917,021	**1,084,312**

Payables (except for contract liabilities)	Dec 31, 2018	Dec 31, 2017
To become due		
Up to 3 months	3,700,722	476,317
From 3 to 6 months	726,967	79,552
From 6 to 9 months	66,227	171,593
From 9 to 12 months	258,866	92,345
Over 12 months	5,317,785	2,852,154
Without any established term	270,380	534,595
	10,340,947	**4,206,556**

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

Receivables/Tax assets	Dec 31, 2018	Dec 31, 2017
Interest bearing	211,018	172,760
Non-interest bearing	3,706,003	911,552
	3,917,021	**1,084,312**
Annual nominal average rate:	**19%**	**15%**

Payables (except for customer advances)	Dec 31, 2018	Dec 31, 2017
Interest bearing	5,793,463	3,286,950
Non-interest bearing	4,547,484	919,606
	10,340,947	**4,206,555**
Annual nominal average rate:	**30%**	**17%**

Note 31. Restricted assets and guarantees granted and received

31.1 Restricted assets

1. 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.

2. 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.

3. 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.

4. 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. on the aforementioned property. The amount of the mortgage is US$ 8,143.

5. 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. 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.

31.2 Guarantees granted and received

1. Machinery, equipment and vehicles 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 related company, in the amount of up to $ 37,340 as a result of the execution of four lease agreements.

3. On October 4, 2017, América Pavilion (AP) and Fundación Universidad de San Andrés (FUDESA) signed an offer letter in connection with a sales transaction. Caputo 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 October 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 related company, in the amount of up to $ 25,231 as a result of the execution of four lease agreements. In March 2018, the surety bond was executed.

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 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.

Note 32. Litigation

32.1. Health and safety

During the last quarter of fiscal year 2012, Maltería del Puerto S.A. (merged into Canfot S.A., which subsequently merged into TGLT S.A.) received a summons in relation to its joint and several liability, together with Constructora Sudamericana S.A. (COSUD), for the alleged breach of health and safety obligations by a subcontractor. The related defenses were filed. The summons is pending resolution by the Ministry of Labor and Social Security of the Province of Santa Fe.

To the date of these financial statements, it is not possible to determine whether a decision against the Company will be issued, or whether a sanction will also be imposed on TGLT S.A. as principal. In the event economic sanctions are imposed, they must be paid, even in the case an appeal is filed with the Court of Appeals in Labor Matters of the Province of Santa Fe, under penalty of foreclosure as a result of the filing of legal proceedings for collection.

The Company's Management and legal advisors estimate that the aforementioned administrative cases would not represent a loss for the Company.

32.2. Labor issues

On October 30, 2013, Maltería del Puerto S.A. (merged into Canfot S.A., which subsequently merged into TGLT S.A.) was served with notice of a labor complaint for joint and several liability. An operator of IGM filed the complaint. The case file is pending before the Court of Labor Matters No. 2 of the City of Rosario, Province of Santa Fe. On November 14, 2013, the Company filed the answer to the complaint. The case file is at the trial stage.

On June 25, 2015, Maltería del Puerto S.A. (merged into Canfot S.A., which subsequently merged into TGLT S.A.) was summoned to a hearing in relation to the case file: "Miguel Gonzalo Javier c/ Marmoles Amato S.R.L. y otros s/ medida preparatoria" to provide documentary evidence related to the contractor. It is a labor complaint against Mármoles Amato Rubén Antonio Amato, COSUD, and TGLT S.A. TGLT has not received any subsequent notices.

The Company's Board of Directors and legal advisors estimate that the resolution of the aforementioned complains will not generate losses for the Company.

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 $ 1,293, 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 December 31, 2018 and 2017, the Company has a claim amounting to $ 2,083 and $ 2,992, respectively, which is disclosed in current assets under Other receivables.

Note 32. Litigation (continued)

32.6. Other claims

On November 10, 2016, the motions for the declaration of unconstitutionality filed were rejected, and therefore, on November 23, 2016, an appeal was filed with the Supreme Court of Justice of the City of Buenos Aires, requesting that the appeal dismissed by the lower court be sustained. On July 4, 2018 the Court allowed the appeal and revoked the decision of the trial court and the court of appeals and, since the Company is the prevailing party, no amount is due in this case.

As a result of the rescission agreement executed between TGLT and IRSA on April 26, 2018, TGLT assigned and transferred to IRSA all the rights, claims and litigation proceedings relating to the aforementioned case.

- 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". 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. The written arguments were produced on June 22, 2018 and an adverse decision was rendered, which was appealed on August 14, 2018 before the courts of Santa Fe.

- 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 $ 150,000 at historical value for repairs in her unit and resulting damages. To this date, the case has been open for trial.

- 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. Consequently, TGLT made the related payment. In addition, the Court allowed the summons on the insurance company, and rejected the summons on the construction company. The complaint filed seeks compensation for damages, which the plaintiffs estimate at $ 6,000 at historical value. We understand that in the event the existence of a damage is proved, compensation for damages should be borne by the insurance company and, eventually, the construction company would also be liable.

- On August 29, 2016, the Company was served with notice of the complaint filed under the proceedings "Equistica 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 Forum Puerto Norte. Especially, it is argued that the development did not respect the towpath. Notice was served on TLGT 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.SA. 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 TLGT S.A.

- In October, the Company was served with summons and a complaint under the case "Tevez Frutoso Ariel c/ Consangas 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.).

Note 32. Litigation (continued)

32.6. Other litigation (continued)

- The complaint was answered by TGLT on October 26, 2016. The case is pending trial, and TGLT S.A. is co-defendant by virtue of the joint and several liability for labor purposes alleged by the plaintiff. The court with jurisdiction over labor matters in and for the City of Buenos Aires No. 78 ordered that the conciliation hearing be held on May 10, 2019.

- 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 complaint was answered 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 written arguments were produced on July 26, 2018. The decision of the court was issued in September 2018 and appealed by the parties.

- 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 $ 72,000 at historical value for structural and moral damages and loss of profit. TGLT S.A. answered the complaint in October 2017. The case has not been opened for trial, yet.

- "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. On December 28, 2018 an agreement was reached with Constructora Sudamericana S.A., and as a result it paid to the Company $ 77,350,000. This put an end to the controversy.

- "Creciente Marcela Araceli y otros c/ TGLT S.A. y otros/ medida cautelar autónoma o anticipada", 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 work conducted by the Company, which will cause the overflow of rainwater. The claims do 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 year 2011 by the Tax Authorities' own initiative. The grounds for the tax adjustment are 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 at historical value 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.

Note 32. Litigation (continued)

32.6. Other litigation (continued)

Additionally, on March 10, 2014, AGIP initiated another tax audit in relation to turnover tax for fiscal periods 2012 through 2014 in the amount of $ 15,025, plus interest and fines. On November 1, 2018, the Company received a tax assessment from the collection agency. AGIP's objections are the same as those described above. On November 21, 2018, the Company filed a motion for reconsideration reiterating the arguments in support of the construction activity, as well as the documentation presented in previous notes: (i) certifications extended by the Professional Council of Architecture and Urbanism and (ii) offer letters to evidence the categories of the different buildings for tax purposes.

- "Nespola Romanovich, Guillermo Andres C/ Canfot (merged into TGLT S.A.) y Otro S/Daños y Perjuicios." The customer claims the sum of $ 25,961 at historical valuefor the damages caused by alleged constructive defects in his unit. On September 21, 2018, the Company answered the complaint and filed a cross-complaint due to the obligation to make and collect a fine. The hearing was held and the statutory terms are suspended until March 11, 2019 in order for the parties to reach a settlement.

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.

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. 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.

(amounts stated in thousands of Argentine pesos)

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

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. The price of the transaction amounted to US$ 110,473. The amount of US$ 53,509 was paid on the day of the transaction, US$ 28.634 on January 21, 2019 and the remaining balance, i.e. US$ 28,330, to be settled on January 19, 2020.

As of December 31, 2018, outstanding liabilities amounted to $ 2,059,627, out of which the amount of $ 1,104,209 is disclosed as current liabilities, and $ 955,418 is disclosed as non-current liabilities in "Other accounts payable".

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

	January 19, 2018
Non-current assets	2,018,726
Current assets	1,471,814
	3,490,539
Non-current liabilities	219,222
Current liabilities	1,026,448
Non-controlling interest	396,893
	1,642,564
	1,847,977
Goodwill	1,039,106
Acquisition value	**2,887,083**

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 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 $ 1 each, and granting one vote per share. 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, which was paid on September 18, 2018. This transaction is disclosed in the Statement of Changes in Shareholders' Equity under "Acquisition of Companies" (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.

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 sale contracts and the lists of prices by the CAC index (construction cost index) on a monthly basis.

When the Company contracts private works with third parties, it follows 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 macroeconomy and market conditions. In the Real Estate segment in particular, 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

As of this date, the construction of our Real Estate projects is carried out by independent contractors. 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.

Note 34. Risks - Financial risk management (continued)

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 (for its operations in Argentina) payables denominated in US dollars in Argentina amounting to 185.7 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$ 17.2 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 $ 100.8 million, which would be charged to income/loss for the fiscal year ended December 31, 2018.

Interest rate risks

The group is slightly exposed to interest rate volatility as around $ 151.5 million out of a total of $ 5,704 million, 2.65% of our financial liabilities, are subject to a variable reference rate such as the Private BADLAR or overdraft interest rates. We estimate that for each rate increase by 100 basis points, a loss of $1.5 million would be recorded.

Credit risks

The Company's exposure to credit risk is closely linked to the financial capacity of its customers and suppliers, to whom it make advances to meet their contractual commitments. The Company performs a thorough analysis of the financial capacity of its counterparties in order to protect itself from this type of risks.

As regards our purchase and sale agreements for Real Estate, they 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 uncollectibilty 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 $6.5 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. 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.

Liquidity risk

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

Management seeks to maintain 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.

(amounts stated in thousands of Argentine pesos)

Note 35. Investment property

As of December 31, 2018 and 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 for the year	-	4,684	-	4,684
Transfers from inventories	-	127,974		127,974
Addition of Caputo S.A.I.CyF	435,671	(91,165)	39,436	383,942
Costs on existing investment property	287,329	921,264	-	1,208,593
Fair value adjustments	-	-	(706)	(706)
Depreciation of property for rent	-	(6,933)	-	(6,933)
Transfers to assets held for sale and other assets	-	(657,162)	-	(657,162)
Transfer	314,490	(314,490)	-	-
Sales for the year	(693,000)	-	(38,730)	(731,730)
Total as of December 31, 2018	**344,490**	**-**	**-**	**344,490**

	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:

	Dec 31, 2018	Dec 31, 2017
Maintenance and repair expenses	629	1,592
Total Investment property expenses	**629**	**1,592**

The Company maintains as investment property the following items:

1- Investment property for capital appreciation:

In June 2018, the Board of Directors of the Company 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 portion included in inventories 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. 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. This measurement does not exceed its recoverable value.

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. On November 26, 2018 the "Buena Vista" property was sold; its fair value at the time of the sale was US$ 18,000.

Note 35. Investment property (continued)

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 a result of the addition of the assets following Caputo's acquisition, a property located in the corner of Juan B. Justo Ave. and Nicaragua Street was sold on November 22, 2018 in the amount of US$ 1,000.

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 Properties 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., Limp Ar Rosario S.A. y Logística Ambiental Mediterránea 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	Dec 31, 2018	Construction and services	Real estate development	Dec 31, 2017
Income from ordinary activities	4,076,141	1,393,386	**5,469,527**	-	1,940,345	**1,940,345**
Cost of ordinary activities	(3,255,464)	(1,435,976)	**(4,691,440)**	-	(1,715,649)	**(1,715,649)**
Gross profit	**820,677**	**(42,590)**	**778,087**	-	**224,696**	**224,696**
Administrative, selling, and other operating expenses (excluding amortization and depreciation)	(409,383)	(1,419,884)	**(1,829,267)**	-	(627,319)	**(627,319)**
Other expenses (excluding amortization)	-	-	**-**	-	(798)	**(798)**
Depreciation	(14,285)	(1,590)	**(15,875)**	-	(7,318)	**(7,318)**
Amortization	(1,883)	(23,635)	**(25,518)**	-	(802)	**(802)**
Investment property appraisal at fair value	-	813,603	**813,603**	-	(4,067)	**(4,067)**
Gain/loss from sale of investment property	-	(1,548)	**(1,548)**	-	97,821	**97,821**
Other income and expenses, net	15,764	137,133	**152,897**	-	16,909	**16,909**
Operating results	**410,890**	**(538,511)**	**(127,621)**	-	**(300,878)**	**(300,878)**
Financial results	102,748	1,378,639	**1,481,387**	-	(22,378)	**(22,378)**

(amounts stated in thousands of Argentine pesos)

Note 36. Segment information (continued)

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	Dec 31, 2018	Argentina	Uruguay	Dec 31, 2017
Income from ordinary activities	4,385,195	1,084,332	**5,469,527**	972,970	967,375	**1,940,345**
Inventories	960,397	1,322,458	**2,282,855**	2,035,316	-	**2,035,316**
Accounts receivable from sales	33,197	-	**33,197**	-	-	**-**
Other receivables	338,591	-	**338,591**	223,998	18	**224,016**
Investment property	344,490	-	**344,490**	23,425	-	**23,425**
Property, plant and equipment	91,310	187	**91,497**	3,818	179	**3,997**
Intangible assets	41,283	94	**41,377**	918	251	**1,169**
Deferred tax assets	618,150	46,282	**664,432**	98,283	27,280	**125,563**
Investments in companies	2,048,603	-	**2,048,603**	388,370	-	**388,370**
Goodwill	716,152	-	**716,152**	-	-	**-**
Receivables from related parties	32,180	-	**32,180**	-	-	**-**
NON-CURRENT ASSETS	**5,224,353**	**1,369,021**	**6,593,374**	**2,774,128**	**27,728**	**2,801,856**

Note 37. Earnings per share

Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the income/loss for the fiscal year attributable to the holders of common shares by the weighted average number of outstanding common shares during the fiscal year. 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 fiscal year plus the weighted average of potential common shares with dilutive effects on common shares.

(amounts stated in thousands of Argentine pesos)

Note 37. Earnings per share (continued)

Net income/loss is adjusted by the amount of dividends and interest, after taxes, recorded during the fiscal year 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:

	Dec 31, 2018	Dec 31, 2017
Result used for calculating earnings per share		
Result used for calculating basic earnings per share	(1,594,154)	(455,475)
Financial results of potential common shares with dilutive effects	1,884,368	141,519
Result used in the calculation of diluted earnings per share	290,214	(319,956)
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	0.71	0.41
Weighted potential shares	212,055	124,110
For diluted earnings per share purposes	284,048	**194,490**
Earnings per basic share	**(22.14)**	**(6.33)**
Diluted earnings/(losses) per share	**1.02**	**(1.60)**

As of December 31, 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 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.

(amounts stated in thousands of Argentine pesos)

Note 39. Assets and liabilities in foreign currency

	Dec 31, 2018				Dec 31, 2017
	Type and amount of foreign currency		Prevailing Exchange rate	Amount accounted for in pesos	Amount accounted for in pesos
ASSETS					
Non-current assets					
Other receivables:					
Security deposit	US$	147	37.50	5,525	1,307
	U$	-	1.160	-	18
				5,525	1,325
Receivables from related parties:					
Other receivables	US$	858	37.50	32,180	-
				32,180	
Total Non-current assets				**37,705**	**1,325**
Current assets					
Other receivables:					
Value added tax	U$	167,634	1.160	194,455	183,841
Wealth tax	U$	7,088	1.160	8,222	10,841
Advance payments to work suppliers	US$	3,761	37.50	141,130	49,992
	U$	15,025	1.160	17,429	28,143
				158,559	78,135
Security deposit	U$	20	1.160	23	-
	US$	1,572	37.50	59,107	-
				59,130	-
Prepaid insurance	US$	63	37.50	2,374	962
Loans granted	US$	-	37.50	-	-
Expenses to be rendered	US$	2	37.50	70	126
	U$	2,654	1,160	3,079	1,444
				5,523	1,570
Receivables from the sale of investment property	US$	118	37.50	4,440	28,682
Collectible equipment fund	US$	59	37.50	2,194	1,655
Collectible operative fund	US$	-	37.50	10	7
Receivables from related parties:					
Accounts receivable from sales	US$	-	37.50	-	1,567
Other receivables	US$	5,570	37.50	208,890	277,555
Accounts receivable from sales:					
Receivables from sale of units	US$	1,324	37.50	49,776	17,669
Non-state debtors	US$	3	37.50	113	25
Allowance for bad debts	US$	(99)	37.50	(3,728)	(1,126)
Other financial assets					
Other financial assets	US$	72	37.50	2,718	-
Cash and cash equivalents:					
Cash	US$	35	37.50	1,296	996
	U$	72	1.160	83	40
				1,379	1,035
Banks	US$	21,545	37.50	808,058	33,105
	U$	4,077	1.160	4,729	629
				812,787	33,734
Uncashed checks	US$	228	37.50	8,585	573
Time deposits	US$	-	37.50	-	5,526
Mutual funds	US$	250	37.50	9,376	1,025,611
Bonds and government securities	US$	-	37.50	-	1,527,137
Total Current assets				1,522,419	3,195,280
Total Assets				**1,560,124**	**3,196,605**

(amounts stated in thousands of Argentine pesos)

TGLT

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

	Dec 31, 2018				Dec 31, 2017
	Type and amount of foreign currency		Prevailing Exchange Rate	Amount accounted for in pesos	Amount accounted for in pesos
LIABILITIES					
Non-current liabilities					
Other accounts payable:					
Payable for purchase of shares	US$	25,343	37.70	955,418	33,121
Security deposit	US$	-	37.70	-	190
Loans:					
Notes	US$	115,425	37.70	4,351,524	2,467,043
Finance lease	US$	9	37.70	344	-
Trade payables:					
Contingency fund	US$	-	37.70	-	2,452
	U$	-	1.160	-	23,511
				-	25,963
Total Non-current liabilities				5,307,286	1,706,971
Current liabilities					
Provisions and allowances:	US$	-	37.70	-	373
Other accounts payable:					
Security deposit	US$	174	37.70	6,543	-
Sundry creditors	US$	505	37.70	19,039	12,344
Payable for purchase of shares	US$	29,289	37.70	1,104,209	33,121
Loans:					
Loans borrowed	US$	-	37.70	-	88,250
Mortgage backed banking loans	US$	17,246	37.70	648,435	364,164
Bank overdraft	US$	-	37.70	-	-
Other financial liabilities	US$	-	37.70	-	-
Corporate notes	US$	14,089	37.70	531,167	311,417
Finance lease	US$	5	37.70	198	-
Other tax burdens:					
Provision for wealth tax	U$	-	1.160	-	11
Withholdings and collections to be deposited	U$	859	1.160	997	2,106
Payroll and social security contributions:					
Salaries payable	U$	7,445	1.160	8,636	2,342
Social security contributions payable	U$	497	1.160	576	377
Provision for thirteenth month salary and vacations	U$	810	1.160	940	1,349
Trade payables:					
Suppliers	US$	1,152	37.70	43,330	31,503
	U$	58,463	1.160	67,818	5,465
				111,148	36,968
Deferred checks	U$	6	1.160	7	272
Provision for expenses	US$	1,085	37.70	40,870	6,373
	U$	100	1.160	116	365
				40,986	6,738
Provision for works	US$	27	37.70	1,022	4,718
	U$	24,487	1.160	28,405	28,412
				29,427	33,130
Insurance payable	US$	23	37.70	852	74
Contingency fund	US$	16	37.70	617	452
Total Current liabilities				2,503,777	1,316,330
Total Liabilities				**7,811,063**	**3,842,647**

(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 statement of financial position, where applicable.
The financial assets and liabilities as of December 31, 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	9,376	834,426	-	843,802
Other financial assets	-	2,718	-	2,718
Accounts receivable from sales	-	1,332,977	-	1,332,977
Other receivables	-	1,529,964	-	1,529,964
Receivables from related parties	-	387,270	-	387,270
Total Assets as of December 31, 2018	**9,376**	**4,087,355**	**-**	**4,096,371**

Item	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
FINANCIAL LIABILITIES			
Trade payables	-	1,118,098	1,118,098
Loans (finance leases not included)	-	4,605,162	4,605,162
Other accounts payable	-	3,075,440	3,075,440
Payables to related parties	-	24,573	24,573
Total Liabilities as of December 31, 2018	**-**	**8,823,273**	**8,823,273**

Item	Financial assets at fair value through profit or loss	Amortized cost	Investments held to maturity	Total
FINANCIAL ASSETS				
Cash and cash equivalents	2,614,886	49,095	5,522	2,669,503
Other financial assets	287	-	-	287
Accounts receivable from sales	-	14,846	-	14,846
Other receivables	-	629,915	-	629,915
Receivables from related parties	-	302,521	-	302,521
Total assets as of Sunday, December 31, 2017	**2,615,173**	**996,377**	**5,522**	**3,617,072**

(amounts stated in thousands of Argentine pesos)

Note 40. Determination of fair value (continued)

Item	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
FINANCIAL LIABILITIES			
Trade payables	-	241,342	241,342
Loans (finance leases not included)	-	2,423,379	2,423,379
Other accounts payable	-	93,107	93,107
Total Liabilities as of December 31, 2017	-	**2,757,828**	**2,757,828**

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 December 31, 2018 and December 31, 2017 are shown below:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	9,376	-	-	9,376
Financial instruments	-	-	-	-
Total as of December 31, 2018	**9,376**	-	-	**9,376**

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	2,614,886	-	-	2,614,886
Financial instruments	287	-	-	287
Total as of December 31, 2017	**2,615,173**	-	-	**2,615,173**

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 December 31, 2018 and December 31, 2017, the Company holds credit balances in the amounts of $ 18,169 and $ 18,617, respectively, which are disclosed in "Tax Assets" within Non-current assets. On February 18, 2019, AFIP paid $ 14,735 plus interest totaling $ 4,043, thus putting an end to the controversy.

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 for the fiscal years 2012 and 2013, 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 December 31, 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. 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.
- **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.

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

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), 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. 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, 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.

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 (Boar d 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, 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. Request for public offering and listing of new shares to be issued.

(amounts stated in thousands of Argentine pesos)

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

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 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 item2 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

Note 45. Changes in projects

45.1 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.

45.2 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 the 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 December 31, 2018, this situation has been considered and is included in the Financial Statements issued as of such date.

Note 45. Changes in projects (continued)

45.3 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 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. This allowed the Company to continue with the development of the real estate project.

45.4 Change of purpose of the land known as Brisario

On January 24, 2019, TGLT and Servicios Portuarios S.A. (hereinafter "SEPOR") signed a proposal linked to the obligations established in the barter deed dated December 10, 2013, when TGLT acquired the land on which several projects would be developed, called "Brisario", and in consideration TGLT committed to build a number of square meters.

In said proposed, the parties agree to modify the barter deed. TGLT will return to SEPOR 8 of the 15 plots of land that comprise the total land and its commitment towards building a number of square meters will be settled in relation to such transaction. Likewise, SEPOR gives its consent to the sale of 5 plots of land that TGLT wants to sell to a third party.

Once the deed is signed, which is expected by the end of March 2019, SEPOR will lift the mortgage and only the plot where today the Metra Puerto Norte urban project is developed will be mortgaged for the sum of US$ 6,000.

As a consequence of this transaction, TGLT has reclassified the relevant plots of land under Inventories and Investment Properties to Other assets in the amount of $ 804,494. Likewise, the plots of land that will be sold are disclosed in the Assets for sale item in the amount of $ 143,611.

Note 46. 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.

On March 13, 2018, TGLT and BA Developmente 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.

(amounts stated in thousands of Argentine pesos)

Note 46. Award of real property at a public auction and Trust creation (continued)

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 founds contributed by BA to complete payment of the premises price. Both of them hold a 50% interest in the Trust.

As of December 31, 2018, TGLT disclosed its share on the Trust in item Investment in companies.

Note 47. Information on investments in companies

47.1 Investment in associates

The Company has a direct participating interest in the following associates:

Company name	Capital and voting stock
Limp Ar Rosario S.A.	40%
América Pavilion S.A.	20%
Altos del Puerto S.A.	32%

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:

a) Collection of household waste, voluminous shanty towns, and garbage dumps.
b) Manual, mechanical, pedestrian and shopping centers sweeping and weeding.
c) Cleaning of housing buildings Costanera Norte y Parque de las Colectividades of the Fondo Nacional de Vivienda (FO.NA.VI.).
d) Reception center
e) 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 wastes 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.

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.

(amounts stated in thousands of Argentine pesos)

Note 47. Information on investments in companies (continued)

47.1 Investment in associates (continued)

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. Considering that the main business of the company has been discontinued, the shareholders have resolved the early dissolution of the company, for which reason the Company is currently in liquidation process; the liabilities will be settled and the assets will be liquidated as soon as possible.

Desarrollos Caballito S.A. acquired an item of real property located in the corner of Federico García Lorca street and General Martín de Gainza street, with a total surface of 10,500 m2, to be allocated to a multi-family housing construction project composed of two building towers of 33 floors each with several amenities. In December, TGLT sold the 25% stake it held in the Company for US$ 1,000.

TGLT also sold 35% of its stake in Urbanizadora del Sur, Asociación Civil Nuevo Quilmes and Nuevo Quilmes Trust in December 2018 for US$ 3,250.

The net assets of the companies where the Company holds interest as of December 31, 2018 are listed below:

	Limp Ar Rosario S.A.	América Pavilion S.A.	Altos del Puerto S.A.
Non-current assets	165,429	1,577,105	-
Current assets	281,768	179,307	19,824
Non-current liabilities	60,745	1,688,539	-
Current liabilities	210,409	58,204	7,055
Shareholder's equity	**176,043**	**9,669**	**12,769**

		Profit/(Loss)	
Income from ordinary activities	882,279	-	-
Cost of sales	(726,964)	-	-
Gain/loss on sale of investment property	-	-	19,121
Selling expenses	-	-	(584)
Administrative expenses	(47,514)	-	(2,939)
Financial results, net	(48,152)	66,807	4,985
Other income/loss	96	(14,654)	(964)
Income/(loss) before income tax	59,745	52,153	19,619
Income tax	(23,576)	(29,374)	(6,970)
Income/loss for the period	**36,169**	**22,779**	**12,649**

(amounts stated in thousands of Argentine pesos)

Note 47. Information on investments in companies (continued)

47.2 Joint operations

The Company takes part in joint operations instrumented by means of a Temporary Union of Enterprises (UTE, by its Spanish acronym).

As of December 31, 2018, the joint agreements entered into by the Company are as follows:

Company name	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 – PYPSA 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 December 31, 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.

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. - 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 December 31, 2018, the net assets added by these joint operations are as follows:

	Hospital Posadas	Hospital del Bicentenario	Museo Islas Malvinas	Procrear
Non-current assets	-	-	-	4,373
Current assets	7,108	24,888	20,800	35,177
Non-current liabilities	-	-	-	-
Current liabilities	2,406	35,484	20,330	39,182
Shareholder's equity	**4,702**	**(10,596)**	**470**	**368**
Net income/(loss) for the period	**3,692**	**(3,986)**	**439**	**(67,604)**

(amounts stated in thousands of Argentine pesos)

Note 47. Information on investments in companies (continued)

47.3 Investment in joint operations

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

Newbery 3431 S.A. was incorporated in October 2017 and is primarily engaged in the construction, real estate and financial business. The Company has three properties located in the City of Buenos Aires.

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.

Logística Ambiental Mediterránea S.A. was incorporated on June 22, 2018 and provides collection and transport services of non-hazardous urban solid waste in the city of Cordoba, from December 1, 2018 until November 30, 2016, but this term may be extended for 18 additional months.

The financial information of the companies is as follows:

	Newbery 3431 S.A.	Marina Río Luján S.A.	SES S.A.	Fideico Catalinas I	LAM S.A.
Non-current assets	1,743	2,286,319	193,834	1,181,277	264,754
Current assets	276,405	803,549	684,068	15,090	53,486
Non-current liabilities	1,946	656,733	3,322	-	195,242
Current liabilities	275,870	1,141,637	424,555	444	94,432
Shareholder's equity	**332**	**1,291,498**	**450,025**	**1,195,923**	**28,566**
Income from ordinary activities	-	6,801	1,288,928	-	36,368
Cost of sales	-	-	(940,669)	-	(24,052)
Gain/loss on appraisal of investment property at fair value	-	852,722	-	-	-
Selling expenses	-	(26,070)	(17,624)	-	(2,130)
Administrative expenses	-	(25,063)	(158,621)	(3,322)	(9,620)
Financial results, net	(94)	(49,885)	32,770	1,013	(8,512)
Other income/loss	(140)	28	(12,598)	-	562
Income/(loss) before income tax	(234)	758,533	192,186	(2,309)	(7,384)
Income tax	(25)	(253,272)	(95,106)	102	322
Income/loss for the period	**(259)**	**505,261**	**97,080**	**(2,207)**	**(7,062)**

(amounts stated in thousands of Argentine pesos)

Note 47. Information on investments in companies (continued)

47.4 Summary of balances broken down by Company

	Notes	Dec 31, 2018	Dec 31, 2017
Fideicomiso Financiero Privado Inmobiliario de Administración Catalinas I		590,658	
Marina Río Luján S.A. (1)		720,576	388,370
SES. S.A. (2)		651,952	-
Limp Ar S.A.		72,919	-
Newbery 3431 S.A.		167	-
Logística Ambiental Mediterránea		14,569	-
UTE Hospital Nacional Posadas		1,882	-
UTE Museo Malvinas		166	-
Total Investments in companies		**2,052,888**	**388,370**

(1)Historical cost, representative of their recoverable value.
(2)Restated in part.

Note 48. Negative shareholders' equity and business plans

In the fiscal year ended December 31, 2018, TGLT incurred significant losses, thus giving rise to negative equity. As of December 31, 2018, the Company is subject to the mandatory termination provisions of such law, which must be addressed at the forthcoming Shareholders' Meeting. The Company's Board of Directors considers that the recapitalization through the voluntary swap of Convertible Corporate Notes for convertible preferred shares together with a business plan will overcome the shortfall in equity.

Note 49. Financial statements approval

These consolidated financial statements as of December 31, 2018, as well as the stand-alone financial statements as of that date, were approved by the Board of Directors at their meeting held on March 8, 2019.

Note 50. Subsequent events

Execution of agreements for the Company's recapitalization:

On January 25, 2019, the Company executed agreements with a substantial majority of holders of convertible corporate notes ("CCN"), denominated in US dollars, issued by the Company on August 3, 2017 in the total amount of US$ 150,000.

The economic and financial crisis that hit Argentina in 2018, which included, among other events, a significant peso devaluation, a deep economic recession, the restriction of access to financing by Argentine companies, and a marked decline in the Argentine real estate market, negatively affected the Company's cash flows and shareholders' equity.

Accordingly, the Company has been analyzing different alternatives to implement a recapitalization plan to revert the negative shareholders' equity situation duly considered by TGLT's shareholders at the Annual and Extraordinary Shareholders' Meeting held on November 2, 2018.

Note 50. Subsequent events (continued)

In this context, TGLT initiated negotiations with the holders of CCN, who had duly executed certain confidentiality agreements, in order to jointly analyze the alternatives available for the restoration of the Company's capital (which is extremely important to obtain competitive financing conditions, and essential to participate in tenders, bids and projects in which the Company is interested), while reducing its financial liabilities, thus allowing TGLT to concentrate its financial resources in the Company's productive activities for the benefit of interested parties.

As a consequence of such negotiations, on January 25, 2009, the Company and certain holders of CCN (the "ADI Holders") executed an agreement for the deferral of interest payment, whereby ADI Holders accepted to defer the collection of coupon rates on CCN maturing on February 15, 2019 until May 30, 2019 (the "Interest Deferral Agreement" -ADI for its Spanish acronym). At the same time, also on January 25, 2009, the Company and some holders of CCN (the "AR Holders") executed an recapitalization agreement ("AR" for its Spanish acronym), which provides for a plan for the recapitalization of TGLT through the voluntary swap of CCN for convertible preferred shares to be issued by the Company (the "Recapitalization Agreement", and together with the Interest Deferral Agreement, the "Agreements").

It is worth noting that on January 25, 2019, the ADI Holders held 75.6% of CCN, and that AR Holders held 65.6% of CCN. On February 14, 2019, TGLT highlighted that as a result of the negotiations conducted by the Company, the holders of 94.8% of CCN had accepted to defer the collection of coupon rates maturing on February 15, 2019.

According to the terms and conditions of the Interest Deferral Agreement, ADI Holders accepted to defer until May 30, 2019 the collection of coupon rates on CCN that, under the terms of issue, matured on February 15, 2019.

It is expressly clarified that the payment deferral only corresponds to the interest coupons of the ADI Holders. Subject to the conditions contained in the Interest Deferral Agreement with respect to its effectiveness, which among other conditions requires that the holders of 95% of the CCN agree to defer payment of interest due on February 15, 2019, the Company paid the interest coupons to the holders who, on or before February 15, 2019, did not sign said agreement.

In addition, under the Recapitalization Agreement, the Companies and AR Holders have agreed that, subject to the terms and conditions established therein, the Company shall implement a recapitalization plan through a voluntary swap of Convertible Corporate Notes of AR Holders and the right to collect interest deferred under the Interst Deferral Agreement executed by ADI Holders, for convertible preferred shares of the Company to be issued by TGLT (the "Preferred Shares"), by means of a swap offer that will be aimed, in general, at all holders of Convertible Corporate Notes (the "Swap Offer"). Such offer is supplemented by a request of agreement from such holders in order to amend certain provisions of the trust agreement executed between Bank of New York Mellon, Banco Santander Río S.A., and the Company on August 3, 2017, as amended on April 20, 2018 (the "Indenture") (the "Agreement Request").

The Agreements provide for certain landmarks that must be met during the recapitalization process, including (a) the approval of the Swap Offer and of the issue of Preferred Shares by TGLT's shareholders on or before March 15, 2019; (B) the launch of the Swap Offer on or before April 29, 2019; (c) compliance with such Swap Offer by May 30, 2019. It is worth highlighting, however, that the Company is empowered to extend the dates mentioned in (b) and (c) above for a term of thirty days, according to the terms of the Agreements.

Under the terms and conditions of the Swap Offer, as agreed upon with the AR Holders, the holders of Convertible Corporate Notes shall be entitled to exchange them by Preferred Shares, at a ratio of 1 Preferred Share per US$ 1 of Convertible Corporate Notes (including interest accrued and not paid on Convertible Corporate Notes) and per US$ 1 of deferred interest under the Interest Deferral Agreement. In addition, the effectiveness of the Swap Offer shall be contingent, among other circumstances, upon the acceptance of the holders of, at least, 95% of the principal of Convertible corporate notes (or such other percentage as may be subsequently agreed-upon by the Company and AR Holders).

Note 50. Subsequent events (continued)

In turn, the holders accepting the Agreement Request will be requested to approve the amendment to the Indenture, whereby substantially all the commitments assumed by the Company, noncompliance events and other provisions of the aforementioned Indenture will be eliminated.

Preferred Shares shall have a preferred claim on the collection of dividends and liquidation proceeds over all other current or future classes of common and preferred shares of the Company, and shall be subordinated to any current or future debt of the Company.

In addition, each Preferred Share shall be entitled to one vote, and it is expressly stated that in the election of the members of TGLT's Board of Directors and Supervisory Committee, the vote of each shareholder (of either common or preferred shares) shall be subject to a maximum limit of 30% of the total voting stock of the Company. Furthermore, preferred and cumulative dividends shall be calculated at an annual rate equivalent to 10% of the liquidation preference, which rate shall be increased by 1% annually if preferred dividends are not approved and paid in full each and until the Company settles all accumulated preferred dividends, after which, the accrual rate will again be 10% per year. In addition, Preferred Shares are to be convertible into common shares of TGLT, either voluntarily or mandatorily in the event the Company issues capital placed by a public offering in the United States or in Argentina. For the purposes of such conversion, the conversion ratio shall be the greater of (a) 5,5556 common shares of TGLT per each Preferred Share or (b) a certain number of common shares of TGLT resulting from a calculation based on the weighted average price by volume of the common share of TGLT in the market during the ten trading days after the start of the Swap Offer. In addition, the AR Holders that hold the Preferred Shares will have a right of co-investment with the Company in those projects that TGLT (or a company wholly owned by TGLT) developed in Argentina or Uruguay, in which TGLT consider it necessary to have a partner that makes a capital contribution for its development in an amount equal to or greater than USD 25,000,000.

In order that all TGLT shareholders also have the opportunity to cooperate with the Company in strengthening its capital structure and in the restructuring of its capital stock, the shareholders of common shares in TGLT will have the opportunity to exchange their common shares for Preferred Shares through a swap offer concomitant to the Swap Offer, and, likewise, they will be granted the right of preference to subscribe, on a pro rata share basis, the new Preferred Shares to be issued by the Company under both swap offers so that they may maintain their shareholdings.

The transactions under the Agreements are subject to a series of conditions, including reaching some landmarks, the negotiation and signature of the final documents relating to the Swap Offer, and compliance with the other terms and conditions of the Agreements, some of which are detailed below, including the Company's and AR Holders' or ADI Holders' compliance, as appropriate, of their related obligations and commitments under the Recapitalization Agreement.

In that scenario, and within the framework of the Interest Deferral Agreement, TGLT has assumed, among others, the obligation to continue doing business as usual, not to extend guarantees, dispose of assets, or conduct transactions with related parties (except in those cases in which this is expressly allowed), and not to pay dividends or make capital distributions. In turn, ADI Holders assumed the obligation, among others, not to enforce the acceleration clause in relation to Convertible Corporate Notes as a consequence of the deferral of payment provided for in the Interest Deferral Agreement. Furthermore, and in relation to the Recapitalization Agreement, TGLT and AR Holders agreed to comply their related obligations under the Interest Deferral Agreement, and to refrain from performing any action that might reasonably interfere with the completion of the transactions under the Recapitalization Agreement. In addition, the Company further agreed to prepare the documents required to comply with the Swap Offer as soon as reasonably possible, in accordance with the applicable law, and, as a consequence, AR Holders agreed to support the Swap Offer.

ADI Holders and AR Holders have agreed not to sell their Convertible Corporate Notes, unless the buyer is another ADI Holder or AR Holder, as the case may be, or a company related to the seller, provided always such related company has signed a note adhering to the related Agreement.

Note 50. Subsequent events (continued)

It is expressly stated that the terms and conditions of the Agreements have been construed to be reasonable by the Company's Audit Committee under normal and regular conditions.

It is informed that the Company ore one of the AR Holders, for the benefit of the Company, duly subscribed confidentiality agreements with some of the Convertible Corporate Note holders.

Such confidentiality agreements facilitated the discussions between TGLT and the Convertible Corporate Note holders regarding the potential strategies and alternatives of the Company for its recapitalization plan. Thus, holders where asked to keep all the information provided confidential, and to refrain from trading TGLT's securities until such information was published. In particular, under the aforementioned confidentiality agreements, the Company agreed to publish, once all applicable conditions had been met, certain confidential information provided to the Convertible Corporate Note holders and their advisors. In this context, complete copies of (a) the Interest Deferral Agreement; (b) the Recapitalization Agreement; and (c) material information provided by the Company to Convertible Corporate Note holders who signed the confidentiality agreements (the "Shared Information") are attached to the Relevant Fact "Execution of agreements for the Company's recapitalization" under ID 4-2430609.

Estimates included in the Shared Information are based on current expectations and projections of future events, and subject to risks, uncertainties and assumptions regarding TGLT, and economic and market indicators of TGLT's business sector, among other indicators. Representations of future events do not guarantee performance or future events, and results may differ substantially from those described in such representations. TGLT does not guarantee that such financial estimates remain effective or are correct or complete to date. Therefore, readers should be careful and not base their decisions or rely on the Shared Information.

Neither the Company's independent auditors nor any other independent accountant has examined, compiled, or performed any procedure whatsoever in relation to the financial estimates included in the Shared Information, or in relation to any other information, except for the information provided in TGLT's financial statements. Consequently, no one has expressed a professional opinion regarding Shared Information, and no one assumes any responsibility for it.

Estimates included in the Shared Information (a) are speculative in nature and based on a series of expectations, beliefs, subjective opinions and assumptions, which are not intrinsically true, and many of which are out of the Company's control and may not be correct; (b) do not necessarily reflect the Company's management estimates, expectations, beliefs, opinions, and assumptions to date regarding business prospects, market changes, and general economic conditions, or any other situation not foreseen at the time of making such estimates; (c) may not reflect the effective actual or future results of TGLT, which might be significantly more or less favorable than those foreseen in the Shared Information; (d) shall not be construed as a statement that the expectations included in the Shared Information will be fulfilled by the Company; and (e) are inherently subjective and, therefore, subject to interpretation.

In light of the foregoing, the estimates and representations included in the Shared Information might not actually take place, and TGLT's future results and performance might differ significantly from those indicated in the Shared Information.

Since the date of preparation of the Shared Information, TGLT has not updated, nor does it assume the obligation to update, any estimate and/or representation regarding the future based on new information, future events, or other indicators. It is strongly recommended that these considerations and clarifications be taken into account upon examining the Shared Information, which was prepared prior to this date.

It is expressly stated that the suspension of coupon rate payments only refers to coupon rates payable to holders who have voluntarily accepted such suspension. Accordingly, in February 15, the Company paid, under the terms and conditions established in the trust agreement governing Convertible Notes, coupon rates to holders who had not approved the suspension of payment and/or executed an interest deferral agreement with the Company, which accounted for 5.189103% of Convertible Notes.

Note 50. Subsequent events (continued)

For more information on the Offer, please refer to the prospectus "Execution of agreements for the Company's recapitalization", which is available to any interested party at the Company's office, located at Miñones N°2177, ground floor "C", City of Buenos Aires, and on the Company's web page: www.tglt.com. It is also available on the CNV's web page (www.cnv.gob.ar) in the "Relevant Events" section, published under ID 4-2430609-D on Friday, January 25, 2019.

Approval of the Company's capital increase

At the Annual General Shareholders' Meeting held on March 7, 2019, the Company approved, among other issues: (a) an increase in its capital stock up to $300,000,000, through the issue of up to three hundred million (300,000,000) new preferred shares of the Company, with a nominal value of one peso (ARS 1) each, convertible into common shares of the Company, registered, and granting one vote per share, entitled to preferred and cumulative dividends, accrued under the same conditions applicable to the shares of the Company which are currently outstanding (the "New Preferred Shares"), to be placed through a public offering in the country and/or abroad, and to be paid (i) in cash by those common shareholders of the Company who make use of their right of preference, pursuant to section 62 bis of the Capital Market Law, and article five *in fine* of TGLT's bylaws; (ii) in kind, through the exchange for common shares of the Company; and (iii) in kind, through the exchange for Convertible Notes; (b) an additional paid-in capital between a minimum of ARS 30 (thirty Argentine pesos) and a maximum of ARS 60 (sixty Argentine pesos) per each New Preferred Share, as determined by the Company's Board of Directors, or a Company's officer duly appointed by the Board of Directors to that end; and (c) the delegation to the Board of Directors, for a term of two (2) years, with powers to subdelegate to one or more of its members, or one or more top managers of the Company, among others, the power to establish the terms and conditions for the issue and placement of the New Preferred Shares (including, but not limited to, the power -pursuant to section 62 of the Capital Market law- to decide an additional capital increase of up to 15% (fifteen percent) of the number of shares previously authorized, in the event the number of 300,000,000 New Preferred Shares were not sufficient to meet any excess demand or option over the subscription of shares.

In addition, at such Meeting, the Company approved: (i) the creation of a new American Depositary Receipts Program, whose underlying securities are the New Preferred Shares; and (ii) the issue of purchase options on the shares to be issued by the Company in an amount of up to 5.5% of the New Preferred Shares in favor of certain executives and employees of the Company.

TGLT

SEPARATE FINANCIAL STATEMENTS

TGLT S.A.

AS OF DECEMBER 31, 2018

(PRESENTED COMPARATIVELY)

TGLT S.A.

SEPARATE FINANCIAL STATEMENTS

As of December 31, 2018 and December 31, 2017

(amounts stated in thousands of Argentine pesos)

	Notes	Dec 31, 2018	Dec 31, 2017
Non-current assets			
Property, plant and equipment	5	91,311	3,810
Intangible assets	6	41,284	916
Investment property	7	344,490	23,369
Investments in companies	8	2,769,041	383,636
Inventories	11	960,395	2,030,441
Receivables from related parties	32	32,180	-
Deferred tax assets	12	620,805	125,263
Contract assets		1,421	-
Other receivables	13	338,591	223,461
Accounts receivable from sales	14	33,197	-
Total non-current assets		**5,232,715**	**2,790,896**
Current assets			
Inventories	11	208,242	565,617
Other assets	a)	804,494	39,849
Assets held for sale	a)	143,611	198,872
Other receivables	13	878,405	142,467
Receivables from related parties	32	1,076,007	778,909
Accounts receivable from sales	14	1,259,106	3,282
Cash and cash equivalents	15	790,574	2,560,294
Total Current assets		**5,160,439**	**4,289,290**
Total Assets		**10,393,154**	**7,080,186**
NET EQUITY		**(1,300,832)**	**955,262**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	16	-	319,124
Contract liabilities	18	1,209,663	1,891,698
Other accounts payable	17	955,418	33,231
Payables to related parties	32	128,263	92,327
Loans	19	4,353,354	2.462.140
Other tax burden	20	9,013	17,967
Accounts payable	22	2,532	10,316
Total non-current liabilities		**6,658,243**	**4,826,803**
Current liabilities			
Provisions and allowances	23	157,519	69,808
Other accounts payable	17	2,113,479	59,652
Contract liabilities	18	653,117	309,557
Payables to related parties	32	196,938	158,985
Loans	19	702,958	506,176
Other tax burden	20	114,111	25,208
Payroll and social security contributions	21	126,297	32,829
Accounts payable	22	971,319	135,906
Total current liabilities		**5,035,738**	**1,298,121**
Total Liabilities		**11,693,981**	**6,124,924**
Total Shareholders' equity and liabilities		**10,393,154**	**7,080,186**

a) See Note 45.4 of the consolidated financial statements.

The accompanying notes 1 to 39 are an integral part of these financial statements.

TGLT S.A.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS

FOR THE FISCAL YEARS ENDED December 31, 2018 and 2017

(amounts stated in thousands of Argentine pesos)

	Notes	Dec 31, 2018	Dec 31, 2017
Income from ordinary activities	25	1,627,633	972,789
Cost of ordinary activities	26	(1,338,504)	(883,483)
Gross profit		**289,130**	**89,307**
Selling expenses	27	(328,358)	(232,534)
Administrative expenses	28	(344,476)	(268,925)
Other operating costs		(794,306)	-
Other expenses		(12,479)	(1,427)
Investment property appraisal at fair value	7	477,534	(4,057)
Sale of investment property	7	(1,548)	97,587
Other income and expenses, net	30	134,830	13,560
Operating income/loss		**(579,674)**	**(306,489)**
Gain/loss on investments in companies		1,030,174	(53,875)
Financial and holding results, net		-	
Exchange gains/losses	29	(2,887,496)	62,166
Financial income	29	99,231	45,946
Financial costs	29	(891,310)	(109,909)
Gains/losses from the exposure to changes in the currency purchasing power		837,082	(188,405)
Income/(loss) for the year before income tax		**(2,391,994)**	**(550,565)**
Income tax	31	797,843	96,176
Income/loss for the year		**(1,594,150)**	**(454,390)**
Other comprehensive income/loss			
Foreign exchange gain (loss) of a net investment abroad		(108,109)	(14,020)
Total Other comprehensive income/loss		(108,109)	(14,020)
Total Comprehensive income/loss for the year		**(1,702,260)**	**(468,409)**
Income/loss per share attributable to parent company's owners			
Basic		**(22.14)**	**(6.33)**
Diluted		**1.02**	**(1.60)**

The accompanying notes 1 to 39 are an integral part of these financial statements.

TGLT

TGLT S.A.

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

(amounts stated in thousands of Argentine pesos)

	Capital							Reserves				Results	
Account	Capital stock	Capital adjustment	Shares to be issued	Stock premium	Buyback premium	Capital contribution	Total	Transactions between Shareholders	Legal reserve	Optional reserve	Foreign currency translation reserve	Unappropriated retained income/loss	Total
Balances as of January 1, 2018	70,349	410,153	-	1,885,990	(160)	1,072,529	3,438,861	(36,484)	404	7,673	(103,102)	(2,352,093)	955,259
IFRS 15 transition effect (1)	-	-	-	-	-	-	-	-	-	-	-	(126,557)	(126,557)
Balance as of January 1, 2018	70,349	410,153	-	1,885,990	(160)	1,072,529	3,438,861	(36,484)	404	7,673	(103,102)	(2,478,650)	828,702
Conversion of corporate notes (2)	1,644	642	-	20,521	-	(6,230)	16,577	-	-	-	-	-	16,577
Transactions between shareholders	-	-	-	-	-	(481,708)	(481,708)	-	-	-	-	-	(481,708)
Shares to be issued	-	-	-	-	-	(20,418)	(20,418)	-	-	-	-	-	(20,418)
Stock premium	-	-	58,278	-	-	-	58,278	-	-	-	-	-	58,278
Income/loss for the year	-	-	-	-	-	-	-	-	-	-	-	(1,594,150)	(1,594,150)
Other comprehensive loss for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	(108,109)	-	(108,109)
Comprehensive loss for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances as of December 31, 2018	**71,993**	**410,795**	**58,278**	**1,906,511**	**(160)**	**564,173**	**3,011,590**	**(36,484)**	**404**	**7,673**	**(211,211)**	**(4,072,800)**	**(1,300,828)**

(1) See Note 45 to the consolidated financial statements.
(2) See Note 42 to the consolidated financial statements.

The accompanying notes 1 to 39 are an integral part of these financial statements.

TGLT S.A.

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

(amounts stated in thousands of Argentine pesos)

Account	Capital								Reserves				Results	
	Capital stock	Capital adjustment	Treasury stock Stock premium	Stock premium	Irrevocable contributions	Buyback premium	Capital contribution	Total	Transactions between Shareholders	Legal reserve	Optional reserve	Foreign currency translation reserve	Unappropriated retained income/loss	Total
Balances as of January 1, 2017	70,349	410,151	18	1,885,990	13,682	-	2,648	2,382,824	(36,484)	-	-	(89,082)	(1,889,626)	367,632
Irrevocable contribution	-	-	-	-	(14,078)	-	-	(14,078)	-	-	-	-	-	(14,078)
Resolution of Shareholders' Meeting	-	-	-	-	-	-	-	-	-	404	7,673	-	(8,077)	-
Repayment of irrevocable contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of treasury stock	10	8	(18)	-	-	(159)	-	(159)	-	-	-	-	-	(159)
Transactions between shareholders	-	-	-	-	-	-	125	125	-	-	-	-	-	125
Equity component of convertible corporate notes	-	-	-	-	-	-	993,344	993,344	-	-	-	-	-	993,344
Tax reform	-	-	-	-	-	-	76,411	76,411	-	-	-	-	-	76,411
Treasury stock	-	-	-	-	396	-	-	396	-	-	-	-	-	396
CURRENCY TRANSLATION Other comprehensive loss for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(14,020)	-	(14,020)
Comprehensive loss for the year	-	-	-	-	-	-	-	-	-	-	-	-	(454,390)	(454,390)
Balances as of 12/31/2017	70,359	410,159	-	1,885,990	-	(159)	1,072,529	3,438,863	(36,484)	404	7,673	(103,102)	(2,352,093)	955,260

TGLT S.A.

SEPARATE STATEMENT OF CASH FLOWS

FOR THE FISCAL YEARS ENDED December 31, 2018 and 2017

(amounts stated in thousands of Argentine pesos)

	Dec 31, 2018	Dec 31, 2017
Operating activities		
Income/loss for the period	(1,594,150)	(317,253)
Adjustments to obtain cash flows from operating activities		
Income tax	797,843	(63,873)
Depreciation of property, plant and equipment	15,701	4,097
Impairment of goodwill	322,954	59,265
Exchange gains/losses and accrued interest	2,173,617	
Amortization of intangible assets	24,613	2,730
Investments in companies	1,030,174	36,489
Translation gain/loss	108,109	(9,496)
Investment property appraisal at fair value	(477,534)	2,748
Present value of liabilities	149,546	
Sale of investment property	1,548	(66,095)
Gain/loss on sale of property, plant and equipment	(996)	99
Loss from sale of other assets	(122,624)	-
RECPAM	(837,082)	127,606
Other expenses	(794,306)	-
Changes in operating assets and liabilities		
Receivables from sales	(1,289,021)	6,897
Other receivables	(851,068)	(103,269)
Other assets	(642,020)	(2,067)
Receivables from related parties	(329,278)	(330,053)
Inventories	1,299,447	379,037
Contract assets	(1,421)	-
Assets held for sale	55,260	-
Tax assets and liabilities	(1,546,523)	118,239
Accounts payable	827,629	(250,490)
Fringe benefits	93,468	10,863
Other tax burden	79,949	(44,650)
Payables to related parties	73,889	49,986
Contract liabilities	(338,476)	(431,447)
Other accounts payable	464,649	(28,577)
Provisions and allowances	87,711	39,652
Permanent investments		74,049
Net cash flows (used in) / provided by operating activities	**370,221**	**(735,514)**
Investment activities		
Investments not considered as cash	5,526	(554)
Transfer of property, plant and equipment	-	2,386
Payments of investment property	(4,684)	(2,031)
Collections from sale of investment property		71,523
Collections from sale of other assets	181,205	-
Collections from sale of property, plant and equipment	484	-
Payments for purchase of property, plant and equipment	(103,184)	(290)
Payments for purchase of intangible assets	(65,103)	(108)
Contributions to other companies	(25,855)	
Decrease of controlled investments	-	2,157
Acquisition of ownership interest in other companies	(2,080,569)	
Net cash flow (used in) / provided by investment activities	**(2,092,180)**	**73,083**
Financing activities		
Loans (Note 19)	(85,621)	1,709,848
Capital contribution	-	669,964
Transactions between shareholders	37,860	-
Acquisition of ownership interest in other companies	-	(106)
Collection from the sale of treasury stock	-	119
Net cash flows (used in) / provided by financing activities	**(47,761)**	**2,379,826**
Net (Decrease) / Increase in cash and cash equivalents	(1,769,720)	1,717,394
Cash and cash equivalents at beginning of the period	2,560,294	12,953
Cash and cash equivalents at period-end (see Note 15)	**790,574**	**1,730,347**

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

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 separate financial statements as of December 31, 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 BCRA within the framework of the authorization process for the public offering of its shares.

Note 2. Statement of compliance with IFRS

The stand-alone financial statements have been prepared in accordance with the International Financing Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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

The stand-alone 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 stand-alone financial statements as of December 31, 2018. Therefore, for the preparation of the stand-alone financial statements, the accounting policies that have been followed are those mentioned in the consolidated financial statements. Pursuant to IAS 8, the information of fiscal year 2017 has been comparatively presented.

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 Regulations ("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.

The separate financial statements have been prepared in accordance with the provisions, issued by the IASB.

These separate financial statements are related to the fiscal year beginning January 1, 2017 and ended December 31, 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 June 30, 2018 are comparatively presented with the same previous period.

The IAS 29 on "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.

The company prepares its financial statements in accordance with the provisions of the CNV described in Chapter III, Title IV of the CNV Standards (N.T. 2013 and amendments). As per such standards, issuing companies must present its financial statements in accordance with Technical Resolution 26 issued by the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE"), which provide for the application of the IFRS issued by the IASB, their amendments, and any IFRS Notices of Implementation issued by the FACPCE as provided for by that Technical Resolution.

As of December 31, 2018, all conditions have been met so that the Company's financial statements for the fiscal year then ended may include the inflation adjustment provided for by IAS 29 "Financial reporting in hyperinflationary economies". These financial statements meet all IFRS requirements. For more information about the method used to include the inflation adjustment, please refer to note 3.2 to the consolidated financial statements.

These separate financial statements have been approved by the Board of Directors at their meeting held on March 8, 2019.

(amounts stated in thousands of Argentine pesos)

Note 5. Property, plant and equipment

	Furniture and fixtures	Hardware	Leasehold improvements	Showrooms	Motor vehicles	Automobile elevators	Machinery	Formwork	Total
Original value									
Balance as of 1/1/2018	4,991	6,615	5,656	41,381	-	-	-	-	58,643
Acquisitions	369	1,054	7,332		5,205	-	22,363	7,580	43,903
Decreases	-	-	-	(40,018)	-	-	-	-	(40,018)
Acquisition of companies	437	456	19,645	-	8,955	590	58,386	2,738	91,207
Transfers									
Total	5,798	8,125	32,633	1,363	14,160	590	80,749	10,318	153,735
Depreciation and impairment									
Balance as of January 1, 2018	(3,390)	(6,222)	(5,297)	(39,924)	-	-	-	-	(54,833)
Depreciation	(378)	(692)	(4,106)	(1,457)	(2,144)	(59)	(5,470)	(1,395)	(15,701)
Acquisition of companies	(58)	(327)	(11,995)	-	(3,762)	(418)	(13,176)	(2,174)	(31,910)
Decreases	-	-	-	40,018	-	-	-	-	40,018
Total	(3,826)	(7,241)	(21,398)	(1,363)	(5,906)	(477)	(18,646)	(3,569)	(62,426)
Residual value as of Dec 31, 2018	**1,972**	**884**	**11,235**	**-**	**8,254**	**113**	**62,103**	**6,749**	**91,311**

	Furniture and fixtures	Hardware	Leasehold Improvements	Showroom	Total
Original value					
Balance as of January 1, 2017	4,947	6,557	5,257	46,585	63,346
Acquisitions	45	58	400	-	502
Transfers	-	-	-	(5,204)	(5,204)
Total	4,991	6,615	5,656	41,381	58,643
Depreciation and impairment					
Balance as of January 1, 2017	(2,877)	(5,644)	(4,920)	(35,343)	(48,784)
Depreciation	(513)	(578)	(377)	(4,581)	(6,049)
Total	(3,390)	(6,222)	(5,297)	(39,924)	(54,833)
Residual value as of Dec 31, 2017	**1,601**	**393**	**359**	**1,457**	**3,810**

(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	1,350	10,548	81	-	11,979
Acquisitions	-	834	-	-	834
Acquisition of companies	-	4,083	-	63,184	67,267
Total	1,350	15,465	81	63,184	80,080
Amortization and impairment					
Balance as of January 1, 2018	(1,269)	(9,855)	(60)	-	(11,184)
Acquisition of companies	-	(2,998)	-	-	(2,998)
Amortization	(11)	(1,619)	(7)	(22,976)	(24,613)
Total	(1,280)	(14,472)	(67)	(22,976)	(38,795)
Residual value as of Dec 31, 2018	**70**	**992**	**14**	**40,208**	**41,284**

	Software	Software development	Trademarks	Total
Original value				
Balance as of January 1, 2017	1,280	10,645	82	12,007
Acquisitions	70	98	-	168
Total	1,351	10,743	82	12,175
Amortization and impairment				
Balance as of January 1, 2017	(1,225)	(8,555)	(53)	(9,833)
Amortization	(44)	(1,375)	(8)	(1,427)
Total	(1,269)	(9,930)	(60)	(11,259)
Residual value as of Dec 31, 2017	**81**	**813**	**21**	**916**

Note 7. Investment property

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

	For capital appreciation	Under construction	Under lease	Total
Investment property as of January 1, 2018	-	23,369	-	23,369
Acquisitions of the period	-	4,684	-	4,684
Transfer from Inventory		127,974		127,974
Addition of Caputo	435,671	(91,165)	39,436	383,942
Fair value adjustment	287,329	921,264	-	1,208,593
Depreciation of property for rent	-	-	(706)	(706)
Transfer to Inventory	-	(6,933)	-	(6,933)
Transfer to assets held for sale	-	(664,703)	-	(664,703)
Transfers	314,490	(314,490)	-	-
Sales for the year	(693,000)	-	(38,730)	(731,730)
Total Investment property as of Dec 31, 2018	**344,490**	**-**	**-**	**344,490**

(amounts stated in thousands of Argentine pesos)

Note 7. Investment property (continued)

	For capital appreciation	Under construction	Under lease	Total
Investment property as of January 1, 2017	-	20,370	79,777	100,147
Plus:				
Acquisitions	-	2,998	-	2,998
Fair value adjustments	-	-	(3,897)	(3,897)
Transfer to Inventory	-	-	(75,880)	(75,880)
Total Investment property as of December 31, 2017	-	**23,369**	-	**23,369**

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, 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 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. 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. As of December 31, 2018, such amount has been reclassified to Other Assets.

See Note 45.4 to the consolidated financial statements.

Note 8. Investments in companies

	Notes	Dec 31, 2018	Dec 31, 2017
Fideicomiso Financiero Privado Inmobiliario de Administración Catalinas I		590,658	
Marina Río Luján S.A. (2)		720,576	383,636
SES. S.A. (3)		651,952	-
Limp Ar S.A.		72,919	-
Newbery 3431 S.A.		167	-
Goodwill		716,152	-
Logística Ambiental Mediterránea		14,569	-
UTE Hospital Nacional Posadas		1,882	-
UTE Museo Malvinas		166	-
Total Investments in companies		**2,769,041**	**383,636**

(3)As of December 31, 2018 and December 31, 2017, the total liabilities with TGLT Uruguay S.A. recorded by the Company amount to $ 128,263 and $ 92,327, respectively. Such liabilities are disclosed in "Balances with related parties" within non-current liabilities (Note 32).

(4)Historic figures, accounting for their recoverable value.

(5)Partially restated.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 9. Goodwill

	Caputo S.A.I.C .y F.	Total
Original value		
Balance as of January 1, 2018	-	-
Acquisitions	1,039,106	1,039,106
Additions	-	-
Total	1,039,106	1,039,106
Impairment		
Balance as of January 1, 2017		
Impairment loss	322,954	322,954
Total	322,954	322,954
Residual value as of December 31, 2018	**716,152**	**716,152**

	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 SEPARATE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 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	Dec 31, 2018	Dec 31, 2017	Information on the issuer – As per the last financial statement issued: Main business	Address	Closing date	Capital stock	Income/loss for the year	Equity	Ownership Interest
Fideicomiso Financiero Privado Inmobiliario de Administración Catalinas I		590,658	-	Real estate development	San Martin 674 1°A - City of Buenos Aires – Republic of Argentina	12/31/2018	839,396	(2,208)	1,195,924	50%
Marina Río Luján S.A. (1)(5)	$100 with 1 vote each	729,916	383,636	Construction and sale of real property	Enrique Butty 220 - 11th floor - Suite A - City of Buenos Aires – Republic of Argentina	12/31/2018	384,539	523,798	1,310,035	49.99%
TGLT Uruguay S.A (2) and (3)	$U with 1 vote each (4)		(62,533)	Investor	Plaza Independencia 811 P.B. – Montevideo – Uruguay	12/31/2018	18,778	24,750	(128,152)	100%
SES S.A. (1)	$U with 1 vote each	663,549	-	Building company	Cerrito 1070 – 9th floor – City of Buenos Aires	31/12/2018	750	73,885	420,025	50%
Limp Ar Rosario S.A (1)	$U with 1 vote each	72,919	-	Urban hygiene and waste management services	Rua Clodomiro Amazonas N° 249, 1st floor, City of San Pablo, Brazil	31/12/2018	5,680	47,398	189,546	40%
Altos del Puerto S.A. (1) (6)	$U with 1 vote each	(1,041)	-	Real estate development	Olga Cossettini 340, 4th floor, City of Buenos Aires	10/31/2018	100	12,649	12,769	32%
América Pavilion S.A. (1)	$U with 1 vote each	(5,898)	-	Real estate investments, exploitation and development	Martin Coronado 3260, 3rd Floor - City of Buenos Aires	11/30/2018	400	(22,135)	(51,625)	20%
Newbery 3431 S.A. (1)	$U with 1 vote each	166	-	Real estate investments, exploitation and development	Martin Coronado 3260, 3rd Floor - City of Buenos Aires	12/31/2018	400	(295)	332	50%
Logística Ambiental Mediterránea S.A. (1)	$100 with 1 vote each	14,569	-	Urban hygiene and waste management services	Arturo M. Bas 327 PB, City of Córdoba, Province of Córdoba	12/31/2018	280	(7,062)	(28,566)	51%
Total			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. (6) Undergoing dissolution.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2018 PRESENTED COMPARATIVELY

(amounts stated in thousands of Argentine pesos)

Note 11. Inventories

Non-current	Dec 31, 2018	Dec 31, 2017
Projects under construction		
Astor San Telmo	727,702	593,728
Metra Puerto Norte	232,693	864,439
Proa	-	572,084
Other projects	-	190
Subtotal Inventories – non-current	**960,395**	**2,030,441**
Current		
Projects completed		
Metra Puerto Norte	163,529	282,441
Astor Núñez	4,387	194,149
Astor Palermo	8,622	27,337
Forum Alcorta	31,603	61,691
Forum Puerto Norte	-	-
Other	102	-
Subtotal Inventories - Current	208,242	**565,617**
Total Inventory	**1,168,638**	**2,596,059**

Note 12. Deferred tax assets

		Dec 31, 2018	Dec 31, 2017
Income tax		41,826	18,573
Minimum presumed income tax		54,752	80,839
Deferred tax	31	(263,800)	-
National source tax loss ACT		769,858	-
Minimum presumed income tax - Refund		18,169	25,852
Total tax assets		**620,805**	**125,263**

Note 13. Other receivables

Non-current	Notes	Dec 31, 2018	Dec 31, 2017
Security deposits in foreign currency	37	5,525	1,304
Insurance to be accrued in foreign currency	37	-	-
Advance payments to work suppliers		58,747	46,132
Accounts receivable from swaps		274,319	
Advance payments for the purchase of real property		-	176,026
Subtotal Other receivables – Non-current		**338,591**	**223,461**

(amounts stated in thousands of Argentine pesos)

Note 13. Other receivables (continued)

Current	Notes	Dec 31, 2018	Dec 31, 2017
Value added tax		51,815	67,542
Turnover tax		25,176	3,460
Receivables from the sale of investment property	37	4,440	28,613
Insurance to be accrued in local currency		2	175
Insurance to be accrued in foreign currency	37	2,371	790
Advance payments to work suppliers in local currency		262,972	14,568
Advance payments to work suppliers in foreign currency	37	110,554	-
Expenses to be rendered		77,368	21
Expenses to be recovered		11,956	4,932
Maintenance fees to be recovered		28,258	34,264
Accounts receivable from exchanges		161,389	-
Security deposits		327	376
Loans granted		35,497	-
Collectible equipment fund in local currency		2	2
Collectible equipment fund in foreign currency	37	2,194	1,650
Collectible operative fund in local currency		102	121
Tax credits UTES		4,598	-
Sundry receivables UTES		4,775	-
Collectible operative fund in foreign currency	37	10	7
Receivables under litigation proceedings		2,083	2,992
Miscellaneous		122,494	28
Allowance for doubtful receivables		(29,978)	(17,074)
Subtotal Other receivables – Current		**878,405**	**142,467**
Total Other receivables		**1,216,996**	**365,928**

Note 14. Accounts receivable from sales

Non-current	Notes	Dec 31, 2018	Dec 31, 2017
Accounts receivable from sales of units in local currency		33,197	-
Subtotal Accounts receivable from sales - Non-current		**33,197**	**-**
Accounts receivable from services rendered in local currency		1,226,248	240
Accounts receivable from services rendered in foreign currency	37	26	13
Receivables for services rendered UTE MN		16,989	-
Accounts receivable from sales of units in local currency		13,179	2,041
Accounts receivable from sales of units in foreign currency	37	5,462	4,988
Allowance for bad debts		(2,798)	(4,000)
Subtotal accounts receivable from sales - current		**1,259,106**	**3,282**
Total Accounts receivable from sales		**1,292,303**	**3,282**

(amounts stated in thousands of Argentine pesos)

TGLT

Note 14. Accounts receivable from sales (continued)

Maturity of accounts receivable from sales is the following:

	Dec 31, 2018	Dec 31, 2017
To become due		
0 to 3 months	1,240,477	3,282
3 to 6 months	3,893	-
6 to 9 months	1,258	-
9 to 12 months	1,792	-
More than 365 days	33,197	-
Past due		
0 to 3 months	6,792	-
More than 365 days	4,894	-
Total	**1,292,303**	**3,282**

Note 15. Cash and cash equivalents

	Notes	Dec 31, 2018	Dec 31, 2017
Cash in local currency		1,062	157
Cash in foreign currency	37	1,271	973
Banks in local currency		9,338	13,213
Banks in foreign currency	37	768,252	14,232
Checks to be deposited		1,275	350
Term deposits in foreign currency	37	-	5,513
Mutual funds in local currency		-	61,989
Mutual funds in foreign currency	37	9,376	1,023,155
Bonds and government securities in foreign currency	37	-	1,440,713
Total Cash and cash equivalents		**790,574**	**2,560,294**

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

	Dec 31, 2018	Dec 31, 2017
Total Cash and cash equivalents	790,574	2,560,294
Time deposits in foreign currency due over 90 days	-	(5,513)
Total Cash and cash equivalents according to the statement of cash flows	**790,574**	**2,554,781**

Note 16. Deferred tax liabilities

	Dec 31, 2018	Dec 31, 2017
Deferred tax	-	319,124
Total Deferred tax liabilities	**-**	**319,124**

Note 17. Other accounts payable

Non-current	Notes	Dec 31, 2018	Dec 31, 2017
Purchase of shares in foreign currency	37	955,418	33,041
Security deposits in foreign currency	37	-	190
Subtotal Other accounts payable – Non-current		**955,418**	**33,231**

Note 17. Other accounts payable (continued)

Current		Dec 31, 2018	Dec 31, 2017
Purchase of shares in foreign currency	37	1,104,209	33,041
Sundry creditors in foreign currency	37	19,039	12,314
Provision for directors' fees		6,441	1,664
Dividends to be paid in cash		295	-

(amounts stated in thousands of Argentine pesos)

Contributions to be subscribed	7	-
Security deposits in local currency	30	-
Other liabilities	936,002	-
Other liabilities - UTES	38,900	-
Deferred income	8,556	12,633
Subtotal other accounts payable – Current	**2,113,479**	**59,652**
Total Other accounts payable	**3,068,897**	**92,884**

Note 18. Contract liabilities

Non-current	**Dec 31, 2018**	**Dec 31, 2017**
Advanced collections	1,271,363	1,993,293
Equipment fund	150	49
Operative fund	2	3
Other contract liabilities	16,999	-
Value added tax	(78,851)	(101,647)
Subtotal Contract liabilities - Non-current	**1,209,663**	**1,891,698**
Current		
Advanced collections	636,217	294,080
Equipment fund	15,463	30,602
Operative fund	5,130	6,899
Value added tax	(3,693)	(22,024)
Subtotal Contract liabilities - Current	**653,117**	**309,557**
Total Contract liabilities	**1,862,780**	**2,201,255**

Note 19. Loans

Non-current	Notes	**Dec 31, 2018**	**Dec 31, 2017**
Corporate notes in foreign currency	37	4,351,524	2,461,135
Financial lease in local currency		1,486	1,005
Financial lease in foreign currency	37	344	-
Subtotal Loans – Non-current		**4,353,354**	**2,462,140**
Current			
Bank overdrafts		146,559	-
Loans received in local currency		19,737	-
Corporate notes in local currency		-	194,921
Corporate notes in foreign currency	37	531,167	310,671
Financial lease in local currency		5,297	584
Financial lease in foreign currency	37	198	-
Subtotal Loans – Current		**702,958**	**506,176**
Total Loans		**5,056,312**	**2,968,316**

(amounts stated in thousands of Argentine pesos)

Note 19. Loans (continued)

The following is a breakdown of loans and financing:

FOR THE YEAR	Dec 31, 2018	Dec 31, 2017
Balance at beginning of year	2,010,433	443,800
Addition due to acquisition	58,287	-
New loans and financing arrangements	1,050,760	2,415,369
Accrued interest	389,701	250,785
Effects of exchange rate variation	1,783,916	195,387
Bank overdrafts	114,104	(47,279)
Payment of principal	(182,250)	(211,976)
Payment of interest	(158,057)	(77,769)
Conversion of corporate notes	(10,581)	-
Balance at period-end	**5,056,312**	**2,968,317**

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

Note 20. Other tax burden

Non-current	Dec 31, 2018	Dec 31, 2017
Municipal tax payment plan	17	292
Federal tax payment plan	8,996	17,675
Subtotal Other tax burden – Non-current	**9,013**	**17,967**
Current		
Withholdings and collections to be deposited	44,389	4,586
Wealth tax	-	16
Turnover tax	7,170	2,322
Stamp tax	2,337	4,120
Provincial taxes	17,039	5,311
Municipal taxes	3	20
Provincial tax payment plan	19	-
Federal tax payment plan	30,356	-
Other tax burden UTES	561	-
Municipal tax payment plan	194	5,160
Provision for federal taxes	12,043	3,674
Subtotal Other tax burden – Current	**114,111**	**25,208**
Total Other tax burdens	**123,124**	**43,175**

Note 21. Payroll and social security contributions

	Dec 31, 2018	Dec 31, 2017
Salaries payable	66,885	17,936
Social security contributions payable:	22,073	8,194
Trade payables - UTES	57	-
Provision for vacations	37,481	7,166
Advances to personnel	(199)	(466)
Total Payroll and social security contributions	**126,297**	**32,829**

(amounts stated in thousands of Argentine pesos)

Note 22. Accounts payable

	Notes	Dec 31, 2018	Dec 31, 2017
Non-current			
Contingency fund		2,532	10,316
Subtotal trade payables - Non-current		**2,532**	**10,316**
Current			
Suppliers in local currency		256,867	8,191
Suppliers in foreign currency	37	3,390	3,717
Deferred checks		139,847	51,607
Provision for expenses in local currency		104,238	4,619
Provision for expenses in foreign currency	37	33,930	3,092
Provision for works in local currency		347,515	31,610
Provision for works in foreign currency	37	1	1,473
Insurance payable in local currency		4	9
Insurance payable in foreign currency	37	852	74
Trade payables - – UTES		18,056	-
Contingency fund in local currency		66,002	31,063
Contingency fund in foreign currency	37	617	451
Subtotal Trade payables - Current		**971,319**	**135,906**
Total Trade payables		**973,851**	**146,222**

Note 23. Provisions and allowances

	Notes	Legal claims (I)	Onerous contracts (II)	Dec 31, 2018	Dec 31, 2017
In local currency					
Balance as of January 1, 2018		46,908	-	46,908	4,102
Additions (III)		4,926	-	4,926	67,512
Balances added as a result of the merger with CAPUTO S.A.I.C. Y F.		126,680	-	126,680	-
Recoveries (III)		-	-	-	-
Used during the fiscal period/year		(20,995)		(20,995)	(2,356)
Subtotal in local currency		**157,519**	-	**157,519**	**69,258**
In foreign currency					
Balance as of January 1, 2018		-	373	373	7,179
Additions (III)		-	-	-	-
Recoveries (III)		-	-	-	-
Used during the fiscal period/year		-	(825)	(825)	(8,218)
Effect of foreign currency variation		-	452	452	1,590
Subtotal in foreign currency	37	-	-	-	**551**
Total Provisions		**157,519**	-	**157,519**	**69,808**

(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".

(amounts stated in thousands of Argentine pesos)

Note 24. Capital stock

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

	Dec 31, 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

	Dec 31, 2018	Dec 31, 2017
Revenue from delivery of goods	305,102	972,789
Income from services rendered	1,322,531	-
Total Income from ordinary activities	**1,627,633**	**972,789**

Note 26. Cost of ordinary activities

	Dec 31, 2018	Dec 31, 2017
Revenue from delivery of goods	358,125	883,483
Cost of services rendered	980,379	-
Total Cost of ordinary activities	**1,338,504**	**883,483**

(amounts stated in thousands of Argentine pesos)

Note 27. Selling expenses

	Dec 31, 2018	Dec 31, 2017
Payroll and social security contributions	27,018	25,520
Other payroll expenses	352	660
Rentals and common charges	2,010	1,513
Professional fees	4,671	3,229
Taxes, rates and contributions	75,497	22,371
Depreciation of property, plant and equipment	4,266	4,607
Transport and per diem	316	465
Information technology and services expenses	823	2,555
Selling expenses	9,929	24,301
Advertising expenses	9,032	10,627
Office expenses	809	702
Building management fees	11,324	17,416
Post sales expenses	8,808	27,633
Insurance	6	294
Contractual agreements	173,474	90,640
General expenses	23	-
Total selling expenses	**328,358**	**232,534**

Note 28. Administrative expenses

	Dec 31, 2018	Dec 31, 2017
Payroll and social security contributions	196,367	116,007
Other payroll expenses	2,689	2,688
Rentals and common charges	14,609	7,641
Professional fees	41,341	55,721
Directors' fees	1,600	6,153
Supervisory audit committee's fees	1,772	2,077
Taxes, rates and contributions	4,878	5,176
Public offering expenses	1,846	7,028
Depreciation of property, plant and equipment	4,765	1,442
Transport and per diem	2,543	1,887
Information technology and services expenses	6,853	4,603
Office expenses	9,239	3,212
Investment property maintenance expenses	687	(86)
Bank expenses	5,559	2,142
Tax on bank account debits and credits	26,158	19,346
Other bad debts	11,350	30,749
Contractual agreements	8,344	-
Insurances	3,876	3,138
Total administrative expenses	**344,476**	**268,925**

(amounts stated in thousands of Argentine pesos)

Note 29. Financial results

	Profit/(Loss)	
Exchange gains/losses	**Dec 31, 2018**	**Dec 31, 2017**
Exchange gains	166,238	605,626
Exchange losses	(3,053,734)	(543,460)
Total exchange gains/losses	**(2,887,496)**	**62,166**
Financial income		
Interest - financial income	23,478	34,017
Income/loss from sales	20,342	-
Income/loss on holdings	14,939	11,747
Income/loss on the sale of shares	(8,935)	-
Gain from financial instruments	29,946	-
Present value of receivables	752	182
Index adjustment	9,774	-
Total Financial income	**90,296**	**45,946**
Financial costs		
Interest - financial costs	(730,904)	(103,454)
Subtotal Interest	(730,904)	(103,454)
Other financial costs		
Income/loss from sales	(8,935)	(4,756)
Present value of receivables	(151,471)	(1,469)
Loss from discounted trade documents	-	(230)
Subtotal other financial costs	(160,406)	(6,455)
Total financial costs	**(891,310)**	**(109,909)**

Note 30. Other income and expenses, net

	Profit/(Loss)	
	Dec 31, 2018	**Dec 31, 2017**
Sale of property, plant and equipment	996	159
Lawsuits and other contingencies	(1,837)	(475)
Debt forgiveness	-	(68)
Rental income	1,288	11,116
Expense recovery	57,852	-
Recovery of provision for expenses	401	21
Sale of other assets	122,624	-
Contract compliance guarantee	(49,008)	-
Depreciation of investment property	(82)	-
Contract assignment	-	5
Court agreements	-	-
Recovery of damages	-	31
Contract termination	712	2,578
Miscellaneous	1,885	194
Total other income and expenses, net	**134,830**	**13,560**

(amounts stated in thousands of Argentine pesos)

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 December 31, 2018 and 2017, is broken down as follows:

	Dec 31, 2018	Dec 31, 2017
Income tax	928,859	631,887
Deferred tax from temporary differences	150,860	(533,799)
Minimum presumed income tax write-off	(7,923)	(1,912)
Statute of limitations on tax loss carryforwards	(273,953)	
Total Income tax	**797,843**	**96,176**

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:

Deferred tax assets (liabilities)	**Dec 31, 2018**	Dec 31, 2017
Tax loss from national source income	769,871	445,001
Property, plant and equipment	9,132	2,430
Finance lease valuation	(103)	16
Deferred income	7,665	3,790
Sundry provisions	240,715	31,645
Directors' fees	18,250	-
Financial costs	(33,112)	(26,306)
Intangible assets	(4,082)	(95)
Other receivables	(35,323)	-
Inventories	306,350	(261,749)
Cash and cash equivalents	64	(56,528)
Bad debts	3,884	(509)
Foreign currency	32,015	(95,392)
Customer advances	(90,606)	114,793
Convertible corporate notes	(473,092)	(452,543)
Investment property	(75,757)	(23,676)
Income/loss from UTEs	(162)	-
Net position of deferred tax assets/(liabilities)	**675,710**	**(319,123)**

(amounts stated in thousands of Argentine pesos)

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Note 31. Income tax and deferred tax (continued)

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:

	Dec 31, 2018	Dec 31, 2017
Income tax calculated at the prevailing tax rate on income before taxes	717,598	165,170
Statute of limitations on tax loss carryforwards	(273,953)	-
Minimum presumed income tax write-off	(7,923)	(1,912)
Understated provision for income tax	-	15
Interest	(853)	(784)
Directors' fees	(369)	(1,988)
Gain/loss on investments in companies	296,299	(22,346)
Inventory valuation	-	2,691
Sundry non-deductible expenses	17,343	(26,532)
Exchange differences	-	4,782
Convertible corporate notes	-	(238)
Amortization of trademarks	1	(1)
Gain/loss on sale of investment property	187,854	-
Adjustment to higher value	8,931	-
Inflation adjustment of property, plant and equipment	(43)	-
Tax reform law No. 27430	18,985	(22,682)
Loans valuation	(2,675)	-
Other	(163,352)	-
Income tax	**797,843**	**96,176**

Tax losses resulting from national source income, and accumulated as of December 31, 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	468,461
Total	**769,871**

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, minimum presumed income tax and value added 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.

(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:

Other non-current receivables	Notes	Dec 31, 2018	Dec 31, 2017
In foreign currency			
IRSA	37	32,180	-
Total receivables from related parties – Non-current		**32,180**	-
RECEIVABLES FROM RELATED PARTIES – Current			
ACCOUNTS RECEIVABLE FROM SALES			
AGL Capital S.A. in local currency		-	255
AGL Capital S.A. in foreign currency	37	-	1,563
Marina Río Luján S.A.		186	21
FDB S.A. in local currency		2,461	3,634
FDB S.A. in foreign currency	37	2,056	1,268
Subtotal		**4,703**	**6,740**
OTHER RECEIVABLES			
Individual shareholders		2,505	3,699
Other shareholders		3,528	5,228
FDB S.A. in local currency		816	1,127
FDB S.A. in foreign currency	1 and 37	126,225	88,407
Marina Río Lujan S.A. in local currency		85,401	14,140
Marina Río Lujan S.A. in foreign currency	1 and 37	208,892	276,891
TGLT Uruguay S.A. in foreign currency	1 and 37	589,357	382,677
UTE HEE		13,304	-
Eleprint		415	-
Logística Ambiental Mediterránea		11,877	-
UTE Procrear		17,579	-
UTE Malvinas		8,529	-
Limp AR Rosario		1,620	-
Altos del Puerto	1 and 37	1,256	-
Subtotal		**1,071,304**	**772,169**
Total receivables from related parties – Current		**1,076,007**	**778,909**
Total receivables from related parties		**1,108,187**	**778,909**

PAYABLES TO RELATED PARTIES – Non-current	Notes	Dec 31, 2018	Dec 31, 2017
OTHER ACCOUNTS PAYABLE – INVESTMENTS IN COMPANIES			
TGLT Uruguay S.A.		121,325	92,327
América Pavilion S.A.		5,897	
Altos del Puerto S.A.		1,041	
Subtotal		**128,263**	**92,327**
Total payables to related parties – Non-current		**128,263**	**92,327**

Note 32. Related parties (continued)

PAYABLES TO RELATED PARTIES – Current			
OTHER ACCOUNTS PAYABLE			
Marina Río Luján S.A.		287	424
FDB S.A. in foreign currency	37	172,365	158,561
UTE Posadas		3,189	

(amounts stated in thousands of Argentine pesos)

UT Crik	2,000	-
Limp Ar S.A.	19,097	-
Subtotal	**196,938**	**158,985**
Total payables to related parties – Current	**196,938**	**158,985**
Total payables to related parties	**325,201**	**251,312**

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	Dec 31, 2018	Dec 31, 2017
Marina Río Luján S.A.	Loans granted	(230,550)	(193,208)
TGLT Uruguay S.A	Loans granted	(31,969)	(161,758)
Individual shareholders	Loans borrowed	-	11,004
Sitia S.A.	Loans borrowed	-	123
AGL Capital S.A.	Collections received	3,197	935
Comisiones y Corretajes S.A.	Collections received	-	8,558
Senior Directors and Managers	Collections received	-	2,921
FDB S.A	Collections received	490	23,099
Marina Rio Luján S.A.	Collections received	66	418
TGLT Uruguay S.A	Collections received	2,184	1,010
Individual shareholders	Collections received	-	157
Individual shareholders	Payments made	-	(11,523)
FDB S.A	Payments made	(25,833)	(13,778)
AGL Capital S.A.	Payments made	(339)	(255)
Sitia S.A.	Payments made	-	(1,149)
Marina Rio Luján S.A.	Payments made	-	(4,166)
Comisiones y Corretajes S.A.	Payments made	-	(51,094)
Altos del Puerto S.A.	Financial contributions	(1,256)	-
Limp Ar Rosario S.A.	Financial contributions	19,097	-
Logística Ambiental Mediterránea	Financial contributions	(11,877)	-
UTE Hospital Esteban Echeverría	Financial contributions	3,424	-
UTE PRO.CRE.AR	Financial contributions	(8,605)	-
UT Crik	Financial contributions	2,000	-
Newbery 3431 S.A.	Financial contributions	(3,750)	-
Limp Ar Rosario S.A.	Dividends	6,840	-
Marina Río Luján S.A.	Payments related to the purchase of units	-	(16,698)
Marina Río Luján S.A.	Removal of units due to assignment	-	6,442
Marina Río Luján S.A.	Write-off due to capitalization	191,061	-
Sitia S.A.	Liquidation compensation	-	3,263
Total		**(85,820)**	**(395,701)**

Note 32. Related parties (continued)

- Transactions and their effects on profit/loss

		Profit/(Loss)	
Name of company	**Transaction**	**Dec 31, 2018**	Dec 31, 2017
AGL Capital S.A.	Services provided	1,434	1,542
FDB S.A.	Services provided	306	1,070
Marina Río Luján S.A.	Services provided	153	265
Limp Ar Rosario S.A.	Services provided	1,343	-
FDB S.A.	Financial results	(23,025)	2,703
Individual shareholders	Financial results	-	(496)
Marina Río Luján S.A.	Financial results	55,257	39,865
TGLT Uruguay S.A.	Financial results	300,385	61,700
Sitia S.A.	Financial results	-	(424)

(amounts stated in thousands of Argentine pesos)

AGL Capital S.A.	Financial results	(100)	152
Comisiones y Corretajes S.A.	Financial results	-	(5,085)
Comisiones y Corretajes S.A.	Commissions	-	(4,224)
Senior Directors and Managers	Income from units delivered	-	7,622
Limp Ar Rosario S.A.	Income/loss on dividends	6,840	-
America Pavilion S.A.	Income/loss on higher value	131,255	-
Other shareholders	Income/loss on bad debts	(12)	(4)
Total		**473,836**	**104,686**

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						Dec 31, 2018		Dec 31, 2017	
Entity	**Credit line**	**Capital US$**	**Maturity**	**Capitalization/ Compensation**	**Disburseme nt US$**	**Rate**	**Current**	**Non-current**	**Current**	**Non-current**
FDB S.A. (1)	01-2016	20,000	12/31/2018	-	2,948	5.36%	126,225	-	59,878	-
TGLT Uruguay (1)	01-2015	20,000	12/31/2018	-	14.310	5.36%	589,356	-	259,186	-
MRL (2)	01-2016	2,000	8/14/2018	(2,000)	2,000	0.05%	456	-	46,090	-
MRL	01-2017	1,000	10/2/2018	(974)	974	0.05%	9	-	18,765	-
MRL	02-2017	2,000	8/14/2018	(2,000)	2,000	0.05%	31	-	40,319	-
MRL	03-2017	5,000	2/5/2019	(4,508)	4,885	0.05%	35	-	59,917	-
MRL	04-2017	5,000	3/13/2019	-	4,913	0.05%	95,715	-	22,441	-
MRL	05-2018	5,000	12/12/2019	-	3,004	0.05%	112,646	-	-	-
							924,473	-	**506,602**	-

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

(2) Annual fixed rate

(amounts stated in thousands of Argentine pesos)

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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	Dec 31, 2018	Dec 31, 2017
To become due		
Up to 3 months	2,408,805	109,423
From 3 to 6 months	127,413	80,958
From 6 to 9 months	152,887	45,605
From 9 to 12 months	315,904	583,594
Over 12 months	1,038,297	349,562
Without any established term	183,021	80,265
Past due		
Up to 3 months	6,870	-
From 3 to 6 months	200	23,975
Over 12 months	4,896	-
	4,238,291	**1,273,382**

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

Payables (except for customer advances to third and related parties)	Dec 31, 2018	Dec 31, 2017
To become due		
Up to 3 months	2,251,942	502,900
From 3 to 6 months	1,408,754	65,833
From 6 to 9 months	30,529	157,874
From 9 to 12 months	258,866	6,263
Over 12 months	5,446,048	2,514,487
Without any established term	435,062	676,312
	9,831,201	**3,923,669**

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

Receivables/Tax assets	Dec 31, 2018	Dec 31, 2017
Interest bearing	855,459	472,273
Non-interest bearing	3,382,832	801,109
	4,238,291	**1,273,382**
Annual nominal average rate:	**4%**	**15%**
Payables (except for customer advances to third and related parties)		
Interest bearing	5,148,407	1,816,061
Non-interest bearing	4,682,794	2,107,608
	9,831,201	**3,923,669**
Annual nominal average rate:	**18%**	**19%**

Note 34. Negative shareholders' equity and business plans

During the 06/30/15 ended December 31, 2018, TGLT S.A. recorded significant losses that gave rise to a negative shareholders' equity; thus, the company falls within the scope of subsection 5, section 94 of the Companies Law No. 19550. As of December 31, 2018, the Company is subject to the mandatory termination provisions of such law, which must be addressed at the forthcoming Shareholders' Meeting. The Company's Management believes that TGLT's capitalization by voluntarily swapping convertible corporate notes into convertible preferred shares, jointly with the business plan, will allow to revert such negative scenario.

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

(amounts stated in thousands of Argentine pesos)

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

Note 36. Lawsuits

See Note 32 of the consolidated financial statements.

Note 37. Assets and liabilities in foreign currency

Item	Dec 31, 2018				Dec 31, 2017
	Type and amount of foreign currency		Exchange rate prevailing	amount Recorded amount in pesos	amount Recorded amount in pesos
ASSETS					
Non-current assets					
Other receivables:					
Security deposit	US$	147	37.50	5,525	1,304
Receivables from related parties					
Other receivables	US$	858	37.50	32,180	-
Total Non-current assets				37,705	1,304
Current assets					
Other receivables:					
Receivables from the sale of investment property	US$	118	37.50	4,440	28,613
Prepaid insurance policies	US$	63	37.50	2,371	790
Collectible operative fund	US$	-	37.50	10	7
Advance payments to suppliers	US $	2,948	37.50	110,554	6
Equipment fund receivable	US$	59	37.50	2,194	1,118
Receivables from related parties:			37.50		
Accounts receivable from sales	US$	55	37.50	2,056	2,831
Other receivables	US$	24,653	37.50	924,474	747,975
Accounts receivable from sales:			37.50		
Receivables for services rendered	US$	1	37.50	26	13
Receivables from sale of units	US$	146	37.50	5,462	4,988
Cash and cash equivalents			37.50		
Cash	US$	34	37.50	1,271	973
Banks	US$	20,487	37.50	768,252	14,232
Time deposits	US$		37.50		5,513
Mutual funds	US$	250	37.50	9,376	1,023,155
Bonds and government securities	US$		37.50	-	1,440,713
Total Current assets				**1,830,490**	**3,270,927**
Total Assets				**1,868,195**	**3,272,231**

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

Item	Dec 31, 2018				Dec 31, 2017
	Type and amount of foreign currency		Exchange rate prevailing	amount Recorded amount in pesos	amount Recorded amount in pesos
LIABILITIES					
Non-current liabilities					
Other accounts payable:					
Payable for purchase of shares	US$	25,343	37.70	955,418	33,041
Security deposit	US$	-		-	190
Loans:			37.70		
Corporate notes	US$	115,425	37.70	4,351,524	2,461,135

(amounts stated in thousands of Argentine pesos)

Finance lease	US$	9	37.70	344	
Total non-current liabilities				5,307,286	2,494,366
Current liabilities					
Other accounts payable:					
Payable for purchase of shares	US$	29,289	37.70	1,104,209	33,041
Sundry creditors	US$	1,405	37.70	52,969	12,314
Payables with related parties:					
Other accounts payable	US$	4,572	37.70	172,365	158,561
Loans:					
Corporate notes	US$	14,089	37.70	531,167	310,671
Finance lease	US$	5	37.70	198	-
Trade payables:					
Suppliers	US$	90	37.70	3,390	3,717
Provision for expenses	US$	900	37.70	33,930	3,092
Provision for works	US$	-	37.70	1	1,473
Insurance payable	US$	23	37.70	852	74
Contingency fund	US$	16	37.70	617	451
Purchase of real property	US$	-	37.70	-	426,640
Total current liabilities				1,899,698	950,034
Total Liabilities				7,206,984	3,444,400

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.

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:

Note 38. Risks - Financial risk management (continued)

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 sales agreements, and the lists of prices by the CAC index (construction cost index) on a monthly basis.

In addition, 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 macroeconomy and market conditions. In the real estate segment in particular, 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

To date, the construction of our real estate projects is carried out by independent contractors. 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 $185.7 million, mainly made up of the newly issued series XV corporate notes in the amount of US$ 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 $ 100.8 million, which would be charged to income/loss for the fiscal year ended December 31, 2018.

Interest rate risks

Note 38. Risks - Financial risk management (continued)

The group is slightly exposed to interest rate volatility, as around $151.5 million out of a total of $ 5,056.3 million, 3% 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 increase by 100 basis points, a loss of $1.5 million would be recorded.

Credit risks

The Company's exposure to credit risk is closely linked to the financial capacity of its customers and suppliers, to which the Company makes advance payments, to meet its contractual commitments. The Company thoroughly analyzes the financial capacity of its counter parties so as to be hedged against this type of risks.

Our real estate 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 uncollectibilty 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 $ 2.8 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. 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.

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, and of the Series XV of our Corporate Notes in the local market in March 2018.

Note 39. Subsequent events

Except for the provisions of Note 50 to the consolidated financial statements, 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 December 31, 2018, or the results of its operations at such period-end.

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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 December 31, 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 December 31, 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 December 31, 2018 (for further information see Note 4.2 to the consolidated financial statements of the Company):

Company	As	Interest % Capital	Interest % 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 December 31, 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 $ 960,395 as non-current, and $208,242 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 $ 91,311.

11. As of December 31, 2018, the Company held investments in companies in the amount of $ 2,640,774. As of that date, the Company had exceeded the limit established by section 31 of Law No. 19550.

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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 December 31, 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):

Type of insurance	Risk covered	Amount insured	
		$	US$
General trade	Fire Miñones 2177 offices	-	7,466
Motor vehicle	Vehicles	8,592	-
Technical insurance	Machinery and heavy equipment	-	5,440
Operations	Liability insurance	-	7,500
Operations	Liability insurance - Directors and Managers	-	15,000
Business overhead expense	Fire Astor Núñez building	-	55,000
Building	Fire Brisario building - Santa Fe	-	9,000
Business overhead expense	Fire Astor Palermo building	-	62,000
Business overhead expense	Fire Forum Puerto Norte building	60,840	96,015
Technical insurance	All risks construction METRA PUERTO NORTE	-	14,000
Technical insurance	All risks construction ASTOR SAN TELMO	-	54,000
Technical insurance	All risk construction CNEA	930,528	-
Technical insurance	All risk construction AMERICAN PAVILION	-	24,245
Technical insurance	All risk construction NASA - ATUCHA 1	878,186	-
Technical insurance	All risk construction UPCN ITOIZ	364,913	-
Technical insurance	All risk construction PLANTA TOYOTA	37,372	-
Technical insurance	All risk construction A2000 - EZEIZA	876,995	-
Operations	Liability insurance in construction MADERO HARBOUR	-	1,000
Operations	Liability insurance Ariel A2000 - EZEIZA	-	250
Operations	Liability insurance in construction PAPELERA DEL PLATA	-	1,000
Guarantee bond	Contracts enforcement	495,214	4,000
Guarantee bond	Financial advances	647,450	-
Guarantee bond	replacement Contingency fund	345,616	-
Guarantee bond	Rent guarantee	-	289

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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.

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Independent Auditors' Report
(Free translation from the original report issued in Spanish for local purpose 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
Registered office: Miñones N° 2177, ground floor "C".
City of Buenos Aires

1. Report on the financial statements

We have audited:

a) the accompanying separate financial statements of TGLT S.A. (hereinafter the "Company" or "TGLT S.A.), which comprise (i) the statement of financial position as of December 31, 2018, (ii) the statements of profit or loss and other comprehensive profit or loss, the statements of changes in equity and of changes in cash flows for the year ended as of the above date, and (iii) the supplementary information contained in notes 1 to 39.

b) the accompanying consolidated financial statements of TGLT S.A. And its related companies (all of which are detailed in Note 4.2 to such consolidated financial statements), which comprise (i) the consolidated statement of financial position as of December 31, 2018, (ii) the consolidated statements of profit or loss and other comprehensive profit or loss, the consolidated statements of changes in equity and of changes in cash flows for the year ended as of the above date, and (iii) the supplementary information contained in notes 1 to 50.

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

Independent Auditors' Report – Cont.
(Free translation from the original report issued in Spanish for local purpose submitted to local regulator: Comisión Nacional de Valores - CNV)

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 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"). In addition, 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.

b) the 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"). In addition, 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 express an opinion on the accompanying separate and consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing which have been adopted in Argentina by the FACPCE through Technical Resolution No. 32 and the applicable Notices of Implementation. Those standards require that we comply with the ethical requirements, as well as plan and execute the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making such risk assessment, the auditor considers the internal controls relevant to the entity´s preparation and fair presentation of the separate and consolidated financial statements, in order to design audit procedures that are adequate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements. We consider that the evidence obtained provides an adequate and sufficient basis for our professional opinion.

Independent Auditors' Report – Cont.
(Free translation from the original report issued in Spanish for local purpose submitted to local regulator: Comisión Nacional de Valores - CNV)

4. GROUNS FOR QUALIFIED OPINION

i) As described in Notes 34 and 48 "Negative shareholders' equity attributable to parent company's owners, negative working capital and business plans" to the separate and consolidated financial statements, the Company has incurred in significant losses as of December 31, 2018, which to date have resulted in a negative equity of $ 1,300,832 thousand; thus, representing a ground for dissolution. Despite the working capital disclosed in the separate financial statements, the Company's Management indicates in Note 32 that $ 1,076,007 thousand are expected to be collected over the next 12 months on account of "Receivables from related parties". In addition, the Company's consolidated financial position shows that current liabilities exceed current assets by $ 1,364,104 thousand. Therefore, the equity and working capital 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 separate and consolidated financial statements for the fiscal year ended December 31, 2018, fail to disclose such circumstances as well as the Board of Director's strategies and plans to revert them.

ii) As described in notes 31 and 28 "Income tax and deferred tax" to the separate and consolidated financial statements, the Company's Management estimates its taxable income to determine the use of its deferred tax assets (including tax losses), the value added tax, and other tax credit balances. Their recoverability will depend on the timely completion of the business projections prepared by Management. We have not been able to obtain the necessary evidence to support Management's judgment when preparing such projections; thus, we have been unable to determine if such amounts must be adjusted.

iii) The Company has stated its share in "Investments in companies" at their equity value. As indicated in Notes 8 and 47 to the separate and consolidated financial statements, the Company has invested (i) $ 720,576 thousand in Marina Río Luján S.A., calculated at historic cost not restated; and (ii) $ 651,952 thousand in SES S.A., partially restated. The criterion to keep the historic equity value was adopted at the beginning of the fiscal year for comparative purposes. The Company's Management considers that such amounts would account for their recoverable values. Nevertheless, as of year-end, we have not been able to obtain valid and sufficient evidence of such valuations, or to determine which would have been the right values if such assets had been adequately restated. Therefore, we have not been able to determine if those amounts need to be adjusted.

iv) As described in note 23 and 18 to the separate and consolidated financial statements "Provisions and Allowances", as of year-end the Company recorded provisions for legal or contractual claims in the amount of $ 126,000 thousand, related to the contingencies resulting from the business combinations involved in the acquisition of Caputo S.A.I.C: y F during this fiscal year. We have not been able to obtain the opinion of an independent legal advisor so as to reach a conclusion on the probability of occurrence and the quantification of such contingencies. Therefore, we have not been able to determine if such amounts needs to be adjusted.

v) As described in note 7 and 35 "Investment property" to the separate and consolidated financial statements, the Company's Management assesses investments to appraise capital at reasonable value with changes charged to income/loss. We have not been able to obtain a report from an independent appraiser so as to reach a conclusion on the reasonableness of such valuation. Therefore, we have not been able to determine if such amounts need to be adjusted.

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Independent Auditors' Report – Cont.
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4. GROUNS FOR QUALIFIED OPINION - Cont.

Vi) Certain disclosures required by the IFRS such as: (i) the amounts recognized for every type of assets, liabilities and contingent liabilities in a business combination; (ii) the amount of income/loss contributed by the acquired entity as from the date of acquisition; (iii) the information related to the impairment tests conducted on non-financial assets such as the description of key hypothesis on which Management has based its cash flows projections, the approach used, the growth rate applied to projections; (iv) the policies and processes applied to capital management; (v) the additional information about liquidity risk management enabling to evaluate the scope; and (vi) certain comparative information about income were not included in the separate and consolidated financial statements.

5. QUALIFIED OPINION

In our opinion, except for the possible adjustments and reclassifications that might result from the circumstances described in subsections i) to v) above, and in light of the missing information indicated in subsection vi):

The separate financial statements mentioned in Section 1.a) present fairly, in all material respects, the financial position of TGLT S.A, as of December 31, 2018, the results of its operations, the changes in shareholders' equity and cash flows for the fiscal year then ended, in conformity with the IFRS.

b) The consolidated financial statements mentioned in Section 1.b) present fairly, in all material respects, the consolidated financial position of TGLT S.A, as of December 31, 2018, the consolidated comprehensive results of its operations, the consolidated changes in shareholders' equity and cash flows for the fiscal year then ended, in conformity with the IFRS.

6. EMPHASIS ON CERTAIN MATTERS DISCLOSED IN THE FINANCIAL STATEMENTS

Without modifying our opinion, we wish to highlight:

a) The information included in the following notes to the 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, to "Other assets" (Note 45.4 to the consolidated financial statements) as they are assets from discontinuing operations. The Company's Management has executed some agreements with the holder of a mortgage title on such premises so as to have such lien discharged.

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" describing that the Company's Management has applied the IAS 29 "Financial reporting in hyperinflationary economies".

Independent Auditors' Report – Cont.
(Free translation from the original report issued in Spanish for local purpose submitted to local regulator: Comisión Nacional de Valores - CNV)

6. EMPHASIS ON CERTAIN MATTERS DISCLOSED IN THE FINANCIAL STATEMENTS - Continued

b) The information included in the following notes to the 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, to "Other assets" (Note 45.4) as they are assets from discontinuing operations. The Company's Management has executed some agreements with the holder of a mortgage title on such premises so as to have such lien discharged.

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 4: "Presentation basis" describing that the Company's Management has applied the IAS 29 "Financial reporting in hyperinflationary economies".

7. 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 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 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 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 interim stand-alone financial statements of the companies members of the economic group, which are detailed in note 4.2 of the consolidated financial statements;

c) As part of our work, the scope of which is described in section 3 to this report, we have reviewed the Reporting Summary required by the CNV and prepared by the Board of Directors, regarding which we have no remarks to make, in the matters of our competence;

d) In compliance with the CNV applicable rules, the following ratios are reported as related to the fees directly or indirectly invoiced by our professional firm:

1. Ratio between total fees for the financial statements audit and other audit services provided to the issuer, and the total fees for all items, including audit services: 100%

2. Ratio between total fees for the financial statements audit and other audit services provided to the issuer, and the total fees for the audit services invoiced to the issuer, its parent company, subsidiaries and related companies: 90%

Independent Auditors' Report – Cont.
(Free translation from the original report issued in Spanish for local purpose submitted to local regulator: Comisión Nacional de Valores - CNV)

7. INFORMATION ON COMPLIANCE WITH PROVISIONS IN FORCE- Continued

3. Ratio between the total fees for the financial statements audit and other audit services provided to the issuer, and the total fees invoiced to the issuer, its parent company, subsidiaries and related companies, including audit services: 90%

e) as of December 31, 2018, the accrued liability for retirement and pension contributions payable to the Argentine Pension Fund System arising from the accounting records was $ 9,808,619.03, no amounts being due as of that date.

f) we have performed the anti-money laundering and terrorist financing procedures set forth by the applicable professional standards issued by the Professional Council of Economic Sciences of the City of Buenos Aires.

City of Buenos Aires, March 8, 2019.

Adler, Hasenclever & Asociados S.R.L.
Contadores Públicos
C.P.C.E.C.A.B.A. T° 1 - F° 68

Christian Martin (Partner)
Public Accountant (U.N.L.Z)
C.P.C.E.C.A.B.A. T° 271 - F° 80

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. 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) Stand-alone statement of financial position as of December 31, 2018.
b) Stand-alone statement of profit or loss and other comprehensive profit or loss for fiscal year ended December 31, 2018.
c) Stand-alone statement of changes in shareholders' equity for fiscal year ended December 31, 2018.
d) Stand-alone statement of cash flows for fiscal year ended December 31, 2018.
e) Notes to the stand-alone financial statements as of December 31, 2018.
f) Consolidated statement of financial position as of December 31, 2018.
g) Consolidated statement of profit or loss and other comprehensive profit or loss for fiscal year ended December 31, 2018.
h) Consolidated statement of changes in shareholders' equity for fiscal year ended December 31, 2018.
i) Consolidated statement of cash flows for fiscal year ended December 31, 2018.
j) Notes to the consolidated financial statements as of December 31, 2018.
k) Letter to Shareholders' and Reporting Summary for the financial statements as of December 31, 2018.
l) Inventories as of December 31, 2018.
m) Additional information required by Section No. 68 of the Buenos Aires Stock Exchange Regulations.

The amounts and other information for the fiscal year ended December 31, 2017 are an integral part of the above mentioned 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:

a) the stand-alone 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"). In addition, 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.

b) the 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"). In addition, 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 (continued)

III- RESPONSIBILITY AND SCOPE OF THE EXAMINATION

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 financial statements be examined in conformity with the auditing standards in force, 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 the bylaws in their 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 Section I.

In order to perform our professional work on the documents detailed in section I above, we have considered the audit conducted by Adler, Hasenclever & Asociados S.R.L., the external auditors of TGLT S.A., who issued a qualified audit report on March 8, 2019, in compliance with the International Auditing Standards (IAS) adopted by the FACPCE, through Technical Resolution No. 32 and Notices of Implementation. Such review included the verification of the work plan, the nature, scope, and timing of the procedures performed, and the results of the audit conducted by such professional auditors. Our work also included assessing the reasonableness of the significant information contained in the documents examined, agreeing its consistency with the information on corporate decisions, as well as the compliance of such decisions with Argentine law and the Bylaws in their formal aspects.
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.
We consider that the evidence obtained provides an adequate and sufficient basis for our professional opinion.

In addition, we have verified that the Letter to Shareholders for fiscal year ended December 31, 2018 includes all the information required by section 66 of the Companies Law and that, insofar as it relates to our area of responsibility, all the figures stated therein agree to the Company's records and other relevant supporting documentation.

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

IV- GROUNDS FOR QUALIFIED OPINION

i) As described in Notes 34 and 48 "Negative shareholders' equity attributable to parent company's owners, negative working capital and business plans" to the separate and consolidated financial statements, the Company has incurred in significant losses as of December 31, 2018, which to date have resulted in a negative equity of $ 1,300,832 thousand; thus, representing a ground for dissolution. Despite the working capital disclosed in the separate financial statements, the Company's Management indicates in Note 32 that $ 1,076,007 thousand are expected to be collected over the next 12 months on account of "Receivables from related parties". In addition, the Company's consolidated financial position shows that current liabilities exceed current assets by $ 1,364,104 thousand. Therefore, the equity and working capital 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 separate and consolidated financial statements for the fiscal year ended December 31, 2018, fail to disclose such circumstances as well as the Board of Director's strategies and plans to revert them.

ii) As described in notes 31 and 28 "Income tax and deferred tax" to the separate and consolidated financial statements, the Company's Management estimates its taxable income to determine the use of its deferred tax assets (including tax losses), the value added tax, and other tax credit balances. Their recoverability will depend on the timely completion of the business projections prepared by Management. We have not been able to obtain the necessary evidence to support Management's judgment when preparing such projections; thus, we have been unable to determine if such amounts must be adjusted.

iii) The Company has stated its share in "Investments in companies" at their equity value. As indicated in Notes 8 and 47 to the separate and consolidated financial statements, the Company has invested (i) $ 720,576 thousand in Marina Río Luján S.A., calculated at historic cost not restated; and (ii) $ 651,952 thousand in SES S.A., partially restated. The criterion to keep the historic equity value was adopted at the beginning of the fiscal year for comparative purposes. The Company's Management considers that such amounts would account for their recoverable values. Nevertheless, as of year-end, we have not been able to obtain valid and sufficient evidence of such valuations, or to determine which would have been the right values if such assets had been adequately restated. Therefore, we have not been able to determine if those amounts need to be adjusted.

SUPERVISORY COMMITTEE'S REPORT (continued)

- GROUNS FOR QUALIFIED OPINION (cont.)

iv) As described in note 23 and 18 to the separate and consolidated financial statements "Provisions and Allowances", as of year-end the Company recorded provisions for legal or contractual claims in the amount of $ 126,000 thousand, related to the contingencies resulting from the business combinations involved in the acquisition of Caputo S.A.I.C: y F during this fiscal year. We have not been able to obtain the opinion of an independent legal advisor so as to reach a conclusion on the probability of occurrence and the quantification of such contingencies. Therefore, we have not been able to determine if such amounts needs to be adjusted.

v) As described in note 7 and 35 "Investment property" to the separate and consolidated financial statements, the Company's Management assesses investments to appraise capital at reasonable value with changes charged to income/loss. We have not been able to obtain a report from an independent appraiser so as to reach a conclusion on the reasonableness of such valuation. Therefore, we have not been able to determine if such amounts need to be adjusted.

vi) certain disclosures required by the IFRS such as: (i) the amounts recognized for every type of assets, liabilities and contingent liabilities in a business combination; (ii) the amount of income/loss contributed by the acquired entity as from the date of acquisition; (iii) the information related to the impairment tests conducted on non-financial assets such as the description of key hypothesis on which Management has based its cash flows projections, the approach used, the growth rate applied to projections; (iv) the policies and processes applied to capital management; (v) the additional information about liquidity risk management enabling to evaluate the scope; and (vi) certain comparative information about income were not included in the separate and consolidated financial statements.

V- CONCLUSION

Based on our review within the scope described in section III, except for the possible adjustments and reclassifications that might result from the circumstances described in subsections i) to v) above, and in light of the missing information indicated in subsection vi), we report that:

a) The stand-alone financial statements mentioned in paragraph I, items a) to e) present fairly, in all material respects, the financial position of TGLT S.A, as of December 31, 2018, the results of its operations, the changes in shareholders' equity and cash flows for the fiscal year then ended, in conformity with the IFRS.

b) The consolidated financial statements mentioned in paragraph I, items f) to j) present fairly, in all material respects, the consolidated financial position of TGLT S.A, as of December 31, 2018, the consolidated comprehensive results of its operations, the consolidated changes in shareholders' equity and cash flows for the fiscal year then ended, in conformity with the IFRS.

VI- EMPHASIS ON CERTAIN MATTERS DISCLOSED IN THE FINANCIAL STATEMENTS

Without modifying our opinion, we wish to highlight:

a) The information included in the following notes to the stand-alone 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, to "Other assets" (Note 45.4 to the consolidated financial statements) as they are assets from discontinuing operations. The Company's Management has executed some agreements with the holder of a mortgage on such premises so as to have it discharged.

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" describing that the Company's Management has applied the IAS 29 "Financial reporting in hyperinflationary economies".

SUPERVISORY COMMITTEE'S REPORT (continued)

VI - EMPHASIS ON CERTAIN MATTERS DISCLOSED IN THE FINANCIAL STATEMENTS - Continued)

b) The information included in the following notes to the 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, to "Other assets" (Note 45.4) as they are assets from discontinuing operations. The Company's Management has executed some agreements with the holder of a mortgage title on such premises so as to have such lien discharged.

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 4: "Presentation basis" describing that the Company's Management has applied the IAS 29 "Financial reporting in hyperinflationary economies".

VII- INFORMATION ON COMPLIANCE WITH PROVISIONS IN FORCE

a) 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.

b) The financial statements mentioned in paragraph I, items a) to e) 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.

c) The stand-alone and consolidated financial statements of TGLT S.A. 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) Inventories are pending transcription into the Inventory Book.

e) We have verified that the Letter to Shareholders and Reporting Summary for fiscal year ended December 31, 2018 includes all the information required by section 66 of the Companies Law and the CNV's regulations, and that, insofar as it relates to our area of responsibility, we have no observations to make, as all assertions about future events are the exclusive responsibility of the Board of Directors.

f) As required by General Resolution No. 340 of the CNV regarding the independence of external auditors, and the quality of the auditing standards applied and of the Company's accounting policies, the previously mentioned external auditors' report includes a representation that the International Auditing Standards adopted by Technical Resolution No. 32 of the FACPCE have been applied and that they comply with all Independence requirements. In addition, such report does not contain any qualifications as to the application of these standards or differences from other professional accounting standards.

g) In exercise of our legal supervision duties, during this year we performed all the procedures set forth in section 294 of Law 19550 that were considered necessary under the circumstances, and, in this respect, we have no observations to make.

h) we have performed the anti-money laundering and terrorist financing procedures set forth by the applicable professional standards issued by the Professional Council of Economic Sciences of the City of Buenos Aires (CPCECABA).

City of Buenos Aires, March 8, 2019.

Manuel Moreno