TGLT

REPORTING SUMMARY
CONDENSED CONSOLIDATED AND CONDENSED SEPARATE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT
SUPERVISORY COMMITTEE'S REPORT

TGLT S.A.

AS OF SEPTEMBER 30, 2019

(Presented comparatively)

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REPORTING SUMMARY

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AS OF SEPTEMBER 30, 2019

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I.1.1 Execution of agreements for the Company's recapitalization: Optimization of the Recapitalization Plan of the Company Approval of the Company's capital increase

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 M (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.

In this sense, the Company had been analyzing and working on various alternatives to implement a recapitalization plan enabling it to reverse the negative shareholders' equity timely considered by the Shareholders of TGLT 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 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 whereby ADI Holders accepted to defer the collection of coupon rates on Convertible Corporate Notes maturing on February 15, 2019, as of May 30, 2019 (the "Interest Deferral Agreement" -ADI for its Spanish acronym). At the same time, also on January 25, 2019, the Company and some holders of Convertible Corporate Notes (the "AR Holders") executed a recapitalization agreement ("AR" for its Spanish acronym), which provided for a plan for the recapitalization of TGLT through the voluntary swap of Convertible Corporate Notes for preferred shares to be issued by the Company (the "Recapitalization Agreement", and together with the Interest Deferral Agreement, the "Agreements").

Subsequently, on May 30, 2019, it was informed that the Company had exercised the right set forth in the Interest Deferral Agreement in relation to the extension of the maturity date for the payment of deferred interest under that agreement for 30 additional calendar days, i.e. until June 30, 2019. Moreover, the Company exercised the right to extend the effective term of the Recapitalization Agreement, as established in section 4 (a) (i) thereof, for 30 additional calendar days, i.e. until June 30, 2019.

Then, on June 27, 2019, the Company informed that it was working on an improvement in its Recapitalization Plan which, supplementing the alternative set forth by the Recapitalization Agreement (still in force), would enable it to strengthen the Company's capital structure and, at the same time, reduce its financial debt. Consequently, acknowledging the Company's efforts to improve the Recapitalization Plan, and in order to enable its advancement, the holders of the majority of the Convertible Corporate Notes and signatories of the Agreements, informed the Company about their intention to extend their effective term until July 29, 2019, so that the Company may have enough time to properly implement the optimized Recapitalization Plan; and then, on that date, extend them again until August 9, 2019.

Finally, on August 8, 2019, TGLT announced that, together with the majority of the Convertible Corporate Notes, it had agreed to carry out a capitalization proposal supplementary to that established in the Recapitalization Agreement, in order to optimize and supplement its original Recapitalization Plan, further strengthening its equity restoration and obtaining a capital structure more in line with the size of its transactions (the "Optimized Recapitalization Plan"). Through the Optimized Recapitalization Plan, the Company intends to (i) obtain a significant reduction in financial liabilities in foreign currency, which will imply a considerable decrease in its exposure to the risk of exchange rate fluctuations, and will significantly increase its assets; (ii) rebuild its equity in a sustainable manner over time, making it stronger; (iii) consolidate a more robust capital structure; and (iv) have greater resources of own capital to develop productive activities.

As a consequence of the development of such Optimized Recapitalization Plan, on August 8, 2019, the Company signed, together with a substantial majority of the holders of the Convertible Corporate Notes (the "Accepting Holders"), a new recapitalization agreement (the "New RSA"), through which the Company undertook to:

a) make a public offering for the subscription of new Class A preferred shares of the Company (the "Class A Public Offering" and the "Class A Preferred Shares", respectively), which may be subscribed in cash and/or in kind and/or by capitalization of debts of the Company, at a subscription price per Class A Preferred Share of US$ 1 (or its equivalent in Pesos);

b) make a public offering of new Class B preferred shares of the Company (the "Class B Preferred Shares"), which may be subscribed through (i) the swap for common shares of the Company (the "Swap Offer for Common Shares "), at a swap ratio of one Class B Preferred Share for every 6.94 common share of the Company; and/or (ii) the swap for Convertible Corporate Notes (the "Swap Offer for Convertible Notes" and, together with the Swap Offer for Common Shares, the "Class B Public Offering"), at a swap ratio of one Class B Preferred Share for every US$ 1 of Convertible Corporate Notes (including interest accrued and not paid under Convertible Corporate Notes); complementing this offer with a request for conformity from these Accepting Holders to modify certain provisions of the Indenture; and

c) the granting of an option (the "Option") to Accepting Holders to subscribe new Class C preferred shares of the Company (the "Class C Preferred Shares" and, together with Class A Preferred Shares and Class B Preferred Shares, the "Preferred Shares") in a public subscription offer in cash (the "Class C Public Offering" and, together with the Class A Public Offering and the Class B Public Offering, the "Public Offering") to be carried out if: (a) the Class A Public Offering and the Class B Public Offering have taken place; and (b) a certain number of holders of the Option have exercised that option; at a subscription price per Class C Preferred Share of US$ 1 (or its equivalent in Pesos).

Preferred Shares issued by the Company under the Public Offering Regime shall have a preferred claim on the collection of dividends and liquidation proceeds (for a value of US$ 1) 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 shareholder having more than 30% of the Company's total voting stock cannot vote in excess of such 30%. 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 under certain conditions described in the New Agreements. For the purposes of such conversion, the conversion ratio shall be (a) US$ 0.11 in the case of Class A Preferred Shares (b) US$ 0.33 in the case of Class B Preferred Shares; and © US$ 0.50 in the case of Class C Preferred Shares (or 90% of the weighted average price by volume of the common share of TGLT in the market during a five-day term, but never below US$0.15). The aforementioned conversion ratios shall be subject to adjustments based on ordinary anti-dilution formulas for this type of securities, all in accordance with the resolutions adopted by the shareholders' meeting, the Company's sovereign body in the matter.

It is further stated that (a) Class A Public Offering and Class B Public Offering shall take place jointly; (b) in each Public Offering, the holders of ordinary shares may exercise their rights of first refusal, in the terms provided by the Company's bylaws and the Capital Markets Law; and (c) the swap ratios and subscription prices provided for in the New RSA are subject to the resolutions adopted by the shareholders' meeting.

On the other hand, in order to enable and facilitate the implementation of the Optimized Recapitalization Plan, on August 8, 2019 the Company also subscribed, with a substantial majority of the holders of Convertible Corporate Notes (the "IDA Holders") an interest deferral in relation to the interest payable as of February 15, 2019 and August 15, 2019 up to November 8, 2019 (the "New IDA" and, together with the New RSA, the "New Agreements"), and the Company shall be able to extend such date for 30 days at its exclusive discretion, under certain circumstances. Consequently, on August 14, 2019, the holders of 99.5% of the Convertible Corporate Notes agreed to defer the collection of coupon rates due on August 15, 2019.

It is expressly stated that the suspension of interest payments only refers to coupon rates payable to holders who have voluntarily accepted such suspension. Accordingly, the Company paid, under the terms and conditions established in the trust agreement governing Convertible Corporate 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 0.5% of Convertible Corporate Notes.

In support of the Optimized Recapitalization Plan, IRSA Propiedades Comerciales S.A. ("IRSA") and PointArgentum Master Fund LP ("PointArgentum"), in their capacity as Accepting Holders, signed with the Company on August 8, 2019 two share subscription commitments, through which IRSA, on the one hand, and PointArgentum, on the other hand, undertook to make capital contributions to the Company (in cash and/or in kind and/or through the capitalization of certain claims against the Company, as applicable) for a total amount of US$ 39,000,000, through the subscription of Class A Preferred Shares under Class A Public Offering (the "Subscription Commitments").

Likewise, the Company signed on August 8, 2019, together with the Accepting Holders, the Option contract for the subscription of the Class C Preferred Shares (the "Option Contract"), granting to the holders of Convertible Notes who are parties, or become parties, to the New Agreements up to a certain date, the right to exercise a subscription option for Class C Preferred Shares, whose offer will be contingent upon the provisions of the Option Contract and the New RSA.

Also, as evidence of the Accepting Holders' trust in the Company's capacity of creating value through the generation of new investment projects, within the framework of the operation described, it was agreed that those Accepting Holders that hold Class B Preferred Shares will have a right of co-investment with the Company in future projects that TGLT (or a company wholly owned by TGLT) develops in Argentina or Uruguay, in which TGLT considers 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.

TGLT continues working, within the conditions permitted by the applicable law, to obtain the support of the holders of Convertible Corporate Notes who, so far, have not signed the New Agreements in order to expand the number of accepting holders.

The New Agreements establish certain milestones to be fulfilled in the process of implementing the Optimized Recapitalization Plan in the near future, including: (i) approval of the issuance of Preferred Shares and Public Offerings by the shareholders' meeting of TGLT (which occurred on September 10, 2019); (ii) launching of the Swap Offer for Convertible Notes (which occurred on November 4, 2019); (iii) launching of the Class A Public Offering; (iv) materialization of the Class A Public Offering and the Class B Public Offering; and (v) exercise of the Option; all this in order to complete the implementation of the Optimized Recapitalization Plan as soon as possible.

In that scenario, and within the framework of the New Agreements, TGLT has assumed, among others, and subject to certain conditions, 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.

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

In this context, at the Annual Shareholders' Meeting (the "Shareholders' Meeting") held on September 10, 2019, the following was approved, among other issues:

(a) an increase in the capital stock through the issue of up to: (i) eight million (80,000,000) Class A Preferred Shares with a nominal value of one peso (AR$1) each, to be placed through a public offering in the country and/or a private offering abroad (not registered under the US securities Act of 1933, as amended) and to be paid in in cash, in kind and/or through the capitalization of certain claims against the Company, as decided by the Company's Board of Directors; (ii) two hundred and fifty million (250,000,000) Class B Preferred Shares with a nominal value of one peso (AR$1) each, to be placed through a public offering in the country and/or a private offering abroad (not registered under the US securities Act of 1933, as amended) and to be paid in in cash, in kind and/or through the capitalization of certain claims against the Company, as decided by the Company's Board of Directors, including, but not limited to (y) the swap for Convertible Corporate Notes; and (iii) thirty million (30,000,000) Class C Preferred Shares with a nominal value of one peso (AR$1) each, to be placed through a public offering in the country and/or a private offering abroad (not registered under the US securities Act of 1933, as amended) and to be paid in in cash, by exercising the option, as established in the Option. Furthermore, each of the Preferred Shares may be convertible into common shares of the Company, under the terms and conditions of each class of Preferred Shares approved at the Shareholders' Meeting (the "Terms and Conditions");

(b) a stock premium between AR$44 (forty four Pesos) and AR$89 (eighty nine pesos) per Preferred Share, as decided by the Board of Directors, or by one or more members of the Board of Directors, or by one or more senior managers of the Company to whom the Board of Directors may timely sub-delegate this power; and

(c) delegate to the Board of Directors, for the term of two (2) years, empowered to sub-delegate to one or more of its members, or one or more senior managers of the Company, among other issues: (i) the power to establish the terms and conditions for the issue and placement of Preferred Shares (and, if required, the amendment to the Terms and Conditions); (ii) the power to establish the amount of the issue within the maximum amount set at the Shareholders' Meeting (notwithstanding the over-subscription delegation), the time, term and other terms and conditions on the issue and payment of each of the classes of Preferred Shares; and (iii) the power -pursuant to the provisions of section 62 of the Capital Market Law- to decide an additional increase in the capital stock for up to 15% (fifteen per cent) of the number of authorized shares, in the event the number of 80,000,000 Class A Preferred Shares and/or 250,000,000 Class B Preferred Shares and/or 30,000,000 Class C Preferred Shares, as applicable, were not sufficient to meet any excess demand or option due to the over-subscription of shares under each of the public offerings of Preferred Shares.

In addition, at such Meeting, the Company approved: (i) the creation of a new American Depositary Receipts Programs, whose underlying securities are each class of preferred shares to be issued; (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 Preferred Shares in favor of certain executives and employees of the Company; and (iii) the confirmation of the Directors appointed by the Supervisory Committee on May 10, 2019.

For more information, see "I.2.1 Approval of the Company's capital increase", under "Subsequent events. For more information on the Offer, please refer to the Relevant Events section, "Execution of New Agreements. Optimization of the Company's Recapitalization Plan", "Suspension of Interest Payments" and "Capital Increase"; 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. They are also available on the CNV's web page (www.cnv.gob.ar) in the "Relevant Events" section, published under ID 4-2520032-D on September 10, 2019, ID 4-2510280-D on August 14, 2019 and ID 4-2506073-D on August 9, 2019.

I.1.2 Agreement for Partial Annulment and Sale of Real Property located in Rosario, Province of Santa Fe

On March 21, 2019, the Company completed the sale of four (4) plots of land located in the City of Rosario, Province of Santa Fe: Plot s 2, 3, 4 and 5, according to survey plan No. 193466/66, registered on May 24, 2016 (the "Survey Plan"). The sales price of Plot 2 was US$ 3,200,000 (three million two hundred thousand United States dollars). Additionally, there is a variable compensation, that might result in a price increase of US$ 600,000 (six hundred thousand United States dollars) in favor of the Company. Plots 3, 4, and 5 were sold at a price of US$ 3,300,000 (three million three hundred thousand United States dollars). Such amounts will be settled under certain conditions contractually agreed by the parties at issue.

Furthermore, on that same date and simultaneously, the Company executed an agreement to revert property to the former owner company, which had sold all the plots of land of the master plan of the Company in the City of Rosario to TGLT under a partial annulment of the barter deed dated December 10, 2013, whereby TGLT had acquired the pieces of real property: Plots 1, 6, 7, 8, 9, 10, 11, 12, 13, and 14, according to the Survey Plan. As a result of this transaction, and taking into account the return of such plots and the obligations assumed by the parties, the Company will receive the amount of US$ 4,520,800 (four million five hundred twenty thousand eight hundred United States dollars). In addition, the parties agreed to release the mortgages on the aforementioned plots, except for the mortgage on Plot 15 (commercially known as "Plot L"), which is the plot of land in which the Company developed stage 1 of the real property development called Metra Puerto Norte, and in which stage 2 of such development is being carried out.

I.1.3 Legal proceedings

On August 23, 2019, TGLT informed that Unidad Fiscal Norte - Special Cases Area of the Public Prosecutor's Office- summoned the Company, through its legal representative, and those directors of the Company who had been in office for the periods 2012 to 2014 to appear before such Office for the purpose of holding hearings to explain the charges against them (according to section 161 of the Code of Criminal Procedure of the City of Buenos Aires), within the framework of the complaint for alleged violation of section 1 of Law No. 26735 (as amended by Law No. 24769).

Such investigation procedure was initiated as a result of the assessment on the Tax Authorities' own initiative, pursuant to Resolution No. 3756/DGR/2018 (the "Resolution"), whereby the Tax Authorities resolved: (i) challenge certain turnover tax returns filed by TGLT, particularly due to a difference of criterion regarding the activities subject to turnover tax for fiscal periods 2012 to 2014; and (ii) assess the resulting tax for the aforementioned periods by applying a rate different from that applied by the Company in its turnover tax returns. The Company duly filed a motion for reconsideration against such Resolution, which has not been resolved to date. The resolution that may be issued by the Criminal Court of the City of Buenos Aires [Fuero Penal Contravencional y de Faltas del Poder Judicial de la Ciudad Autónoma de Buenos Aires] would in any case be subject to the potential filing of a motion for review with such Court and, also, to the potential filing of the related appeal with the higher courts.

The Company has made all the required filings within statutory terms. Furthermore, at the Board of Directors' Meeting held on September 19, 2019, the Company's enrolment for the tax liabilities regularization plan established by the Tax Authorities was approved.

I.2 Subsequent events

I.2.1 Approval of the Company's capital increase

On October 30, 2019, under resolution RESFC-2019-20518-APN-DIR#CNV, the CNV authorized, amongst other things, the public offering of up to 80,000,000 Class A, registered, preferred shares, with a nominal value of 1 peso each and one vote per share, convertible into common shares and entitled to preferred and cumulative dividends to be accrued as from the date of issue, which may be increased to a total amount of up to 92,000,000 shares with a nominal value of up to 92,000,000 pesos, to be paid in cash and/or in kind through the contribution of 100% of IRSA Propiedades Comerciales S.A.'s shares in La Maltería S.A. (According to the terms of the Agreement executed with such company on August 8, 2019); and/or through the capitalization of debts, by the capitalization of principal and interest and further amounts owed by the company under any of the privately traded Corporate Note Series, whose issuance was approved by the Company's Board of Directors on July 15, 2019 (according to the terms of the Agreement signed with PointArgentum Master Fund LP on August 8, 2019).

Furthermore, under the same resolution, the CNV authorized TGLT's public offering of up to 250,000,000 Class B, registered, preferred shares, with a nominal value of 1 peso each and 1 vote per share, convertible into common shares and entitled to the collection of preferred and cumulative dividends to be accrued as from the date of issue, which may be increased to a total amount of up to 287,500,000 shares with a nominal value of up to 287,500,000 pesos, to be paid in cash and/or in kind, through the exchange for common shares and/or subordinated Corporate Notes, convertible into shares, issued by the company on August 3, 2017 and/or for deferred interest rights under those Convertible Corporate Notes.

On November 1, 2019, TGLT published through CNV, MAE and ByMA the prospectus and summarized prospectus for up to 80,000,000 new Class A Preferred Shares (which may be increased to up to 92,000,000 new Class A Preferred Shares) and up to 250,000,000 new Class B Preferred Shares (which may be increased to up to 287,500,000 new Class B Preferred Shares).

1.2.2 Call for a meeting of Convertible Corporate Note holders

At the meeting held on November 1, 2019, the Company's Board of Directors decided, among other matters, to call a meeting of holders of Convertible Corporate Notes into new common shares in the amount of US$ 150,000,000, maturing in 2027, authorized by Resolution No. 18773 of the Argentine Securities Commission ("CNV") dated June 13, 2017 (the "Convertible Corporate Notes"), and issued under the trust agreement dated August 3, 2017 entered into between TGLT, The Bank of New York Mellon (the "Trustee") and Banco Santander S.A., as amended on April 20, 2019 (the "Indenture"), to be held on November 22, 2019, at 10 am (Buenos Aires time) on first call, and at 11 am (Buenos Aires time) on second call (the "Meeting"), at the registered office of the Company located at Miñones 2177, ground floor "C", City of Buenos Aires, in order to discuss the following Agenda:

1) Appointment of two holders to sign the minutes.

2) Appointment of the Meeting.

3) Confirmation of the waiver submitted in writing by the majority of Convertible Corporate Note holders regarding (a) the issue of privately traded corporate notes approved by the Company's Board of Directors at the Meeting held on July 15, 2019; and (b) the creation of security interests in favor of the holders of such privately traded corporate notes.

4) Elimination of the following clauses of the Indenture: (a) Section 1006 (Maintenance of Properties); (b) Section 1007 (Payment of Taxes and Other Claims); (c) Section 1008 (Maintenance of Insurance); (d) Section 1009 (Financial Statements); (e) Section 1010 (Compliance with Laws and Other Agreements); (f) Section 1011 (Maintenance of Books and Records); (g) Section 1012 (Further Assurances); (h) Section 1015 (Dividends and Distributions); (i) Section 1016 (Extraordinary Distributions, Redemptions and

Repurchases); (j) Section 1017 (Indebtedness); (k) Section 1018 (Guarantees); (l) Section 1019 (Liens); (ll) Section 1020 (Transactions with Affiliates); (m) Section 1021 (Existing Business; Management); (n) Section 1022 (Constitutive Documents); (o) Section 1103 (Repurchase Upon a Delisting); (p) Section 1104 (Offer to Repurchase); (q) Section 1105 (Notice of Offer to Repurchase); (r) Section 501 (Events of Default) – clauses (a)(2), (a)(3), (a)(4), (a)(10), (a)(11), (a)(12) and (a)(13).

5) Amendment to Section 101 (Definitions) of the Indenture so that the definition of "Indebtedness for Borrowed Money" reads as follows: "Indebtedness for Borrowed Money" includes all obligations (whether actual or contingent) to repay money borrowed by the Company and/or its Subsidiaries (except for Corporate Notes), as the case may be, including, without limitation: (i) loans of money; (ii) the nominal value of any bonds, notes, vouchers, commercial paper, debentures and bills or promissory notes drawn, accepted, endorsed or issued, as the case may be; (iii) the deferred payment of the purchase price of assets, property, goods or services obtained on commercial terms in the ordinary course of business; (iv) the non-contingent obligations of the Company or a Subsidiary for the reimbursement of any amount paid to third parties pursuant a letter of credit or similar instrument (excluding any such letter of credit or similar instrument issued for the benefit of the Company or a Subsidiary concerning their trade accounts in the ordinary course of business); (v) the amounts obtained in a transaction with the commercial effect of a loan and that should be recorded as a loan in accordance with IFRS applied on a consistent basis, including, without limitation, under leases or similar arrangements entered into primarily as a means of financing the leased asset; and (vi) any premium or minimum amount that has to be paid over to extend, refinance or replace any of the foregoing, in each case, other than obligations owed to the Company or any of its Subsidiaries."

6) Amendment to Section 516 (Indemnity Currency) of the Indenture so that the definition of "Indebtedness for Borrowed Money" reads as follows: "Any payment in relation to an amount payable in US dollars (the" Required Currency ") under these Corporate Notes, made to any Holder or the Trustee in any other legal tender in another jurisdiction (the "Judgment Currency"), whether pursuant to a judgment or resolution of a court of any jurisdiction in relation to the bankruptcy, liquidation or dissolution of the Company or any other reason, shall only release the Company from its obligations under the Trust Agreement or the Corporate Notes to the extent of the amount in Required Currency that the beneficiary of the payment can purchase in the international exchange market and in accordance with the normal banking procedure and the applicable exchange rate, with the amount received or collected in the Judgment Currency on the Business Day immediately following the date of such receipt or collection. If the amount in Required Currency so received is lower than the amount in Required Currency owed to the payment beneficiary, the Company shall indemnify such beneficiary for any loss borne by the beneficiary as a result of such circumstance. These indemnity obligations are separate and independent from the remaining obligations of the Company, shall give rise to a separate and independent cause of action, shall apply notwithstanding any leniency granted by a Holder, and shall remain in full force and effect regardless of any other judgment, resolution, claim or prove of an amount settled regarding a sum due in relation to a Corporate Note."

7) Amendment to Section 703 (Reports by Company) of the Indenture so that it reads as follows: "The Company shall provide the Trustee with all the reports required under Section 1013."

8) Amendment to Section 801 (Mergers. Consolidations, Dispositions of Assets) of the Indenture so that it reads as follows: "The Company shall not consolidate or merge with or into, or sell, transfer or otherwise dispose of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole (in one or more related transactions), to any Person other than the Company and/or any one or more of its Subsidiaries, unless either (i) the Company would be the surviving entity or (ii) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, transfer or other disposition is made assumes all of the obligations of the Company under the Corporate Notes."

9) Amendment to Section 907 (Supplementary Trust Agreements and Indebtedness for Borrowed Money) of the Indenture so that it reads as follows: "No supplementary trust agreement executed under this Section Nine shall affect the rights of a holder of Indebtedness for Borrowed Money without the consent of such holder."

10) Amendment to Section 1005 (Existence; Authorizations) of the Indenture so that the definition of "Indebtedness for Borrowed Money" reads as follows: "Subject to Article Eight, the Company shall maintain its legal status (personería jurídica) and corporate existence."

11) Amendment to Section 1013 (Statement by Officers as to Default; Compliance Certificates) of the Indenture so that it reads as follows: "The Company will provide the Trustee, within 90 days after the closing of each Fiscal Year of the Company, an Officers Certificate indicating if, to the best knowledge and understanding of the signatories of such Officers Certificate, the Company is in breach or default of any of the terms, provisions and conditions of this Trust Agreement (regardless of any grace period or notification requirement contemplated herein) and, if the Company is in default, specifying that default and its nature and any situations of which they may be aware. The Company shall promptly deliver to the Trustee, within a maximum of 5 days after the date on which the Company becomes aware or should reasonably be aware of the occurrence of an Event of Early Termination or an Event of Default, an Officers Certificate signed by the Company's Chief Executive Officer and Chief Financial Officer providing the details of the event, the period of duration of the event and the action that the Company has adopted or proposes to adopt with respect to it."

12) Amendment to Section 1106 (Deposit of Redemption Price and Repurchase Price) of the Indenture so that it reads as follows: "On or before the Redemption Date, the Company shall (i) deposit with the Trustee or with a Payment Agent (or, if the Company acts as its own Payment Agent, it must separate and hold in trust according to the provisions of Section 1003) a sum of money sufficient to pay the Redemption Price or the Repurchase Price, the Additional Amounts, if any, and (unless the Redemption Date or the Repurchase Date agree with an Interest Payment Date) interest accrued on all Corporate Notes that were to be redeemed or repurchased on that date other than Corporate Notes called for redemption or offered for repurchase on that date that have been converted prior to the date of said Deposit; and (ii) deliver or arrange the delivery to the Trustee for settlement, Corporate Notes that have been accepted, together with an Officers Certificate indicating that those Corporate Notes or a portion thereof have been redeemed or offered and purchased by the Company. In the event that a Corporate Note selected for redemption or offered for repurchase is converted, any amount deposited *with the Trustee or a Paying Agent, or separated and held in trust for the redemption or repurchase of that Corporate Note (subject to the provisions of the last paragraph of Section 307) must be paid immediately to the Company upon receipt of the Order of the Company or, if they are held by the Company, they must be taken out from that trust. "*

13) Amendment to Section 1107 (Corporate Notes payable on the Redemption Date or the Repurchase Date) of the Indenture so that it reads as follows: "If the redemption notice is issued in the manner indicated, the Corporate Notes to be redeemed will become payable as of the Redemption Date, at the specified Redemption Price, and from that date such Corporate Notes will no longer accrue interest, unless the Company defaults on the payment of the Redemption Price and accrued interest. Upon delivery of a Corporate Note for redemption in accordance with said notice, the Company will pay the Corporate Note at the Redemption Price, together with any interest accrued as of the Redemption Date; notwithstanding the foregoing, the interest installments whose Agreed Maturity is the Redemption Date or an earlier date, must be paid to the Holders of said Corporate Notes or of one or more previous Corporate Notes registered as such, at the close of operations of the Registration Dates according to their terms and the provisions of Clause 307. If a Corporate Note to be redeemed is not paid upon its delivery for redemption, the principal (and the premium and the Additional Amounts, if any) will accrue interest from the Redemption Date until actual payment at the rate stipulated for that Corporate Note".

14) Amendment to Section 1108 (Selection of Corporate Notes to be redeemed or repurchased) of the Indenture so that it reads as follows: "If an amount less than the total Corporate Notes are to be redeemed in a Special Redemption, the Corporate Notes to be redeemed will be selected (i) if the they are listed on a national stock exchange, in compliance with the requirements of the main national stock exchange where the Corporate Notes are listed or (ii) by drawing lots or according to the Depositary's procedures. The Trustee shall immediately notify the Company in writing of the Corporate Notes selected for redemption and, in the case of a Corporate Note selected for partial redemption, the nominal value of that Corporate Note to be redeemed. The Corporate Notes and the parts of the selected Corporate Notes will be for amounts of USD 1,000 or integer multiples of USD 1,000 above that amount, with the proviso that if all the Corporate Notes of a Holder are to be redeemed, the total amount outstanding of the Corporate Notes held by that Holder will be redeemed. Except as provided in the preceding sentence, the provisions of this Trust Agreement that apply to Corporate Notes called for redemption also apply to parts of the Corporate Notes to be redeemed."

15) Amendment to Section 1109 (Corporate Notes to be partially redeemed or repurchased) of the Indenture so that it reads as follows: "Upon delivery of a Corporate Note that is partially redeemed, the Company must issue and the Trustee, upon receipt of an Authentication Order, must authenticate in favor of the Holder at the Company's expense, a new Corporate Note with a value nominal equal to the unredeemed part of the Corporate Note delivered that represents the same debt to the extent that it is not redeemed; each new Corporate Note will have a nominal value of USD 1,000 or an integer multiple of USD 1,000 above that amount. Regardless of any provision to the contrary in this Trust Agreement, only one Authentication Order is required for the Trustee to authenticate the new Corporate Note, with no need for a Legal Opinion or Official Certificate."

16) Amendment to the last paragraph of Section 1301 (Conversion right, mandatory conversion, conversion price) of the Indenture, which shall now state: "If the Company conducts one or more IPOs of Common Shares (or other equity interests) in (i) the United States, in the New York Stock Exchange LLC, the NASDAQ Stock Market LLC or any successor entity thereof, or (ii) in Argentina, in Bolsas y Mercados Argentinos SA, whereby the Company may sell, either individually or cumulatively, among all such offers, Common Shares (or other equity interests) for a value of at least USD100,000,000 (the " Qualified Public Offer "), as of the date on which the Qualified Public Offer is consummated, all Corporate Notes shall be automatically converted into Common Shares registered with the Commission and/or the CNV (which, at the shareholder's choice, may be deposited to have ADS delivered) at the Conversion Price adjusted until the date of completion of the Qualified Public Offer (as determined by the Company's Board of Directors in good faith, whose decision will be final, except in case of clear error) ".

17 °) Replacing "U.S. IPO" in Section 1304 (b), for "Qualified Public Offer".

18 °) Granting of a full disclaimer to the Company and the Trustee for breaches of the Indenture and Convertible Corporate Notes (including Non-compliance Events, Cases of Acceleration, and their respective consequences) until the date of the Shareholders' Meeting.

7) Authorization granted to certain Company officers to sign, jointly with the Trustee (as such term is defined in the Indenture) an amendment to the Indenture that may reflect the aforementioned modifications (including any amendments to other sections of the Indenture resulting from the approval of the aforementioned amendments) and any other document evidencing the shareholders' consent to the aforementioned amendments, and to perform any other additional act that is necessary or convenient to implement those amendments, including any additional filing; and

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

Concepción Live Art Work – La Manzana

- In January 2018, 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 $ 144.7 million; 2) Earthmoving, groundwater drilling, shoring, demolitions and structure up to ground floor in the amount of $222.4 million; 3) Reinforced concrete structures from slab on first floor to roof and complementary items in the amount of $ 240.7 million; 4) Masonry, concrete partitions, parameters of gypsum rock, insulation, ventilation ducts, internal and external plasters and others in the amount of $ 150.8 million; and 5) Ceiling, subfloors, folder, floors, baseboards, coatings, plaster, provisions and installation in the amount of $ 126.4 million.

The aggregate amount of the contract is $885 million plus VAT, at May 2017 values, and the execution term is 48 months. The work is under full development and the level of progress as of September 30, 2019 is 50.4%.

OM Botánico

- In May 2018, Los Azabaches S.A. accepted our offer to implement the first stage of a building for multiple purposes (housing and business) located in Barrio Norte, City of Buenos Aires. Works during this first stage involve excavations, earthmoving, reinforced concrete structure up to the level above the first underground inclusive. The amount of the contract, including the preliminary stage, is 68.3 million plus VAT, and as of the date of this report it has been completed. Additionally, in July 2019, while the negotiation of the complete work was being conducted, we were awarded the execution of the concrete structure at the Ground Floor level for an amount of $ 45M plus VAT, which as of this date shows a partial progress of 87.2% In September 2019, the client accepted the offer for the second Stage of the Obra Húmeda in the amount of $ 50.6 million plus VAT. As of September 30, 2019, the level of progress, taking into account all works hired, is 19.7%.

Oceana Puerto Madero

- In June 2018, Consultatio Argentina S.A.U. accepted our offer to build the Oceana Building at Puerto Madero. Such works involve the construction of a concrete structure, and the performance of masonry and other related works on a piece of real property owned by the Principal, which is located at Dique 2, Puerto Madero, City of Buenos Aires. The housing complex will be composed of two nine-story buildings with a salable surface of 26,000 m2. The offer amounted to $694.1 million plus VAT, at May 2017 values, and indicated an execution term of 26 months. As of September 30, 2019, 36% of the work has been completed.

Nordelta Clinic - Swiss Medical

- In July 2018, Swiss Medical S.A. accepted and later expanded our offer to build the first stage of a 20,000 m2 building in Nordelta (gated community in the Province of Buenos Aires) where a clinic would operate. This first stage comprises the completion of the foundations of a reinforced concrete structure, including piles and groundwater drilling. The contractual amount is $ 122.9 million, plus VAT. As of September 30, 2019, 94.5% of the work was completed. The client has suspended all subsequent work stages until the beginning of next year.

New Departures Terminal at the Ezeiza Airport

- In August, 2018, Aeropuertos Argentina 2000 S.A. accepted our proposal for the New Departures Terminal at the International Airport “Ministro Pistarini”, in Ezeiza, Province of Buenos Aires. The works to be performed are identified as Group A and involve civil works and signaling tasks, installing sanitary and gas systems, fire detection and fire-fighting systems, external sewage systems and storm drains, and completing the thermo-mechanical installation at Group C. The price for these works totals $877 million plus VAT, as of July 2018, and they will be completed in 12 months. In addition, work extensions in the amount of $136.6 million plus VAT have been included, and the term has been extended to 18 months. As of September 30, 2019, 80.5% of work has been completed.
- On September 24, 2019, an accident occurred in the construction area where the Company is working inside the terminal “C” of the Minister Pistarini International Airport, Ezeiza, causing the death of an operator of a direct contractor (Tane SRL) of Aeropuertos Argentina 2000 S.A. Although the details of what happened remain unclear as of the date of this report, the accident would have occurred due to the collapse of a scaffold of the firm Tane S.R.L. To date, the Federal Court in Criminal Matters No. 1 of Lomas de Zamora, headed by Judge Federico Hernán Villena, is conducting all relevant investigations.

Papelera del Plata

- In October 2018, La Papelera del Plata S.A accepted our proposal for the work associated with Maquina Papelera Building No. 4 for the manufacturing of Tissue paper at La Papelera del Plata’s plant, located at the Zarate industrial area. The works include civil works, architecture, lighting, roads, sanitary and hydraulic works for the Maquina Papelera Building, the main control room, laboratory, and office and outdoor floors. For the execution of the work, a company named Cinter S.A. was hired as Subcontractor. This company is in charge of building the metallic structures that will represent 40% of the work to be performed. The total price for these works amounts to $ 361.2 million plus VAT, at July 2018 values, and they will be completed in 8 months. In addition, work extensions in the amount of $66.5 million plus VAT have been included and the relevant term has been extended to 12 months. As of September 30, 2019, 83.4% of the work has been completed.

L'Avenue Libertador

- In February 2019, the Trust FIDEICOMISO EDIFICIO AVENIDA DEL LIBERTADOR 3858 C.A.B.A, as owner of the plot of land located at Avenida del Libertador 3858, City of Buenos Aires, formally accepted our proposal regarding the joint venture UT CRIK S.R.L. - CAPUTO S.A.I.C. y F. to develop, as Primary Contractor, the building project called 'L'Avenue Libertador'. The agreement allocates full responsibility for the works, including supervision of the Direct Contractors retained by Principal. The price of the work (involving items included in the lump sum system and compensation for managing contracts) amounts to $ 862.4 million plus VAT, at June 2018 values, and the work must be completed in 49 months counted as from March 1, 2018. As of September 30, 2019, 14.4% of the work has been completed.

OM Recoleta

- In May 2019, AMERICA PAVILION S.A., as owner of the plot of land located at Marcelo T de Alvear 1743/1753/1763, Callao 1057 and Callao 1061, City of Buenos Aires, where the real estate development project "OM RECOLETA" will be completed, formally accepted our proposal to extend the construction contract. Thus, we are now completing the concrete structure and conducting masonry works in our capacity as Main Contractor. According to such extension, we will perform "electrical installations, weak currents, sanitary, gas, fire-proof and thermo-mechanical installations, as well as metal carpentry" works. The price of the work added to such extension amounts to $ 394.8M plus turnover tax, tax on bank account debits and credits, and VAT at values as of December 2018, and the term to complete those works is 18-months, which must be added to the term of the initial project. This new contract is additional to the previous stages already agreed upon in January 2017 for the "Demolition, transitory structures, and underground support anchors" in the amount of $17.5M plus VAT as of November 2016, and to the "Obra Húmeda" contract dated August 2017, which includes excavations, earthmoving, concrete structure, masonry work, subfloors and plasters, coatings, placement of frames and pre-frames, forge works and ventilation ducts in the amount of $ 474.1 million plus VAT. As of September 30, 2019, 27.1% of the work has been completed.

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

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

Venice

- Units continue to be delivered in the 5 buildings completed (Goletas I, Cruceros I, Balandras I y Balandras II); and by September 2019, a total of 144 units have already been successfully delivered.
- Crown beams and the engine room at the roof of the Goletas II building are being completed. It is estimated that the reinforced concrete structure will be completed in October. Masonry works have advanced up to the 10th floor.
- The Club-House building is still under construction, and the reinforced concrete structure has been completed, except for the underground and swimming pool entrance ramp.
- The Access building and the vehicular access basins under the eave have been completed, and the interior of the building is being equipped for use.
- Sheet piling works at stage 1 of the channel were completed. Excavations will start in the following months.
- Landscaping, irrigation and outdoor lighting works are completed, and urban equipment were placed: trash cans, bike parking racks, benches and exterior signaling.

Forum Puerto del Buceo

- Some apartments (pent-houses) and the pedestrian access to area F are in the last stage of construction.
- As of September 2019, 122 units of areas F, G, H, I and J have been delivered during Stage 2, which jointly with Stage 1 and 3 add up 278 units (82% of total units).
- All utilities are ready to be used by unit owners.

Astor San Telmo

- Court restrictions on the height of the buildings continue in force. For more information as to the court restriction, please refer to note 44 to the consolidated financial statements.
- The Building 2 reached the height of Building 1, up to the slabs on the third floor (limit allowed by the injunction).
- In Stage 3, TGLT will hire the services of some companies who will conduct earthmoving works, build foundations, underground support anchors and other reinforced concrete structures. It was established that the height limit for Stage 3 should be that of the slab on the Ground Floor.
- EDESUR equipped the two new power conversion rooms. Now, the energy supply must be cut and transferred to the new location. Once done, the old power conversion room can be demolished, to continue with works in the area where the two volumes that make up Building 1 join.

Metra Puerto Norte

- As of September 2019, 43 apartments and 1 business store have been delivered in the first building, several of which are already occupied by their owners.

- Construction works continue on the second tower, where the reinforced concrete structure has moved forward to the nineteenth floor. We continue conducting masonry works, sanitary and electrical installations, external carpentry works, plaster coatings and tiled floor.

II. STATISTICAL DATA

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

	Sept 30, 2019	Sept 30, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015
Residential M2 delivered (1)	7,827	7,417	21,222	10,591	24,677
Certified m2 of work and construction (2)	125,472	82,792	97,221	79,867	77,683

(1) Square meters delivered. It does not include the square meters delivered in our Venice project, as we hold 49.99% of the share in Marina Río Lujan, the company developing the project. The requirements laid down by IFRS 10 in relation to the "control" principle have not been met; therefore, the Company's share in María Río Luján S.A. is disclosed in line "Investments in Companies".

(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.

III. BALANCE SHEET STRUCTURE

(amounts stated in thousands of Argentine pesos)

	Sept 30, 2019	Dec 31, 2018
Non-current assets	7,915,068	9,084,646
Current assets	5,090,876	7,777,281
Total assets	**13,005,944**	**16,861,927**
Non-current liabilities	6,588,849	8,997,524
Current liabilities	9,744,148	9,655,582
Total liabilities	**16,332,997**	**18,653,106**
Attributable to parent company’s owners	(3,327,053)	(1,791,179)
Attributable to the holders of non-controlling interest	-	-
Total shareholders’ equity	**(3,327,053)**	**(1,791,179)**
Total liabilities and shareholders’ equity	**13,005,944**	**16,861,927**

IV. PROFIT AND LOSS STRUCTURE

(amounts stated in thousands of Argentine pesos)

	Sept 30, 2019	Sept 30, 2018
Operating income/loss	**182,359**	**684,043**
Gain/loss on investments in companies	107,739	687,999
Financial results		
Exchange gains/losses	(2,992,860)	(4,592,793)
Financial income	304,090	190,696
Financial costs	(1,145,092)	(901,370)
Gains/losses from the exposure to changes in the currency purchasing power	2,113,425	(394,495)

Income/(loss) before income tax	**(1,430,339)**	**(4,325,920)**
Income tax	(7,585)	1,286,045
Income/loss for the year	**(1,437,924)**	**(3,039,875)**
Other comprehensive income/loss	(96,975)	(165,827)
Total comprehensive income/loss for the year	**(1,534,899)**	**(3,205,702)**

V. CASH FLOW STRUCTURE

(amounts stated in thousands of Argentine pesos)

	Sept 30, 2019	Sept 30, 2018
Cash (used in) provided by operating activities	(135,310)	(2,449,471)
Cash (used in) provided by investing activities	(730,984)	(1,602,081)
Cash (used in) provided by financing activities	(441,670)	(304,988)
Total cash (used in) provided during the period	**(1,307,964)**	**(4,356,540)**

VI. MAIN INDICATORS, RATIOS OR INDEXES

Ratios	Formula	Sept 30, 2019	Dec 31, 2018
Liquidity	Current assets / Current liabilities	0.52	0.81
Solvency	Shareholder's equity / Liabilities	(0.20)	(0.10)
Fixed asset-to-equity capital ratio	(Non-current assets/total assets)	0.61	0.54

VII.PERSPECTIVES

Once the implementation of the Optimized Recapitalization Plan is completed, which initiated when signing the relevant agreements on August 8, 2019, the Company expects to restore its equity and build a capital structure that may stand over time, to help them support the volume of operations with greater strength and a higher number of its own resources allocated to productive activities.

By merging with Caputo, we aim to continue improving the construction capacity of our real estate projects, by streamlining the cost structure and capturing the construction 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 September 30, 2019, the Company’s portfolio of works hired amounts to $ 6,419 million, most of which are to be developed in the private sector (80.5% of total income). Thus, the Company is expected to show a sustained activity level.

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 human resources processes, systems and structure, so as to streamline their current operations as well as the management and/or development of new projects.

VIII.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, November 8, 2019.

THE CHAIRMAN

TGLT

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TGLT S.A.

AS OF SEPTEMBER 30, 2019

(For the nine-month period)

FISCAL YEAR NO. 15 BEGINNING JANUARY 1, 2019.

FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2019

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: December 12, 2018

Registration number with the IGJ: 1754929

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 company: 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 $ 1	80,655,424	80,655,424
	80,655,424	80,655,424

TGLT S.A.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2019 AND 2018

(amounts stated in thousands of Argentine pesos)

	Notes	Sept 30, 2019	Dec 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	114,105	125,988
Intangible assets	6	32,801	56,974
Investment property	35	45,912	474,346
Investments in associates	45	3,124,798	2,826,724
Goodwill	7	986,106	986,106
Inventories	8	2,535,436	3,143,374
Tax assets	9	876,894	914,890
Other receivables	10	5,788	466,223
Receivables from related parties	29	152,254	44,310
Accounts receivable from sales	11	40,974	45,711
Total non-current assets		7,915,068	9,084,646
Current assets			
Contract assets		1,421	3,277
Inventories	8	1,226,227	1,380,103
Other assets		-	1,107,748
Assets held for sale		-	197,745
Other receivables	10	1,157,200	1,644,120
Receivables from related parties	29	549,320	488,940
Accounts receivable from sales	11	1,984,728	1,789,732
Other financial assets		-	3,743
Cash and cash equivalents	12	171,980	1,161,873
Total Current assets		5,090,876	7,777,281
Total Assets		**13,005,944**	**16,861,927**
NET EQUITY			
Attributable to parent company's owners		(3,327,053)	(1,791,179)
Total Shareholders' equity		**(3,327,053)**	**(1,791,179)**
LIABILITIES			
Non-current liabilities			
Payables to related parties	29	-	9,555
Other accounts payable	13	-	1,315,563
Contract liabilities	14	546,141	1,665,645
Loans	15	6,036,155	5,994,351
Other tax burden	16	6,553	12,410
Total non-current liabilities		6,588,849	8,997,524
Current liabilities			
Provisions and allowances	18	109,670	216,896
Other accounts payable	13	1,604,855	2,919,163
Contract liabilities	14	2,929,207	2,738,934
Payables to related parties	29	70,383	33,836
Loans	15	3,051,976	1,860,801
Other tax burden	16	98,537	158,498
Payroll and social security contributions	17	173,900	187,883
Trade payables	19	1,705,620	1,539,571
Total current liabilities		9,744,148	9,655,582
Total Liabilities		**16,332,997**	**18,653,106**
Total Shareholders' equity and liabilities		**13,005,944**	**16,861,927**

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

TGLT S.A.

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

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(amounts stated in Argentine pesos)

	Notes	NINE MONTHS		THREE MONTHS	
		Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Income from ordinary activities	22	6,298,595	4,723,718	2,099,099	1,882,306
Cost of ordinary activities	23	(5,338,562)	(4,431,451)	(1,819,593)	(1,880,441)
Gross profit		**960,033**	**292,267**	**279,506**	**1,865**
Selling expenses	24	(306,154)	(239,900)	(134,452)	(70,678)
Administrative expenses	25	(394,027)	(528,251)	(152,398)	(195,431)
Other operating costs		(150,266)	(1,023,783)	(86,524)	(153,955)
Other expenses		(24,178)	(20,397)	(8,055)	(5,706)
Investment property appraisal at fair value	35	15,912	2,062,108	11,142	463,243
Income from sale of investment property	35	(107,476)	-	-	-
Other income and expenses, net	27	188,515	141,999	3,103	4,893
Operating income/loss		**182,359**	**684,043**	**(87,678)**	**44,231**
Gain/loss on investments in companies	45	107,739	687,999	(137,306)	391,089
Financial results					
Exchange gains/losses	26	(2,992,860)	(4,592,793)	(2,167,604)	(2,615,252)
Financial income	26	304,090	190,696	191,642	118,325
Financial costs	26	(1,145,092)	(901,370)	(423,453)	(419,211)
Gains/losses from the exposure to changes in the currency purchasing power		2,113,425	(394,495)	839,580	361,215
Income/loss for the year before income tax		**(1,430,339)**	**(4,325,920)**	**(1,784,819)**	**(2,119,603)**
Income tax	28	(7,585)	1,286,045	146,005	480,697
Income/loss for the year		**(1,437,924)**	**(3,039,875)**	**(1,638,814)**	**(1,638,906)**
Other comprehensive profit or loss reclassified as profit or loss					
Exchange gain/loss from a net investment abroad		(96,975)	(165,827)	(69,569)	(88,257)
Total Other comprehensive income/loss		(96,975)	**(165,827)**	(69,569)	**(88,257)**
Total Comprehensive income/loss for the year		**(1,534,899)**	**(3,205,702)**	**(1,708,383)**	**(1,727,163)**
Income/loss for the period attributable to:					
Controlling interest		(1,437,924)	(3,159,433)	(1,638,814)	(1,647,151)
Non-controlling interest		-	119,558	-	8,245
Total for the period		**(1,437,924)**	**(3,039,875)**	**(1,638,814)**	**(1,638,906)**
Income/loss per share attributable to parent company's owners					
Basic	37	**(19.03)**	**(44.53)**	**-**	**-**
Diluted	37	**1.10**	**(11.81)**	**-**	**-**
Total Comprehensive loss for the period attributable to:					
Controlling interest		(1,534,899)	(3,325,260)	(1,708,383)	(1,735,408)
Non-controlling interest		-	119,558	-	8,245
Total Income/loss for the period		**(1,534,899)**	**(3,205,702)**	**(1,708,383)**	**(1,727,163)**

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

TGLT S.A.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

(amounts stated in Argentine pesos)

	Capital								Reserves			Income/loss	Shareholders' equity attributable to		
	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	Unappropriated retained income/loss	Controlling interest	Non-controlling interest	Total
Adjusted balances as of January 1, 2019	71,993	592,782	2,625,171	(220)	80,247	777,455	4,147,428	(50,854)	556	10,566	(290,827)	(5,608,048)	(1,791,179)	-	(1,791,179)
Acquisition of companies	-	-	-	-	(357)	-	(357)	(618)	-	-	-	-	(975)	-	(975)
Swap of shares	8,662	1,953	60,364	-	(70,979)	-	-	-	-	-	-	-	-	-	-
Income/loss for the period	-	-	-	-	-	-	-	-	-	-	-	(1,437,924)	(1,437,924)	-	(1,437,924)
Other comprehensive loss for the period, net of income tax	.	-	-	-	-	-	-	-	-	-	(96,975)	-	(96,975)	-	(96,975)
Income (loss) for the period	-	-	-	-	-	-	-	-	-	-	(96,975)	(1,437,924)	(1,534,899)	-	(1,534,899)
Balances as of September 30, 2019	**80,655**	**594,735**	**2,685,535**	**(220)**	**8,911**	**777,455**	**4,147,071**	**(51,472)**	**556**	**10,566**	**(387,802)**	**(7,045,972)**	**(3,327,053)**	**-**	**(3,327,053)**

(1) See Note 33.2

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

TGLT S.A.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

(amounts stated in Argentine pesos)

	Capital								Reserves			Income/loss	Shareholders' equity attributable to		
	Capital stock	Capital adjustment	Stock premium	Shares to be issued	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	Total
Balances as of January 1, 2018	70,349	591,281	2,596,915	-	(220)	1,476,819	4,735,144	(50,237)	556	10,565	(141,966)	(3,412,977)	1,141,085	-	1,141,085
Translation of shares	1,644	1,502	28,247	-	-	(8,575)	22,818	-	-	-	-	-	22,818	-	22,818
Acquisition of companies	-	-	-	-	-	-	-	(770,025)	-	-	-	-	(770,025)	127,532	(642,493)
Income (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	(3,159,433)	(3,159,433)	119,558	(3,039,875)
Other comprehensive loss for the period, net of income tax	-	-	-	-	-	-	-	-	-	-	(165,827)	-	(165,827)	-	(165,827)
Comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	(165,827)	(3,159,433)	(3,325,260)	119,558	(3,205,702)
Balances as of September 30, 2018	**71,993**	**592,783**	**2,625,162**	**-**	**(220)**	**1,468,244**	**4,757,962**	**(820,262)**	**556**	**10,565**	**(307,793)**	**(6,572,410)**	**(2,931,382)**	**247,090**	**(2,684,292)**

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

TGLT S.A.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019 AND 2018

(amounts stated in thousands of Argentine pesos)

Operating activities	Sept 30, 2019	Sept 30, 2018
Income/loss for the period	(1,437,924)	(3,039,875)
Adjustments to obtain the cash flow from operating activities		
Income tax	7,585	(1,286,045)
Depreciation of property, plant and equipment	21,447	12,707
Depreciation of investment property for rent	-	1,084
Amortization of intangible assets	24,178	20,306
Gain/loss on investments in companies	(107,739)	(687,999)
Investment property appraisal at fair value	(15,912)	(2,062,108)
Gain/loss on sale of investment property	107,476	(575,589)
Loss from sale of other assets	(145,777)	(168,847)
Effect of financial statements conversion	(96,975)	(165,827)
Effect of conversion on cash flows	-	(376)
Exchange gains/losses and accrued interest	3,468,655	5,253,396
Other expenses	-	848,975
Present value of assets and liabilities	83,879	-
Gains/losses from the exposure to changes in the currency purchasing power	(2,431,496)	(611,774)
Changes in operating assets and liabilities		
Receivables from sales	(190,259)	(739,169)
Other receivables	1,044,330	(838,277)
Receivables from related parties	(168,324)	(515,726)
Other assets	1,107,748	54,999
Other financial assets	3,743	395
Assets held for sale	38,095	274,495
Inventories	761,814	(2,035,470)
Contract assets	1,856	570,236
Tax assets	37,996	195,179
Trade payables	166,049	506,384
Payroll and social security contributions	(13,983)	19,295
Other tax burden	(73,403)	146,782
Payables to related parties	26,992	19,567
Contract liabilities	(929,231)	1,446,489
Provisions	(107,226)	(37,277)
Deferred tax liabilities	-	(408,238)
Other accounts payable	(1,318,904)	1,352,837
Net cash flows provided by operating activities	**(135,310)**	**(2,449,471)**
Investment activities		
Investments not considered as cash	-	5,733
Payments for purchase of property, plant and equipment	(9,559)	(32,680)
Payments for purchases of shares in companies	(1,394,846)	(1,520,850)
Payments for purchase of investment property	-	(6,473)
Payments for purchase of intangible assets	-	(1,010)
Collections from sale of assets	305,427	209,456
Collections from sale of investment property	336,870	
Dividends from associates	33,283	44,033
Contributions in associates	(2,159)	(454,148)
Increase in interest in non-controlling companies	-	153,858
Net cash flows provided by investment activities	**(730,984)**	**(1,602,081)**
Financing activities		
Loans	(440,695)	914,094
Transactions between shareholders	(975)	(770,025)
Decrease in non-controlling interest	-	(449,057)
Net cash flows provided by financing activities	**(441,670)**	**(304,988)**
(Decrease) in cash and cash equivalents	(1,307,964)	(4,356,540)
Gains/losses from the exposure to changes in the currency purchasing power from cash and cash equivalents	318,071	1,006,269
Cash and cash equivalents at beginning of the period	1,161,873	3,675,772
Cash and cash equivalents at period-end (See Note 12)	**171,980**	**325,501**

The accompanying notes 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.

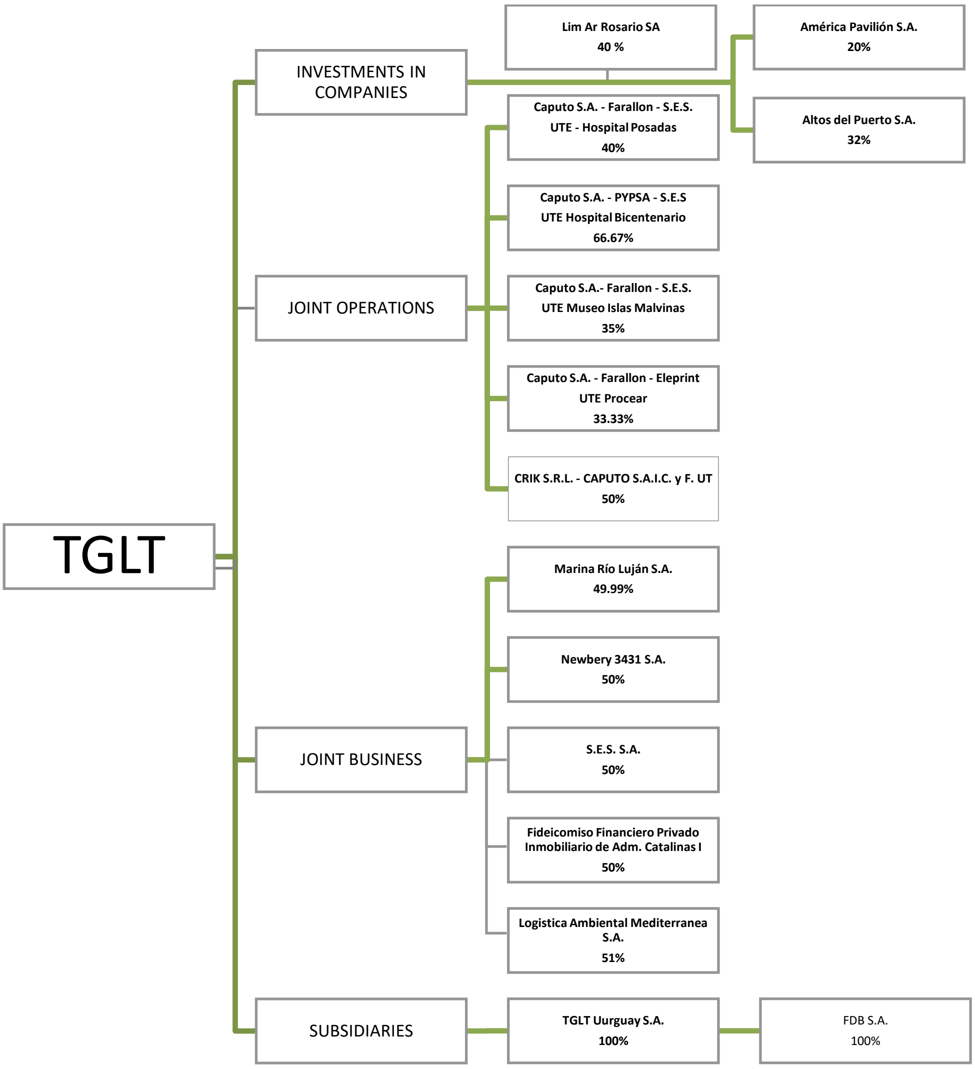
In order to expand the Company's activities to the construction business, on January 19, 2018 the Company acquired 82.32% of the shares in Caputo Sociedad Anónima Industrial, Comercial y Financiera (hereinafter "Caputo"), one of the most active and well-known construction companies in the country, which 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 September 12, 2018, TGLT acquired 14.72% additional share, totaling 97.04% of the capital stock. As of December 31, 2018 both companies are merged. On June 7, 2018, the final swap of shares was made and, therefore, the ownership of 100% of the shares in Caputo was completed (see Note 33.2).

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 (continued)

1.2. Corporate structure

As of September 30, 2019, 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 condensed 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). The Company has exercised the option established by International Accounting Standard (IAS) 34 and has prepared condensed financial statements.

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

3.1. Accounting standards

The company prepares its condensed 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). 2013 and amendments). As per such standards, issuing companies must present its condensed 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 September 30, 2019 and December 31, 2018, all conditions have been met so that the Company's condensed 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 condensed consolidated financial statements meet all IFRS requirements.

3.2. Reporting currency

The financial statements as of September 30, 2019 and 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 34% and 30% in the period ended in September 2019 and 2018, respectively. Inflation for the period 2018 totaled 47.64%.

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

3.2. Reporting currency (continued)

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 September 30, 2019 and December 31, 2018, 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 3. Basis for the presentation of the condensed consolidated financial statements (continued)

3.2. Reporting currency (continued)

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 were 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 are 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

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. Therefore, the model introduced by this standard is based on the definition of lease including the concept of control. A distinction is made between lease and service contracts based on whether an identified asset is under the client's control, provided the client has the right to: i) obtain substantially all the economic benefits from the use of the asset and; ii) direct the use of the asset. The Company has evaluated the impact of this standard on its financial statements and has identified no items to be recognized.

Note 4. Summary of the main accounting policies applied

4.1. Applicable accounting standards

These condensed 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.

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

4.2. Consolidation criteria

The consolidated financial statements of TGLT include the Company's financial information and the information related to TGLT Uruguay S.A., consolidated with its subsidiary FDB S.A. As of September 30, 2018 TGLT's information was also consolidated with Caputo S.A.Y.C.yF.

The assets and liabilities of TGLT Uruguay S.A. and its subsidiary FDB S.A. 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.

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.

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.

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.

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.

(amounts stated in thousands of Argentine pesos)

TGLT

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

4.3 Functional currency

For the purposes of these condensed consolidated financial statements, the Company's profit and loss and financial position are stated in Argentine pesos (legal tender in the Republic of Argentina). 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/period, 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 5. Property, Plant and Equipment

	Furniture and fixtures	Hardware	Machinery and equipment	Improvements in third-party property	Vehicles	Automobile elevators	Showroom	Formwork	Total
Original value									
Balance as of January 1, 2019	9,245	12,891	111,102	49,135	19,488	814	11,982	14,209	228,866
Acquisitions	-	13	4,609	3,434	12	1,082	-	409	9,559
Conversion adjustment	87	114	-	311	-	-	973	-	1,485
Total	**9,332**	**13,018**	**115,711**	**52,880**	**19,500**	**1,896**	**12,955**	**14,618**	**239,910**
Balance as of January 1, 2019	(6,423)	(11,473)	(25,570)	(33,660)	(8,123)	(738)	(11,978)	(4,913)	(102,878)
Depreciation	(444)	(529)	(7,483)	(7,578)	(2,739)	(970)	-	(1,704)	(21,447)
Conversion adjustment	(82)	(114)	-	(307)	-	-	(977)	-	(1,480)
Total	**(6,949)**	**(12,116)**	**(33,053)**	**(41,545)**	**(10,862)**	**(1,708)**	**(12,955)**	**(6,617)**	**(125,805)**
Residual value as of Sept 30, 2019	**2,383**	**902**	**82,658**	**11,335**	**8,638**	**188**	**-**	**8,001**	**114,105**

(amounts stated in thousands of Argentine pesos)

Note 5. Property, Plant and Equipment (continued)

	Furniture and fixtures	Hardware	Machinery and equipment	Improvements in third-party property	Vehicles	Automobile elevators	Showroom	Formwork	Total
Original value									
Balance as of January 1, 2018	7,626	10,100	-	10,280	-	-	63,610	-	91,616
Acquisitions	508	1,468	48,098	12,763	7,186	-	-	10,437	80,460
Conversion adjustment	509	691	-	1,709	-	-	5,352	-	8,261
Acquisition of companies	791	1,778	63,518	24,383	14,947	814	-	3,772	110,003
Decreases	(189)	(1,146)	(514)	-	(2,645)	-	(56,980)	-	(61,474)
Total	**9,245**	**12,891**	**111,102**	**49,135**	**19,488**	**814**	**11,982**	**14,209**	**228,866**
Balance as of January 1, 2018	(5,300)	(9,431)	-	(9,785)	-	-	(61,596)	-	(86,112)
Depreciation	(556)	(1,008)	(7,641)	(5,654)	(2,973)	(162)	(2,008)	(1,919)	(21,921)
Conversion adjustment	(441)	(600)	-	(1,709)	-	-	(5,354)	-	(8,104)
Acquisition of companies	(312)	(1,582)	(18,441)	(16,512)	(7,463)	(576)	-	(2,994)	(47,880)
Decreases	186	1,148	512	-	2,313	-	56,980	-	61,139
Total	**(6,423)**	**(11,473)**	**(25,570)**	**(33,660)**	**(8,123)**	**(738)**	**(11,978)**	**(4,913)**	**(102,878)**
Residual value as of Dec 31, 2018	**2,822**	**1,418**	**85,532**	**15,475**	**11,365**	**76**	**4**	**9,296**	**125,988**

Note 6. Intangible assets

	Software	Software development	Trademarks	Contractual rights	Total
Original value					
Balance as of January 1, 2019	10,165	15,444	195	86,999	112,803
Conversion adjustment	633	-	25	-	658
Total	**10,798**	**15,444**	**220**	**86,999**	**113,461**
Amortization and impairment					
Balance as of January 1, 2019	(8,708)	(15,444)	(40)	(31,637)	(55,829)
Amortization	(443)	-	(8)	(23,727)	(24,178)
Conversion adjustment	(628)	-	(25)	-	(653)
Total	**(9,779)**	**(15,444)**	**(73)**	**(55,364)**	**(80,660)**
Residual value as of Sept 30, 2019	**1,019**	**-**	**147**	**31,635**	**32,801**

	Software	Software development	Trademarks	Contractual rights	Total
Original value					
Balance as of January 1, 2018	3,180	14,782	161	-	18,123
Acquisitions	485	662	-	-	1,147
Acquisition of companies	7,316	-	-	86,999	94,315
Conversion adjustment	876	-	34	-	910
Decreases	(1,692)	-	-	-	(1,692)
Total	**10,165**	**15,444**	**195**	**86,999**	**112,803**
Amortization and impairment					
Balance as of January 1, 2018	(2,674)	(13,841)	3	-	(16,512)
Amortization	(1,798)	(1,603)	(10)	(31,637)	(35,048)
Acquisition of companies	(5,205)	-	-	-	(5,205)
Conversion adjustment	(723)	-	(33)	-	(756)
Decreases	1,692	-	-	-	1,692
Total	**(8,708)**	**(15,444)**	**(40)**	**(31,637)**	**(55,829)**
Residual value as of Dec 31, 2018	**1,457**	**-**	**155**	**55,362**	**56,974**

(amounts stated in thousands of Argentine pesos)

Note 7. Goodwill

	Caputo S.A.I.C. y F.	Total
Original value		
Balance as of January 1, 2019	1,430,797	1,430,797
Total	1,430,797	1,430,797
Impairment		
Balance as of January 1, 2019		
Impairment loss	(444,691)	(444,691)
Total	(444,691)	(444,691)
Residual value as of Sept 30, 2019	**986,106**	**986,106**

	Caputo S.A.I.C. y F.	Total
Original value		
Balance as of January 1, 2018	1,430,797	1,430,797
Total	1,430,797	1,430,797
Impairment		
Balance as of January 1, 2018		
Impairment loss	(444,691)	(444,691)
Total	(444,691)	(444,691)
Residual value as of Dec 31, 2018	**986,106**	**986,106**

Note 8. Inventories

Non-current	Notes	**Sept 30, 2019**	**Dec 31, 2018**
Projects under construction			
Astor San Telmo	31.1.1	1,175,378	1,002,009
Metra Puerto Norte	31.1.2	299,071	320,406
Forum Puerto del Buceo	31.1.3	1,202,396	1,820,959
Impairment			
Metra Puerto Norte		(141,409)	-
Total Inventory – Non-current		**2,535,436**	**3,143,374**
Current			
Projects under construction			
Forum Puerto del Buceo	31.1.3	904,277	1,093,363
Other inventory		140	140
Projects completed			
Astor Núñez		11,420	6,041
Astor Palermo	31.1.4	16,301	11,872
Forum Alcorta		43,791	43,516
Metra Puerto Norte	31.1.2	308,951	225,171
Impairment			
Forum Alcorta		(22,240)	-
Metra Puerto Norte		(36,413)	-
Total Inventory - Current		**1,226,227**	**1,380,103**
Total inventories		**3,761,663**	**4,523,477**

(amounts stated in thousands of Argentine pesos)

Note 9. Deferred tax assets

		Sept 30, 2019	Dec 31, 2018
Minimum presumed income tax		54,752	75,391
Income tax		78,664	57,592
Minimum presumed income tax credit	42	-	25,018
Deferred tax	28	743,478	756,889
Total tax assets		**876,894**	**914,890**

Note 10. Other receivables

Non-current	Notes	Sept 30, 2019	Dec 31, 2018
Advance payments to work suppliers		-	80,891
Accounts receivable from exchanges		-	377,724
Security deposits in local currency		255	-
Security deposits in foreign currency	39	5,533	7,608
Subtotal Other receivables – Non-current		**5,788**	**466,223**
Current			
Value added tax in local currency		1,802	75,002
Value added tax in foreign currency	39	189,402	267,755
Turnover tax		30,962	34,666
Wealth tax in foreign currency	39	10,575	11,321
Social security contributions		4,357	-
Advance payments to work suppliers in local currency		518,570	362,101
Advance payments to work suppliers in foreign currency	39	93,250	218,328
Prepayments for the purchase of real property		50	-
Security deposits in local currency		72	450
Security deposits in foreign currency	39	35	81,419
Payments into Court		813	1
Insurance to be accrued in local currency		568	3
Insurance to be accrued in foreign currency	39	2,048	3,269
Loan granted		459	48,878
Expenses to be reported in local currency		7,445	106,526
Expenses to be reported in foreign currency	39	37	4,336
Expenses to be recovered		2,165	16,463
Maintenance fees to be recovered in local currency		38,999	38,922
Maintenance fees to be recovered in foreign currency	39	14	-
Receivables from the sale of assets held for sale	39	113,345	-
Receivables from the sale of investment property	35 and 39	65,101	6,114
Receivable from a judgment	32	1,963	2,868
Accounts receivable from exchanges		84,311	222,225
Sundry receivables UTES		9,969	6,575
Tax credits UTES		5,063	6,333
Collectible equipment fund in local currency		1	1
Collectible equipment fund in foreign currency	39	1,205	3,021
Collectible operative fund in local currency		72	140
Collectible operative fund in foreign currency	39	15	14
Sundry in local currency		18,575	168,667
Sundry in foreign currency	39	14,348	-
Allowance for doubtful receivables		(58,391)	(41,278)
Subtotal other receivables – Current		**1,157,200**	**1,644,120**
Total Other receivables		**1,162,988**	**2,110,343**

(amounts stated in thousands of Argentine pesos)

Note 11. Accounts receivable from sales

Non-current	Notes	Sept 30, 2019	Dec 31, 2018
Receivables from sale of units		40,974	45,711
Subtotal accounts receivable from sales - Non-current		**40,974**	**45,711**
Current			
Accounts receivable from sales of units in local currency		37,515	18,148
Accounts receivable from sales of units in foreign currency	39	43,261	68,539
Accounts receivable from services rendered in local currency		1,954,335	1,688,482
Accounts receivable from services rendered in foreign currency	39	210	156
Accounts receivable from services rendered in local currency UTES		16,516	23,393
Allowance for bad debts in local currency		(53,542)	(3,853)
Allowance for bad debts in foreign currency	39	(13,567)	(5,133)
Subtotal accounts receivable from sales - current		**1,984,728**	**1,789,732**
Total accounts receivable from sales		**2,025,702**	**1,835,443**

Maturity of accounts receivable from sales is the following:

Receivables / Accounts receivable from sales	Sept 30, 2019	Dec 31, 2018
Due within		
Up to 3 months	1,741,915	1,774,155
From 3 to 6 months	1,857	2,432
From 6 to 9 months	2,527	-
From 9 to 12 months	4,154	-
Over 12 months	40,974	45,711
Past due		-
Up to 3 months	5,447	7,640
From 3 to 6 months	5,288	-
From 6 to 9 months	6,742	-
From 9 to 12 months	222	-
Over 12 months	216,576	5,505
	2,025,702	**1,835,443**

Note 12. Cash and cash equivalents

	Notes	Sept 30, 2019	Dec 31, 2018
Cash in local currency		810	1,462
Cash in foreign currency	39	135	1,899
Banks in local currency		4,320	12,858
Banks in foreign currency	39	119,492	1,119,167
Checks to be deposited in local currency		-	1,756
Checks to be deposited in foreign currency	39	-	11,821
Mutual funds in local currency		47,223	-
Mutual funds in foreign currency	39	-	12,910
Total Cash and cash equivalents		**171,980**	**1,161,873**

(amounts stated in thousands of Argentine pesos)

Note 13. Other accounts payable

Non-current	Notes	Sept 30, 2019	Dec 31, 2018
Payable for purchase of shares	33.2 and 39	-	1,315,563
Subtotal Other accounts payable – Non-current		**-**	**1,315,563**
Current			
Sundry creditors in foreign currency	39	25,341	26,216
Payable for purchase of shares	33.2 and 39	1,518,164	1,520,441
Security deposits in local currency		30	41
Security deposits in foreign currency	39	10,003	9,009
Dividends to be paid in cash		295	406
Contributions to be subscribed		13	10
Provision for directors' fees		4,472	8,869
Deferred income		8,556	11,781
Other payables		8,284	1,288,827
Other payables - UTES		29,697	53,563
Subtotal other accounts payable – Current		**1,604,855**	**2,919,163**
Total Other accounts payable		**1,604,855**	**4,234,726**

Note 14. Contract liabilities

Non-current	Sept 30, 2019	Dec 31, 2018
Advanced collections	623,991	1,750,602
Equipment fund	3,613	207
Operative fund	3	3
Other contract liabilities	19,100	23,407
Value added tax	(100,566)	(108,574)
Total contract liabilities - Non-current	**546,141**	**1,665,645**
Current		
Advanced collections	2,907,917	2,706,929
Equipment fund in local currency	17,134	25,754
Operative fund in local currency	6,165	11,336
Value added tax	(2,009)	(5,085)
Total contract liabilities - Current	**2,929,207**	**2,738,934**
Total contract liabilities	**3,475,348**	**4,404,579**

Note 15. Loans

Non-current	Notes	Sept 30, 2019	Dec 31, 2018
Corporate notes	15.2 and 39	6,035,579	5,991,831
Loans borrowed		-	-
Financial lease in local currency	15.3	365	2,046
Financial lease in foreign currency	15.1.3 and 39	211	474
Subtotal Loans – Non-current		**6,036,155**	**5,994,351**

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (continued)

Current	Notes	Sept 30, 2019	Dec 31, 2018
Loans borrowed	15.1.1	8,015	27,176
Mortgage backed banking loans	15.1.2 and 39	673,495	892,863
Bank overdrafts in local currency		79,881	201,804
Bank overdrafts in foreign currency	39	1,109	-
Other financial liabilities in foreign currency	15.1.3 and 39	17,360	-
Corporate notes	15.2 and 39	2,268,802	731,391
Financial lease in local currency	15.3	2,964	7,294
Financial lease in foreign currency	15.3 and 39	350	273
Subtotal loans – Current		**3,051,976**	**1,860,801**
Total Loans		**9,088,131**	**7,855,152**

The following is a breakdown of loans:

FOR THE PERIOD	NINE MONTHS	TWELVE MONTHS
	Sept 30, 2019	Dec 31, 2018
Balance at beginning of year	7,855,152	4,713,103
Restatement of balances in constant currency	(2,150,405)	(1,528,575)
Balances from acquisition of companies	-	80,258
New disbursements under existing loans	1,777,603	6,053,691
Accrued interest	907,584	607,946
Effects of exchange rate variation	2,571,308	2,456,363
Bank overdrafts	(66,378)	157,116
Payment of principal	(2,053,544)	(4,809,628)
Payment of interest	(97,855)	(285,811)
Conversion of corporate notes	-	(14,570)
Effect of financial statements conversion	344,666	425,259
Balances at period-end	**9,088,131**	**7,855,152**

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

						Amount pending settlement			
						Sept 30, 2019		Dec 31, 2018	
Entity	Loans	Maturity	Disbursement	Repayment	Annual rate	Non-current	Current	Non-current	Current
BBVA	20,000	8/22/2020	20,000	(8,540)	21.82%	-	8,015	-	17,997
Provincia	20,000	4/5/2019	20,000	(18,333)	28.07%	-	-	-	9,179
Total in local currency						**-**	**8,015**	**-**	**27,176**

   1.2 Mortgage backed banking loans

					Amount pending settlement			
					Sept 30, 2019		Dec 31, 2018	
Bank	Loan amount	Maturity	Disbursement	Repayment	Non-current	Current	Non-current	Current
BBVA	16,000	(a)	14,121	(6,885)	-	344,149	-	446,098
Itaú	14,000	(a)	14,121	(7,011)	-	329,346	-	446,765
Total in foreign currency					**-**	**673,495**	**-**	**892,863**

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (continued)

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	U$S 16,000	US$ 14,000
Amount disbursed by each Bank	US$ 8,000 each	U$S 7,000 each
Interest rate	90-day Libor at the close of bank business day prior to each payment date, plus 3 percentage points, effective annually, with a minimum annual effective rate of 5%.	
Disbursements	According to the construction progress	
Amortization of principal and interest	Through partial payments according to the effective delivery of units to buyers, and for the amount necessary for the cancellation (or novation) of the mortgage of any unit sold.	
First mortgages in favor of Banks:	Up to US$ 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.	

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

1.3 Other financial assets and liabilities

In TGLT Uruguay S.A., investments are made in different banks, which secure the disbursement of loans granted to FDB S.A. For the purposes of disclosure in the financial statements, such transactions are offset by recording their net position. As of September 30, 2019, the net position is broken down as follows:

Bank	Type	Maturity	Rate	Principal plus interest in US$	Sept 30, 2019
BBVA	TB USA	12/5/2019	2.25%	10,736	617,213
BBVA	BTB	12/5/2019	3.07%	(10,801)	(620,949)
ITAU	TB London	1/21/2020	3.88%	3,202	184,083
ITAU	BTB	1/21/2020	4.38%	(3,385)	(194,616)
ITAU	BTB	4/24/2020	4.07%	(535)	(30,757)
ITAU	TB London	4/24/2020	3.57%	522	30,010
ITAU	BTB	6/5/2020	3.45%	(318)	(18,285)
ITAU	TB London	6/5/2020	2.95%	303	17,419
ITAU	TB London	10/24/2019	3.67%	3,948	229,057
ITAU	BTB	10/24/2019	4.54%	(4,010)	(230,535)
		Total financial liabilities		**(302)**	**(17,360)**

(*) 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 corporate notes 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

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (continued)

2. Corporate notes (continued)

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.

The following is a summary of the main characteristics of the of the Company's issue, effective as from the approval of the Program until September 30, 2019.

Class	XV
Issue date	3/20/2018
Amount issued	US$ 25,000.
Outstanding principal amount	US$ 25,000.
Payment currency	US dollars
Interest rate	7.95%
Maturity	3/20/2020
Amortization	One-off payment 24 months from the issue and settlement date
Payment of interest	Quarterly coupon
Payment of principal	At par
Rating	B by FIX SCR S.A. Risk Rating Agency

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$ 150,000,000.

The main features of such instrument are as follows:

- **Total amount offered:** US$ 150,000,000.
- **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.

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.

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (continued)

2. Corporate notes (continued)

- 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$ 822,000 have been converted into 1,644,000 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 rise to $ 71,993 thousand from the previous $ 70,349 thousand. The conversion was made in accordance with the terms and conditions established in the Offering Memorandum of the convertible corporate bonds. These convertible corporate notes are under review as part of the Company's capital restructuring, mentioned in Note 48.

On July 7, 2019, in order to finance the financial position of the Company, a private corporate note was issued, being the beneficiary Argentum Investments V LLC, in the amount of US$ 2,000,000, maturing on January 16, 2020. This private corporate note will accrue interest at a 30-day Libor rate, plus a 2% margin, and is guaranteed by the units that the Company acquired from Marina Río Lujan in the amount of US$ 4,647,164. This financing can be considered as part of the recapitalization agreement, mentioned in Note 48. To the date of these financial statements, only US$ 1,000,000 have been received.

	Sept 30, 2019		Dec 31, 2018	
Class	**Non-current**	**Current**	**Non-current**	**Current**
XV	-	1,434,368	1,213,644	75,714
Convertible corporate notes	6,035,579	776,844	4,778,187	655,677
Private corporate notes	-	57,590	-	-
Total in foreign currency	**6,035,579**	**2,268,802**	**5,991,831**	**731,391**

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.

(amounts stated in thousands of Argentine pesos)

Note 15. Loans (continued)

3. Financial lease (continued)

- 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%.

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

	Sept 30, 2019	Dec 31, 2018
Up to 1 year	3,649	9,065
Over 1 year and up to 5 years	711	3,466
Future finance charges	(470)	(2,444)
Present value of finance lease liabilities	**3,890**	**10,087**

The fair value of finance lease liabilities is as follows:

	Sept 30, 2019	Dec 31, 2018
Up to 1 year	3,314	7,567
Over 1 year and up to 5 years	576	2,520
Fair value of finance lease liabilities	**3,890**	**10,087**

Note 16. Other tax burden

Non-current	Notes	Sept 30, 2019	Dec 31, 2018
National tax payment plan		6,553	12,387
Municipal tax payment plan		-	23
Subtotal Other tax burden - Non-current		**6,553**	**12,410**
Current			
Turnover tax		5,404	9,873
Wealth tax		2	-
Provincial taxes		50,266	23,462
Municipal taxes		-	4
Stamp tax		3,732	3,218
National tax payment plan		3,346	41,799
Provincial tax payment plan		-	26
Municipal tax payment plan		69	267
National tax provision		18,950	16,583
Withholdings and collections to be deposited in local currency		12,783	61,121
Withholdings and collections to be deposited in foreign currency	39	3,294	1,373
Other tax burden UTES		691	772
Subtotal Other tax burden - Current		**98,537**	**158,498**
Total Other tax burdens		**105,090**	**170,908**

(amounts stated in thousands of Argentine pesos)

Note 17. Payroll and social security contributions

	Notes	Sept 30, 2019	Dec 31, 2018
Salaries payable in local currency		66,395	92,099
Salaries payable in foreign currency	39	3,868	11,891
Social security contributions payable in local currency		24,464	30,393
Social security contributions payable in foreign currency	39	1,551	793
Social security payment plan		3,906	-
Provision for thirteenth month salary and vacation pay in local currency		68,963	51,609
Provision for thirteenth month salary and vacation pay in foreign currency	39	4,893	1,294
Trade payables - UTES		59	78
Advances to personnel		(199)	(274)
Total Payroll and social security contributions		**173,900**	**187,883**

Note 18. Provisions and allowances

	Notes	Legal claims	Sept 30, 2019	Dec 31, 2018
In local currency				
Balances as of January 1, 2019		216,896	216,896	64,590
Exposure to changes in the currency purchasing power		(59,377)	(59,377)	-
Balances from acquisition of companies		-	-	174,432
Additions (I)		15,994	15,994	6,783
Recoveries (I)		(63,843)	(63,843)	-
Used during the fiscal period/year		-	-	(28,909)
Provisions in local currency		**109,670**	**109,670**	**216,896**
In foreign currency				
Balances as of January 1, 2019		-	-	514
Used during the fiscal period/year		-	-	(1,136)
Effects of exchange rate variation		-	-	622
Provisions in foreign currency		-	-	-
Total provisions		**109,670**	**109,670**	**216,896**

(I) Additions and recoveries are included in the statement of profit or loss, under Contractual agreements, in other operating expenses and in lawsuits and other contingencies, in other income and expenses, net.

Note 19. Trade payables

	Notes	Sept 30, 2019	Dec 31, 2018
Suppliers in local currency		473,414	353,697
Suppliers in foreign currency	39	159,351	153,045
Deferred checks in local currency		-	192,562
Deferred checks in foreign currency	39	-	10
Provision for expenses in local currency		51,552	143,531
Provision for expenses in foreign currency	39	17,627	56,436
Provision for works in local currency		641,096	478,511
Provision for works in foreign currency	39	11,184	40,520
Insurance payable in local currency		-	6
Insurance payable in foreign currency	39	1,296	1,173
Contingency fund in local currency		70,563	94,368
Contingency fund in foreign currency	39	82,609	850
Trade payables UTES		196,928	24,862
Total Trade payables		**1,705,620**	**1,539,571**

(amounts stated in thousands of Argentine pesos)

TGLT

Note 20. Capital stock

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

	Sept 30, 2019		Dec 31, 2018	
Shareholders	**Shares**	**Interest**	**Shares**	**Interest**
Federico Nicolás Weil	13,806,745	17.1%	13,806,745	19.2%
The Bank of New York Mellon ADRS (1)				
PointArgentum Master Fund LP	10,160,820	12.6%	10,160,820	14.1%
Other holders of ADRS	16,987,040	21.1%	18,556,400	25.8%
Bienville Argentina Opportunities Master Fund LP	9,003,913	11.2%	9,003,913	12.5%
IRSA Propiedades Comerciales S.A.	3,003,990	3.7%	3,003,990	4.2%
Other holders of common shares	27,692,916	34.3%	17,461,617	24.2%
Total Share capital	**80,655,424**	**100%**	**71,993,485**	**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 in 2017; thus, a change in the shareholding composition may occur in the future. See Note 48

Note 21. Reserves, accumulated income and dividends

- **Restriction on the payment of dividends**

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

- **Restriction on the distribution of unappropriated retained income/loss**

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

Note 22. Income from ordinary activities

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Income from the delivery of units	1,181,859	922,365	291,549	546,763
Receivables from sale of units	289,126	29,026	(5,674)	5,747
Income from services rendered	4,827,610	3,772,327	1,813,224	1,329,796
Total income from ordinary activities	**6,298,595**	**4,723,718**	**2,099,099**	**1,882,306**

Note 23. Cost of ordinary activities

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Costs of delivery of units	1,164,807	1,169,612	360,330	633,331
Costs from the sale of units	278,077	-	658	-
Cost of services rendered	3,895,678	3,261,839	1,458,605	1,247,110
Total cost of ordinary activities	**5,338,562**	**4,431,451**	**1,819,593**	**1,880,441**

(amounts stated in thousands of Argentine pesos)

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Note 24. Selling expenses

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Payroll and social security contributions	102,125	59,426	33,129	13,329
Other payroll expenses	3,430	361	(85)	98
Rentals and common charges	8,728	1,325	795	855
Professional fees	1,076	11,217	445	1,773
Taxes, rates and contributions	174,082	130,419	94,247	39,911
Travel and per diem expenses	914	786	389	(2,131)
Information technology and services expenses	3,038	930	885	(340)
Equipment maintenance expenses	-	178	-	37
Depreciation of property, plant and equipment	-	2,007	-	1,347
Office expenses	3,755	617	649	193
Insurance	44	123	44	52
Advertising expenses	4,806	12,161	250	5,408
Sales expenses	3,374	4,743	2,922	1,113
Bidding related expenses	-	3,723	-	1,979
Post sales expenses	782	11,374	782	6,971
General expenses	-	510	-	83
Total selling expenses	**306,154**	**239,900**	**134,452**	**70,678**

Note 25. Administrative expenses

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Payroll and social security contributions	185,712	301,394	75,341	114,989
Other payroll expenses	5,065	2,632	483	923
Rentals and common charges	21,272	28,713	9,517	15,180
Professional fees	65,544	46,437	23,354	10,018
Directors' fees	2,249	14,008	721	7,431
Supervisory Audit Committee's fees	2,410	1,945	799	537
Public offering expenses	383	9,299	383	7,228
Taxes, rates and contributions	3,596	7,263	858	(2,114)
Travel and per diem expenses	1,229	1,924	935	571
Information technology and services expenses	10,441	8,150	5,341	3,363
Depreciation of property, plant and equipment	21,447	10,700	5,482	2,111
Office expenses	16,387	6,751	10,489	2,281
Equipment maintenance expenses	1,147	719	645	233
Investment property maintenance expenses	-	706	-	706
Tax on bank account debits and credits	48,798	64,333	15,764	22,407
Insurance	4,637	6,288	2,281	901
General expenses	3,710	16,989	5	8,666
Total Administrative expenses	**394,027**	**528,251**	**152,398**	**195,431**

(amounts stated in thousands of Argentine pesos)

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Note 26. Financial results

	Profit/(Loss)			
	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Exchange gains/losses				
Exchange gains	358,921	1,443,720	171,384	285,740
Exchange losses	(3,351,781)	(6,036,513)	(2,338,988)	(2,900,992)
Total exchange gains/losses	**(2,992,860)**	**(4,592,793)**	**(2,167,604)**	**(2,615,252)**
Financial income				
Interest	278,222	91,783	179,946	44,081
Gain from holding of cash equivalents	315	25,833	315	7,273
Gain from sales of cash equivalents	9,137	25,559	7,296	21,208
Gain from financial instruments	-	41,234	-	41,234
Adjustment to indexes	15,119	5,395	4,248	5,395
Present value	1,297	892	(163)	(866)
Total Financial income	**304,090**	**190,696**	**191,642**	**118,325**
Financial costs				
Interest	(1,052,805)	(748,716)	(385,699)	(352,347)
Subtotal Interest	(1,052,805)	(748,716)	(385,699)	(352,347)
Other financial costs				
Gain from sales of cash equivalents	-	(342)	-	3,068
Present value	(92,287)	(152,312)	(37,754)	(69,932)
Subtotal other financial costs	(92,287)	(152,654)	(37,754)	**(66,864)**
Total financial costs	**(1,145,092)**	**(901,370)**	**(423,453)**	**(419,211)**
Total financial income/loss	**(4,404,586)**	**(6,785,229)**	**(2,724,687)**	**(3,253,339)**

Note 27. Other income and expenses, net

	Profit/(Loss)			
	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Rental income	-	5,946	-	5,849
Debt forgiveness	-	-	-	2,495
Contract assignment	-	-	-	(846)
Contract termination	56,917	(473)	(7,110)	(473)
Contract compliance guarantee	-	(75,079)	-	(24,715)
Expense recovery	6,065	14,462	4,694	2,373
Recovery of provision for expenses	-	3,725	-	312
Gain/loss on sale of property, plant and equipment	664	3,639	23	3,162
Depreciation of investment property	-	(1,084)	-	(261)
Sale of other assets	145,777	168,847	-	(9,764)
Lawsuits and other contingencies	(34,802)	(2,529)	1,686	(2,217)
Donations	(12)	-	72	-
Sundry	13,906	24,545	3,738	28,978
Total other income and expenses, net	**188,515**	**141,999**	**3,103**	**4,893**

Note 28. Income tax and deferred tax

Income tax assessed in accordance with IAS 12, which is included in the statement of profit or loss as of September 30, 2019 and 2018, is broken down as follows:

	Sept 30, 2019	Sept 30, 2018
Income tax	284,244	2,095,549
Deferred tax	(291,829)	(809,504)
Total Income tax	**(7,585)**	**1,286,045**

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

(amounts stated in thousands of Argentine pesos)

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Note 28. Income tax and deferred tax (continued)

Deferred tax assets	Sept 30, 2019	Dec 31, 2018
Tax loss from national source income	1,547,217	1,060,074
Tax loss from foreign source income	51,734	71,227
Provision for sundry expenses	201,983	335,648
Property, plant and equipment	(2,572)	(6,797)
Finance lease valuation	(707)	(142)
Bonuses	18,250	25,129
Deferred income	100,897	107,963
Subtotal Deferred tax assets	**1,916,802**	**1,593,102**
Deferred tax liabilities		
Bad debts	(33,838)	5,348
Valuation of intangible assets	(9,199)	(16,185)
Valuation in foreign currency	32,015	154,915
Inventory valuation	(453,746)	(381,200)
Valuation of short-term investments	(31)	88
Valuation of investment property	101,861	146,699
Convertible corporate bonds	(698,663)	(651,423)
Financial costs capitalized to inventories	(30,437)	(45,594)
Income/loss from UTEs	(162)	(223)
Contract liabilities	287,926	-
Other receivables	-	(48,638)
Taxable income/loss from the exposure to changes in the currency purchasing power	(369,050)	-
Subtotal Deferred tax liabilities	**(1,173,324)**	**(836,213)**
Net position of deferred tax assets/(liabilities)	**743,478**	**756,889**

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 period, in accordance with paragraph 54 (n) of IAS 1, classified in accordance with IAS 12.

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

	Sept 30, 2019	Sept 30, 2018
Income tax calculated at the tax rate prevailing in each country:	(422,028)	1,277,248
Understated provision for income tax	-	18
Directors' fees	585	(392)
Presumed interest	1,234	(700)
Intangible assets	(2,969)	-
Donations	-	-
Bad debts	689	-
Non-deductible expenses	26,827	(110,138)
Effect of the conversion of financial statements	(72,124)	80,187
Investment property	105,405	-
Sale of assets	38,501	-
Allowances	20,111	-
Adjustment Tax Reform Law No. 27430	3,440	28,542
Inflation adjustment effects	328,639	13,727
Miscellaneous	(35,895)	(2,447)
Income tax	**(7,585)**	**1,286,045**

The Tax Reform Law 27430, amended by Law 27468, establishes the following for the tax inflation adjustment, effective for the periods beginning as from January 1, 2018:

(a) This adjustment shall be applicable in the fiscal year in which the variation in the consumer price index (CPI) exceeds 100% in the thirty six months prior to the fiscal year to which the calculation is related;

(amounts stated in thousands of Argentine pesos)

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Note 28. Income tax and deferred tax (continued)

(b) With respect to the first, second and third year as from the effective date, this procedure shall be applicable if the variation in such index, calculated from the beginning and until the end of each of those years, exceeds 55 %, 30% and 15% for the first, second and third year of application, respectively; and

c) In relation to the positive or negative tax inflation adjustment, as the case may be, for the first, second, and third fiscal year beginning as of January 1, 2018, to be calculated if the events described in (a) and (b) above take place, one third shall be charged to this period and the other two thirds shall be charged to the immediately following two periods, in equal parts.

At the end of an interim period, it must be evaluated whether the conditions established by the income tax law will be met at year-end to carry out the tax inflation adjustment. To the date of approval of these interim financial statements, there is sufficient evidence to conclude that in fiscal year 2019 it will be necessary to apply the tax inflation adjustment. Consequently, the current and deferred income tax has been recorded in the nine-month period ended September 30, 2019, to include the effects arising from the application of the tax inflation adjustment under the terms provided by law.

Tax losses from national and foreign-source income accumulated as of September 30, 2019 may be used up to the dates indicated below:

	Pesos
Year	2019
2019	77,558
2020	60,118
2021	11,281
2022	163,768
2023	476,816
2024	809,410
Total	**1,598,951**

Note 29. Related parties

As of September 30, 2019 and December 31, 2018, the balances with Companies under section 33 - Law No. 19550 and other related parties, classified according to the nature of the transaction, are as follows:

RECEIVABLES FROM RELATED PARTIES – Non-current	Notes	**Sept 30, 2019**	**Dec 31, 2018**
Inversiones y Representaciones S.A.	39	49,248	44,310
Newbery 3431 S.A.		103,006	-
Total Receivables from related parties – Non-current		**152,254**	**44,310**
Receivables from related parties – Current			
ACCOUNTS RECEIVABLE FROM SALES			
Marina Rio Luján S.A.		-	256
OTHER RECEIVABLES			
Marina Río Luján S.A.		13,769	117,592
Marina Río Lujan S.A. in foreign currency	39	479,586	287,633
Individual shareholders		2,374	3,449
Other shareholders		3,528	4,857
GFDI S.A - CAPUTO S.A.- SES S.A UTE		8,529	11,744
SES. S.A.		-	2,231
Limp Ar Rosario S.A.		-	1,729
Altos del puerto S.A.		-	16,354
Logística Ambiental Mediterránea S.A.		19,676	18,319
CAPUTO S.A - PYPSA S.A - SES S.A UTE		7,099	24,205
GFDI S.A - CAPUTO S.A.- ELEPRINT S.A UTE		14,344	571
Eleprint S.A.		415	-
Total Receivables from related parties – Current		**549,320**	**488,684**
Total receivables from related parties		**549,320**	**488,940**

(amounts stated in thousands of Argentine pesos)

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Note 29. Related parties (continued)

As of September 30, 2019 and December 31, 2018, 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 (continued):

PAYABLES TO RELATED PARTIES – Non-current	Sept 30, 2019	Dec 31, 2018
América Pavilion S.A.	-	8,121
Altos del Puerto S.A.	-	1,434
Total payables to related parties – Non-current	**-**	**9,555**
PAYABLES TO RELATED PARTIES – Current		
Marina Río Lujan S.A.	11,263	394
CRIK S.R.L. - CAPUTO S.A.I.C. y F. UT	54,066	2,755
CAPUTO S.A.- GFDI S.A - SES S.A UTE	3,147	4,391
Limp Ar Rosario S.A.	1,907	26,296
Total payables to related parties – Current	**70,383**	**33,836**
Total payables to related parties	**70,383**	**43,391**

b) As of September 30, 2019 and 2018, the main transactions with Companies under section 33 - Law No. 19550 and other related parties, classified according to the nature of the transaction, are as follows:

- Transactions and their effects on cash flow

Name of related party		Sept 30, 2019	Sept 30, 2018
Marina Rio Luján S.A.	Loans granted	(98,000)	-
Newbery 3431 S.A.	Loans granted	-	(124,475)
Logística Ambiental Mediterránea S.A.	Loans granted	(10,799)	-
Marina Rio Luján S.A.	Collections received	-	-
AGL S.A.	Collections received	-	4,505
América Pavilion S.A.	Collections received	40,055	-
Limp Ar Rosario S.A	Collections from services rendered	-	1,236
Limp Ar Rosario S.A	Dividend collection	-	9,750
AGL S.A.	Payments made	-	(453)
Marina Rio Luján S.A.	Payments made	-	-
Altos del Puerto S.A.	Financial contributions	(129)	6,759
Altos del Puerto S.A.	Compensations	1,385	-
Logística Ambiental Mediterránea S.A.	Financial contributions	-	(14,358)
CAPUTO S.A - PYPSA S.A - SES S.A UTE	Financial contributions	6,204	5,156
GFDI S.A - CAPUTO S.A.- ELEPRINT S.A UTE	Financial contributions	3,235	(10,599)
CRIK S.R.L. - CAPUTO S.A.I.C. y F. UT	Financial contributions	15,350	-
CRIK S.R.L. - CAPUTO S.A.I.C. y F. UT	Collections received	36,716	-
DFDI S.A- CAPUTO S.A. – SES S.A. UTE	Financial contributions	(46)	-
Limp Ar Rosario S.A.	Dividends	13,880	-
SES S.A.	Collections received	-	23,311
SES S.A.	Dividends	8,744	-
Fideicomiso Nuevo Quilmes	Dividends	-	1,010
Marina Rio Luján S.A.	Payments made	10,975	-
Limp Ar Rosario S.A.	Loans borrowed	-	8,876
Limp Ar Rosario S.A.	Compensations	(14,450)	-
Marina Rio Luján S.A.	Write-off due to capitalization	-	293,359
Marina Rio Luján S.A.	Collections received	464	101
Total		**13,584**	**204,178**

(amounts stated in thousands of Argentine pesos)

Note 29. Related parties (continued)

b) As of September 30, 2019 and 2018, 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 (continued):

Transactions and their effect on profit/loss

		Profit/(Loss)	
Name of related party	**Transaction**	**Sep 30, 2019**	**Sept 30, 2018**
Limp Ar Rosario S.A	Services provided	1,397	1,843
Other shareholders	Uncollectible	-	(18)
AGL S.A	Financial results	-	(154)
Marina Río Luján S.A.	Services provided	4,411	-
Marina Río Luján S.A.	Financial results	103,841	178,869
SES S.A.	Income/loss on dividends	8,744	32,523
Directors	Professional fees	-	(1,402)
AGL S.A.	Services provided	-	1,873
América Pavilion S.A.	Income/loss on higher value	(131,258)	-
Limp Ar Rosario S.A	Income/loss on dividends	13,880	10,502
Limp Ar Rosario S.A	Financial results	-	-
Newbery S.A.	Financial results	-	6,369
Altos del Puerto S.A.	Financial results	-	(7,846)
Limp Ar Rosario S.A	Structure expenses	-	(3,031)
Total		**1,015**	**219,528**

c) As of September 30, 2019 and December 31, 2018, 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.

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

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

Receivables/Tax assets	**Sept 30, 2019**	Dec 31, 2018
To become due		
Up to 3 months	2,189,789	2,376,934
From 3 to 6 months	156,680	106,789
From 6 to 9 months	316,912	210,518
From 9 to 12 months	506,038	444,295
Over 12 months	1,075,910	1,471,134
Without any established term	273,206	767,782
Past due		
Up to 3 months	5,447	9,460
From 3 to 6 months	5,288	-
From 6 to 9 months	6,742	275
From 9 to 12 months	222	-
Over 12 months	230,924	6,739
	4,767,158	**5,393,926**

(amounts stated in thousands of Argentine pesos)

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

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

Payables (except for contract liabilities)	**Sept 30, 2019**	Dec 31, 2018
To become due		
Up to 3 months	3,093,999	5,095,714
From 3 to 6 months	1,010,481	1,000,997
From 6 to 9 months	2,000,342	91,191
From 9 to 12 months	376,544	356,446
Over 12 months	6,042,708	7,331,879
Without any established term	333,575	372,300
	12,857,649	**14,248,527**

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

Receivables/Tax assets	**Sept 30, 2019**	Dec 31, 2018
Interest bearing	318,899	290,561
Non-interest bearing	4,448,259	5,103,365
	4,767,158	**5,393,926**
Annual nominal average rate:	**3%**	**19%**

Payables (except for customer advances)	**Sept 30, 2019**	Dec 31, 2018
Interest bearing	5,798,997	7,986,869
Non-interest bearing	7,058,652	6,261,659
	12,857,649	**14,248,528**
Annual nominal average rate:	**11%**	**30%**

Note 31. Restricted assets and guarantee transactions

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$ 6,000,000. As a result of purchase and sale transactions and the agreement of annulment between the Company and Servicios Portuarios, and as TGLT currently owns 2 plots of land on the total premises, the parties agreed to reduce the mortgage in the amount of US$ 8,000 on one of the plots.

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 consequence of financing obtained through the private Corporate Note, the Company has offered as collateral the units acquired from Marina Río Luján in the amount of US$ 4,647.

31.2 Guarantee transactions

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, the Company 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.

Note 31. Restricted assets and guarantee transactions (continued)

31.2 Guarantee transactions (continued)

3. On October 4, 2017, América Pavilion S.A. (AP) and Fundación Universidad de San Andrés (FUDESA) signed an offer letter in connection with a sales transaction, by which the Company guaranteed all payment obligations owed by AP to FUDESA up to a maximum amount equivalent to its ownership in AP´s capital, equivalent to US$ 909.
4. In February 2018, the Company 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 two 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 standby 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, the Company 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, Armando Pedro José 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. Lawsuits

No other events have occurred from the date of presentation of the financial statements issued on December 31, 2018, except for the following:

32.1. Health and safety

During the last quarter of fiscal year 2012, Malteria 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 cases were resolved without any losses incurred by the Company, as COSUD has paid the corresponding fines.

32.2. Labor issues

On October 30, 2013, Malteria 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. The complaint was filed by an operator of IGM. 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. A settlement agreement was signed and paid by co-defendants other than Malteria del Puerto S.A., which has not disbursed any sums.

32.3. Other claims

On August 23, 2019, TGLT informed that Unidad Fiscal Norte - Special Cases Area of the Public Prosecutor's Office- summoned the Company, through its legal representative, and those directors of the Company who had been in office for the periods 2012 to 2014 to appear before such Office for the purpose of holding hearings to explain the charges against them (according to section 161 of the Code of Criminal Procedure of the City of Buenos Aires), within the framework of the complaint for alleged violation of section 1 of Law No. 26735 (as amended by Law No. 24769).

Such investigation procedure was initiated as a result of the assessment on the Tax Authorities' own initiative, pursuant to Resolution No. 3756/DGR/2018 (the "Resolution"), whereby the Tax Authorities resolved: (i) challenge certain turnover tax returns filed by TGLT, particularly due to a difference of criterion regarding the activities subject to turnover tax for fiscal periods 2012 to 2014; and (ii) assess the resulting tax for the aforementioned periods by applying a rate different from that applied by the Company in its turnover tax returns. The Company duly filed a motion for reconsideration against such Resolution, which has not been resolved to date. The resolution that may be issued by the Criminal Court of the City of Buenos Aires [Fuero Penal Contravencional y de Faltas del Poder Judicial de la Ciudad Autónoma de Buenos Aires] would in any case be subject to the potential filing of a motion for review with such Court and, also, to the potential filing of the related appeal with the higher courts.

The Company has made all the required filings within statutory terms. Furthermore, at the Board of Directors' Meeting held on September 19, 2019, the Company's enrollment for the tax liabilities regularization plan established by the Tax Authorities was approved. The case file is at the adhesion stage.

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

33.1 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 December 26, 2017, the Extraordinary General Shareholder's Meeting unanimously approved the final balance sheet for liquidation purposes for the fiscal year ended November 30, 2017.

To the date of issuance, the liquidation of Sitia is pending approval from the competent authorities.

33.2 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 at the transaction date, the amount of US$ 28,634 was paid on January 21, 2019 and the remaining balance, i.e. US$ 28,330 must be paid on January 19, 2020.

As of September 30, 2019 the outstanding balance amounts to $1,518,164. As of December 31, 2018, the outstanding balance amounted to $ 2,836,004, out of which the amount of $ 1,520,441 is disclosed as current liabilities, and $ 1,315,563 is disclosed as non-current liabilities in “Other accounts payable”.

On July 24, 2018, the CNV approved the Public Offering for the acquisition of shares aimed at all the holders of registered, common shares, with a nominal value of $ 1 each, one vote per share. The Offering began on August 8, 2018 and ended on September 12, 2018. 24,719,128 shares of Caputo were offered. The price was US$ 0.799 per share and totaled US$ 19,751, which was paid on September 18, 2018. As a result of that transaction, TGLT acquired 97.04% of the capital stock and voting rights of Caputo.

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 September 30, 2018 and the special-purpose consolidated financial statements as of September 30, 2018.

In addition, on May 8, 2019 the CNV approved the dissolution of Caputo and on May 23, 2019, the IGJ approved the registration.

On June 7, 2019, it was informed that as a consequence of the merger between Caputo S.A.I.C. y F. and TGLT, approved by the related shareholders’ meetings of the surviving company and the merged company held on November 2, 2018, pursuant to the description made in the Merger Memorandum dated October 22, 2018, and having the merger been registered with the Supervisory Board of Companies on May 23, 2019, all the shares of Caputo were swapped for new shares of TGLT and it was requested that the shares of Caputo be delisted from the stock exchange.

As a result of such swap, the capital stock of TGLT increased from 71,993,485 shares to 80,655,424 shares, i.e. by $8,661,939 (pesos eight million six hundred sixty-one thousand nine hundred thirty-nine), through the issuance of 8,661,939 common registered shares with a nominal value $ 1 and entitled to 1 vote per share.

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 sales agreements, and the lists of prices by the CAC index (construction cost index) on a monthly basis.

Note 34. Risks - Financial risk management (continued)

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.

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 has been lately restricted due to situations outside the Company's control, such as the negative shareholders' equity recorded in the present financial statements, which made it difficult to obtain financing and/or refinancing. In this sense, the Company has been analyzing and working on various alternatives to implement a recapitalization plan enabling it to reverse the negative shareholders' equity. Accordingly, during 2019, we executed a recapitalization support agreement with the holders of Convertible Corporate Notes providing for the voluntary exchange of Convertible Corporate Notes for preferred shares, which, to date has an adherence of 65.6%. Notwithstanding the foregoing, TGLT continues working, within the conditions permitted by the applicable law, to obtain the support of the holders who did not participate in the previous conversations, in order to expand the number of participating holders. For more information, please see paragraph "I.1.1 Execution of agreements for the Company's recapitalization. Optimization of the Recapitalization Plan of the Company Approval of the Company's capital increase" and "I.2.1. Approval of the Company's capital increase" under "Significant events occurred during the fiscal year" and "Subsequent events", respectively, in the Reporting Summary.

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 (as part of its Argentine operations) payables denominated in US dollars totaling 172 million, mainly made up of the debt with the former shareholders of Caputo in the amount of US$ 26.4M, the issue of 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 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 at fiscal-year end, amounted to US$ 11.7 million. To minimize the risks related to exchange rate fluctuations affecting our financial liabilities, the Company might enter into a forex hedge transaction in relation to the local currency and the US dollar. The Company does not conduct hedge or financial derivative transactions for speculative purposes. We believe that, in the event a hypothetical depreciation of 1 peso per dollar occurred between the Argentine peso and the U.S. dollar, the difference between our assets and liabilities in foreign currency would result in a loss of about $ 157.5 million, which would be charged to income/loss for the fiscal period ended September 30, 2019.

(amounts stated in thousands of Argentine pesos)

Note 34. Risks - Financial risk management (continued)

Interest rate risks

The group is slightly exposed to interest rate volatility as around $ 83.6 million out of a total of $ 9.08 billion, 0.92% of our financial liabilities, are subject to a Private BADLAR or overdraft interest rate. We believe that should the rate increase by 100 basis points, a loss of $0.8 million would be recorded.

34.2. Financial risks

Credit risks

The Company's exposure to credit risk is closely linked to the financial capacity of its customers (considering advances) and suppliers, to which the Company makes advance payments, to meet its contractual commitments. The Company thoroughly analysis 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 (except for Metra Puerto Norte, which provides for post-possession installments adjusted by CAC or UVA), with installments along the building process. These agreements provide for penalties for clients in default. In addition, regarding the Construction segment agreements, the speed of execution of the works generally depends upon the client’s capacity. As a result, we do not register high levels of uncollectibilty or default in payments. To this reporting date, 3.31% of our accounts receivable from sales are classified as bad debts.

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 to honor its financial debt. We think recapitalization is essential to gain adequate access to the banking and capital markets to finance short-term working capital needs and also generate the necessary tools to issue long-term debt.

Note 35. Investment property

As of September 30, 2019 and December 31, 2018, changes in investment property were as follows:

	For capital appreciation (1)	Under construction (2)	For rent (3)	Total
As of January 1, 2019	474,346	-	-	474,346
Adjustment due to the exposure to changes in the currency purchasing power	(129,856)	-	-	(129,856)
Fair value adjustments	15,912	-	-	15,912
Sales for the year	(314,490)	-	-	(314,490)
Total as of September 30, 2019	**45,912**	**-**	**-**	**45,912**

	For capital appreciation (1)	Under construction (2)	For rent (3)	Total
As of January 1, 2018	-	32,178	-	32,178
Acquisitions for the year	-	6,450	-	6,450
Transfer from Inventory	-	176,214	-	176,214
Addition of Caputo	599,897	(125,530)	54,302	528,669
Fair value adjustments	395,638	1,268,534	-	1,664,172
Depreciation of property for rent	-	-	(972)	(972)
Transfer to Inventory	-	(9,546)	-	(9,546)
Transfer to assets held for sale and other assets	-	(915,263)	-	(915,263)
Transfers	433,037	(433,037)	-	-
Sales for the fiscal year	(954,226)	-	(53,330)	(1,007,556)
Total as of December 31, 2018	**474,346**	**-**	**-**	**474,346**

Note 35. Investment property (continued)

The Company maintains as investment property the following items:

1- Investment property for capital appreciation:

In June 2018, the Company's Board of Directors decided a strategic change in the use of assets called Brisario, which consisted in reducing the saleable area affected to the urban development project by 49.65% and maintaining the remaining 50.35% as a reserve to increase its value. As a consequence of the aforementioned change, the proportional 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 in fiscal year 2018. This measurement did not exceed its recoverable value.

On March 21, 2019, the Company sold to Servicios Portuarios (Sepor) two plots of land located in Rosario, which were classified as held for capital appreciation. The sales value was agreed at US$ 6.034, payable as follows: a) US$ 2,200 within 15 working days from the date of execution; b) US$ 773 on August 11, 2019 or on the date on which TGLT has completed 35% of the public infrastructure work as agreed by the parties; c) US$ 773 on December 11, 2019 or on the date on which TGLT has completed100% of the public work and regulatory fencing; d) US$ 773 on April 30, 2020 or upon the handing over of possession of all apartments held by Servicios Portuarios in the Metra Puerto Norte project; in addition the following amounts have been discounted: a) US$ 613 as settlement of apartments of the Metra Puerto Noerte Project (tower two), and b) US$ 900 as payment of 30% of the value allocated to PLOT I committed to Servicios Portuarios. To the date of these financial statements, the Company has received payment of the first instalment.

As of September 30, 2019 the transaction resulted in a loss of $107,476, including related expenses, which is disclosed in Sale of investment property. In addition, receivables amount to $ 65,101, disclose in other current receivables.

Furthermore, on that date, the Company executed an agreement of annulment with Sepor, whereby it returned the plots of land that, as of December 31, 2018, were classified as other assets. As a consequence of such transaction, the Company has complied with the obligation towards Sepor associated with the delivery of apartments as payment for the plots of land returned, which as of December 31, 2018 were classified as other payables under Other accounts payable.

Also on March 21, 2019, the Company sold four plots of land of the Brisario project, located in the City of Rosario, Province of Santa Fe. The sales price of Plot 2 was US$ 3,200, which has been collected in full as of the date of issuance of these financial statements. Plots 3, 4, and 5 have been sold at a price of US$ 3,300. Twenty four hours after execution of the deed, the Company received payment of US$ 1,800, and the remaining balance of US$ 1,500 must be paid as follows: a) US$ 450 upon completion of 35% of the public work, and 35% of service work; b) US$ 675 against certification of 90% of the public work, which will be evidenced by the related level of progress certificate, and upon the certification of 90% of the service work, evidenced by the related original level of progress certificate issued by the construction company hired by TGLT; c) US$ 225 upon the issuance of the temporary certificate of receipt of the public work by the Municipality of Rosario; and d) US$ 150 upon the issuance of the final certificate by the Municipality of Rosario.

As of September 30, 2019, receivables in the amount of $ 86,085 are disclosed in receivables from the sale of assets under Other receivables.

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., and 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.

Note 36. Segment information (continued)

The following information summarizes revenue, profit/loss and other information grouped by business segment. Amounts are stated in thousands of Argentine pesos.

	Construction and services	Real estate developments	Sept 30, 2019	Construction and services	Real estate developments	Sept 30, 2018
Income from ordinary activities	4,826,355	1,472,240	**6,298,595**	3,775,611	948,107	**4,723,718**
Cost of ordinary activities	(3,895,679)	(1,442,883)	**(5,338,562)**	(3,255,451)	(1,176,000)	**(4,431,451)**
Gross profit	**930,676**	**29,357**	**960,033**	**520,160**	**(227,893)**	**292,267**
Administrative and selling expenses (excluding amortization and depreciation)	(478,581)	(200,153)	**(678,734)**	(370,468)	(387,328)	**(757,796)**
Other operating expenses	(97,052)	(53,214)	**(150,266)**	(49,864)	(971,567)	**(1,021,431)**
Depreciation	(12,896)	(8,551)	**(21,447)**	(8,172)	(4,535)	**(12,707)**
Amortization	(23,727)	(451)	**(24,178)**	(18,316)	(2,081)	**(20,397)**
Investment property appraisal at fair value	-	15,912	**15,912**	-	2,062,108	**2,062,108**
Income from sale of investment property	-	(107,476)	**(107,476)**	-	-	**-**
Other income and expenses, net	80,446	108,069	**188,515**	13,532	128,467	**141,999**
Operating income/loss	**398,866**	**(216,507)**	**182,359**	**86,872**	**597,171**	**684,043**
Gain/loss on investments in companies	123,171	(15,432)	**107,739**	138,739	549,260	**687,999**
Total	**522,037**	**(231,939)**	**290,098**	**225,611**	**1,146,431**	**1,372,042**

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.

	Construction and services	Real estate developments	Sept 30, 2019	Construction and services	Real estate developments	Dec 31, 2018
ASSETS						
Non-current assets	2,517,509	5,397,559	**7,915,068**	2,243,130	6,841,516	**9,084,646**
Current assets	2,674,902	2,415,974	**5,090,876**	2,542,017	5,235,264	**7,777,281**
Total assets	**5,192,411**	**7,813,533**	**13,005,944**	**4,785,147**	**12,076,780**	**16,861,927**
LIABILITIES						
Non-current liabilities	5,021	6,583,828	**6,588,849**	10,682	8,986,842	**8,997,524**
Current liabilities	2,423,271	7,320,877	**9,744,148**	2,085,376	7,570,206	**9,655,582**
Total liabilities	**2,428,292**	**13,904,705**	**16,332,997**	**2,096,058**	**16,557,048**	**18,653,106**
NET EQUITY						
Total shareholders' equity	**2,764,119**	**(6,091,172)**	**(3,327,053)**	**2,689,089**	**(4,480,268)**	**(1,791,179)**

(amounts stated in thousands of Argentine pesos)

Note 36. Segment information (continued)

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

	Argentina	Uruguay	Sept 30, 2019	Argentina	Uruguay	Sept 30, 2018
Income from ordinary activities	5,179,672	1,118,923	**6,298,595**	4,360,721	362,997	**4,723,718**

	Argentina	Uruguay	Sept 30, 2019	Argentina	Uruguay	Dec 31, 2018
Inventories	1,333,040	1,202,396	**2,535,436**	1,820,916	1,322,458	**3,143,374**
Accounts receivable from sales	40,974	-	**40,974**	45,711	-	**45,711**
Other receivables	5,788	-	**5,788**	466,223	-	**466,223**
Investment property	45,912	-	**45,912**	474,346	-	**474,346**
Property, plant and equipment	113,908	197	**114,105**	125,801	187	**125,988**
Intangible assets	32,711	90	**32,801**	56,880	94	**56,974**
Tax assets	825,160	51,734	**876,894**	868,608	46,282	**914,890**
Investments in associates	3,124,798	-	**3,124,798**	2,826,724	-	**2,826,724**
Goodwill	986,106	-	**986,106**	986,106	-	**986,106**
Receivables from related parties	152,254	-	**152,254**	44,310	-	**44,310**
NON-CURRENT ASSETS	**6,660,651**	**1,254,417**	**7,915,068**	**7,715,625**	**1,369,021**	**9,084,646**

Note 37. Earnings per share

Basic and diluted earnings per share

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

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

	Sept 30, 2019	Sept 30, 2018
Result used for calculating earnings per share		
Result used for calculating basic earnings per share	(1,534,899)	(3,205,702)
Financial results of potential common shares with dilutive effects	1,884,368	823,103
Result used in the calculation of diluted earnings per share	349,469	(2,382,599)
Weighted average of common shares		
For earnings per basic share purposes	80,655	71,993
Potential shares	300,000	300,000
Weighted average since issue date	0.79	0.66
Weighted potential shares	235,992	199,373
For diluted earnings per share purposes	**316,647**	**271,366**
Basic earnings/(losses) per share	**(19.03)**	**(44.53)**
Diluted earnings/(losses) per share	**1.10**	**(11.81)**

As of September 30, 2019, the diluted weighted average of shares was 235,992, as a result of the issuance of convertible corporate notes dated August 3, 2017. (See Note 15.2)

(amounts stated in thousands of Argentine pesos)

Note 37. Earnings per share (continued)

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. 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

(amounts stated in thousands of Argentine pesos)

Note 39. Assets and liabilities in foreign currency

	Sept 30, 2019				Dec 31, 2018
	Type and amount of foreign currency		Exchange rate prevailing	Amount recorded in pesos	Amount recorded in pesos
ASSETS					
Non-current assets					
Other receivables:					
Security deposit	US$	96	57.39	5,533	7,608
Receivables from related parties:					
Other receivables	US$	858	57.39	49,248	44,310
Total non-current assets		**954**		**54,781**	**51,918**
Current assets					
Other receivables:					
Value added tax	U$	121,412	1.56	189,402	267,755
Net worth tax	U$	6,796	1.56	10,575	11,321
Advance payments to work suppliers	US$	1,222	57.39	70,136	194,329
	U$	14,855	1.56	23,114	23,999
				93,250	218,328
Security deposit	U$	22	1.56	35	32
	US$			-	81,387
				35	81,419
Prepaid insurance policies	US$	36	57.39	2,048	3,269
				2,048	3,269
Expenses to be reported	US$	1	57.39	37	96
	U$	-	-	-	4,240
				37	4,336
Maintenance fees to be recovered	U$	9	1.56	14	-
Receivables from the sale of assets held for sale	US$	1,975	57.39	113,345	-
Receivables from the sale of investment property	US$	1,134	57.39	65,101	6,114
Equipment fund receivable	US$	21	57.39	1,205	3,021
Collectible operative fund	US$	0.26	57.39	15	14
Miscellaneous	US$	250	57.39	14,348	-
Receivables from related parties					
Other receivables	US$	8,357	57.39	479,586	287,633
Accounts receivable from sales:					
Receivables from sale of units	US$	754	57.39	43,261	68,539
Receivables from services rendered	US$	4	57.39	210	156
Allowance for bad debts	US$	(236)	57.39	(13,567)	(5,133)
				29,904	63,562
Other financial assets					
Other financial assets	US$	-	-	-	3,743
Cash and cash equivalents					
Cash	US$	0.26	57.39	15	1,785
	U$	77.12	1.56	120	114
				135	1,899
Banks	US$	2,082	57.39	119,492	1,112,655
	U$	-	-	-	6,512
				119,492	1,119,167
Checks to be deposited	US$	-	-	-	11,821
Mutual funds	US$	-	-	-	12,910
Total current assets				**1,118,492**	**2,096,312**
Total Assets				**1,173,273**	**2,148,230**

(amounts stated in thousands of Argentine pesos)

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

	Sept 30, 2019				Dec 31, 2018
	Class and amount in foreign currency		Prevailing .	Amount recorded in pesos	Amount recorded in pesos
LIABILITIES					
Non-current liabilities					
Other accounts payable					
Payable for purchase of shares	US$	-	-	-	1,315,563
Loans:					
Corporate notes	US$	104,803	57.59	6,035,579	5,991,831
Finance lease	US$	4	57.59	211	474
Security deposit	US$	96	57.59	5,533	-
Total non-current liabilities				6,041,323	7,307,868
Current liabilities					
Other accounts payable:					
Sundry creditors	US$	440	57.59	25,341	26,216
Payable for purchase of shares	US$	26,362	57.59	1,518,164	1,520,441
Security deposit	US$	174	57.59	10,003	9,009
Loans:					
Mortgage-backed bank loans	US$	11,695	57.59	673,495	892,863
Bank overdraft	US$	5	57.59	299	-
	U$	521	1.56	810	-
				1,109	-
Other financial liabilities	US$	301	57.59	17,360	-
Corporate bonds	US$	39,396	57.59	2,268,802	731,391
Finance lease	US$	6	57.59	350	273
Other tax burdens:					
Withholdings and collections to be deposited	US$	2,117	57.59	3,294	1,373
Payroll and social security contributions:					
Salaries payable	U$	2,486	1.56	3,868	11,891
Social security contributions payable:	U$	997	1.56	1,551	793
Provision for thirteenth month salary and	U$	3,145	1.56	4,893	1,294
Trade payables:					
Suppliers	US$	1,058	57.59	60,927	59,663
	U$	63,254	1.56	98,424	93,382
				159,351	153,045
Deferred checks	U$	-	-	-	10
Provision for expenses	US$	305	57.59	17,579	56,276
	U$	31	1.56	48	160
				17,627	56,436
Provision for works	US$	18	57.59	1,014	1,408
	U$	6,536	1.56	10,170	39,112
				11,184	40,520
Insurance payable	US$	23	57.59	1,296	1,173
Contingency fund	US$	1,434	57.59	82,609	850
Total current liabilities				4,800,297	3,447,578
Total Liabilities				**10,841,620**	**10,755,446**

(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 September 30, 2019 and December 31, 2018 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	47,223	124,757	-	171,980
Accounts receivable from sales	-	2,025,702	-	2,025,702
Other receivables	-	1,162,988	-	1,162,988
Receivables from related parties	-	701,574	-	701,574
Total assets as of September 30, 2019	**47,223**	**4,015,021**	**-**	**4,062,244**

Item	Financial liabilities at their fair value with changes through profit or loss	Financial liabilities at amortized cost	Total
FINANCIAL LIABILITIES			
Trade payables	-	1,705,620	1,705,620
Loans (not including finance leases)	-	8,397,276	8,397,276
Other accounts payable	-	1,604,855	1,604,855
Payables to related parties	-	70,383	70,383
Total liabilities as of September 30, 2019	**-**	**11,778,134**	**11,778,134**

Item	Financial assets at their fair value with changes through profit or loss	Amortized cost	Investments held to maturity	Total
FINANCIAL ASSETS				
Cash and cash equivalents	12,910	1,148,963	-	1,161,873
Other financial assets	-	3,743	-	3,743
Accounts receivable from sales	-	1,835,443	-	1,835,443
Other receivables	-	2,110,343	-	2,110,343
Receivables from related parties	-	533,250	-	533,250
Total assets as of December 31, 2018	**12,910**	**5,631,742**	**-**	**5,644,652**

(amounts stated in thousands of Argentine pesos)

Note 40. Determination of fair value (continued)

Account	Financial liabilities at their fair value with changes through profit or loss	Financial liabilities at amortized cost	Total
FINANCIAL LIABILITIES			
Trade payables	-	1,539,565	1,539,565
Loans (not including finance leases)	-	7,845,065	7,845,065
Other accounts payable	-	4,234,727	4,234,727
Payables to related parties	-	43,391	43,391
Total liabilities as of December 31, 2018	**-**	**13,662,748**	**13,662,748**

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

B. Determination of fair value

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

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

The assets and liabilities measured at their fair value as of September 30, 2019 and December 31, 2018 are shown below:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	47,223	-	-	47,223
Total as of June 30, 2019	**47,223**	**-**	**-**	**47,223**

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	12,910	-	-	12,910
Total as of December 31, 2018	**12,910**	**-**	**-**	**12,910**

(amounts stated in thousands of Argentine pesos)

Note 41. Information on revenue from contracts

IFRS 15 Revenue from contracts with clients

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

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.

41.1 Breakdown of income

Business segment: Real estate development

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

Trademarks	**Sept 30, 2019**	Sept 30, 2018
Forum	1,128,385	607,771
Astor	8,427	226,683
Metra	45,588	85,360
Other	289,840	28,294
Total income per trademark - Real estate development segment	**1,472,240**	**948,108**

Geographic distribution	**Sept 30, 2019**	Sept 30, 2018
Argentina		
City of Buenos Aires	307,730	304,907
Rosario	45,588	85,848
Uruguay (Montevideo)	1,118,922	557,353
Total income per geographic distribution - Real estate development segment	**1,472,240**	**948,108**

Business segment: Construction and services

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

Type of project	**Sept 30, 2019**	Sept 30, 2018
Housing	2,090,754	2,222,475
Industrial	1,008,039	1,236,146
Business	1,727,562	316,990
Total income per project - Construction and services segment	**4,826,355**	**3,775,611**

(amounts stated in thousands of Argentine pesos)

TGLT

Note 41. Issued Standards and Interpretations (continued)

41.1 Breakdown of income (continued)

Business segment: Construction and services segment (continued)

Type of client	Sept 30, 2019	Sept 30, 2018
Private	4,207,414	2,887,786
Public	618,941	887,825
Total income per client - Construction and services segment	**4,826,355**	**3,775,611**

Type of contract	Sept 30, 2019	Sept 30, 2018
Costs formula	528,598	349,193
CAC ratio	2,307,642	2,266,420
Other	1,990,115	1,159,998
Total income per contract - Construction and services segment	**4,826,355**	**3,775,611**

41.2 Status of Contracts

	Dec 31, 2018	(+) New contracts	(-) Income	(+) Contract adjustments	Sept 30, 2019
Construction	8,158,235	2,880,191	(4,826,355)	207,588	6,419,659
Real Estate	4,443,666	537,073	(1,472,240)	154,656	3,663,155
Contracts balances	12,601,901	3,417,264	(6,298,595)	362,244	10,082,814

It does not include contracts for our Venice project, since we have an ownership interest of 49.99% in Marina Río Lujan, the developer of the project. The requirements laid down by IFRS 10 in relation to the "control" principle have not been met. Consequently, the Company's interest in María Río Luján S.A. is disclosed under "Investments in Companies".

Note 42. 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 refund of the credits maintained for the payment of the Minimum Presumed Income Tax for the 2011, 2012, and 2013 periods, for a total amount of $ 14,750, plus the settlement of interest. On February 18, 2019, the AFIP paid the amount of $ 14,735, plus interest totaling $ 4,043, considering the proceedings completed.

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.

Furthermore, on December 29, 2017, an administrative complaint was filed with AFIP for the tax refund of the 2012 and 2013 fiscal years, amounting to $ 3,018 and $ 2,141, respectively. In March 2018, the AFIP started tax audits that have not been completed to date.

Note 42. Refund of Minimum Presumed Income Tax credit (continued)

Since the income tax provision and the accounting records of TGLT S.A. for fiscal years 2016, 2017, and 2018 reflected the existence of tax losses and accounting losses, the case law of the Argentine Supreme Court of Justice regarding the inappropriateness of the payment of that tax is applicable, according to the recent ruling on "Diario Perfil S.A. vs. AFIP DGI on Dirección General Impositiva [General Tax Office]". Based on the foregoing, the Company did not set up any income tax provision in those fiscal years. Consequently, the financial statements as of December 31, 2016 to date do not include such liabilities, as the annual tax returns filed by the Company included no balance in favor of the Tax Authorities. The Company expects to offset the remaining balance not subject to refund based on its business revenue projections for the next fiscal years.

Note 43. Resolutions at Shareholders' Meetings

Execution of agreements for the Company's recapitalization:

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. In this sense, the Company has been analyzing and working on various alternatives to implement a recapitalization plan enabling it to reverse the negative shareholders' equity.

On January 25, 2019, the Company and certain holders (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. Furthermore, the Company and certain holders (the "AR holders") signed an agreement providing for a recapitalization plan by means of the voluntary swap of Convertible Corporate Notes for convertible preferred shares to be issued by the Company.

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 holders of 94.8% of Convertible Corporate Notes had accepted to defer the collection of coupon rates maturing on February 15, 2019.

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) and per US$ 1 of deferred interest. 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).

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.

Note 43. Resolutions at Shareholders' Meetings (continued)

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 higher of (a) 5.5556 common shares of TGLT per each Preferred Share; or (b) a certain number of common shares of TGLT yielding a result based on the weight average price by volume of each common share of TGLT in the market during the 10-day trading following the beginning of the Swap Offer. Furthermore, AR Holders that hold Preferred Shares will have a right of co-investment with the Company in future projects that TGLT (or a company wholly owned by TGLT) develops in Argentina or Uruguay, in which TGLT considers 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 holders of common shares of 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.

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, through the issue of up to 300,000,000 new preferred shares of the Company, with a nominal value of one peso 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 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; (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; and (c) the delegation to the Board of Directors, for a term of two (2) years the power to establish the terms and conditions for the issue and placement of the new preferred shares (including the power to decide an additional capital increase of up to 15 % 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.

At the Annual Shareholders' Meeting held on September 10, 2019, the Company approved, among other issues: (a) an increase in its capital stock through the issue of up to: (i) eighty million (80,000,000) of Class A Preferred Shares of nominal value one peso (AR $ 1) each, to be placed through a public offering in the country and/or private placement abroad (not registered under the US Securities Act of 1933 as amended) and to be paid in cash, in kind and/or through the capitalization of certain loans of which the Company is debtor, as determined by the Company's Board of Directors; (ii) two hundred and fifty million (250,000,000) Class B Preferred Shares of nominal value one peso (AR $ 1) each, to be placed through public offering in the country and/or private placement abroad (not registered under the US Securities Act of 1933 as amended), and to be paid in cash, in kind, and/or through the capitalization of certain loans of which the Company is a debtor, as determined by the Board of Directors, including but not limited to (y) a swap for common company shares; and/or (z) a swap for Convertible Corporate Notes; and (iii) thirty million (30,000,000) Class C Preferred Shares of nominal value one peso (AR $ 1) each, to be placed through public offering in the country and/or private placement abroad (not registered under the US Securities Act of 1933 as amended), and to be paid in cash through the exercise of the option, in accordance with the provisions of the Option.

(amounts stated in thousands of Argentine pesos)

Note 43. Resolutions at Shareholders' Meetings (continued)

Likewise, each of the Preferred Shares will be convertible into common shares of the Company, in accordance with the terms and conditions of each of the classes of Preferred Shares approved by the Shareholders' Meeting (the "Terms and Conditions"); (b) a stock premium ranging from AR $ 44 (Pesos forty-four) to AR $ 89 (Pesos eighty-nine) for each Preferred Share, as determined by the Board of Directors, or by one or more members of the Board of Directors, or by one or more senior managers to whom the Board will delegate that power; and (c) the delegation to the Board of Directors, for a term of two (2) years and with powers to sub-delegate to one or more of its members or one or more senior managers, among other issues: (i) the determination of the terms and conditions of the issuance and placement of Preferred Shares (and, if necessary, the modification of the Terms and Conditions); (ii) the determination of the amount of the issue within the maximum fixed by the Shareholders' Meeting (without prejudice to the oversubscription delegation), the time, term and other terms and conditions of issuance and payment of each of the classes of Preferred Shares; and (iii) the power - in accordance with the provisions of section 62 of the Capital Market Law - to resolve an additional capital increase by up to 15% (fifteen percent) of the number of authorized shares in the event that the amount of 80,000,000 Class A Preferred Shares and/or 250,000,000 Class B Preferred Shares and/or 30,000,000 Class C Preferred Shares, as applicable, is not sufficient to meet any excess demand or option due to oversubscription of shares under each of the public offering of Preferred Shares.

In addition, at such meeting the Company approved: (i) the creation of a new American Depositary Receipts Programs, whose underlying securities are each class of preferred shares to be issued; (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 Preferred Shares in favor of certain executives and employees of the Company; and (iii) the confirmation of the Directors appointed by the Supervisory Committee on May 10, 2019.

Note 44. 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 situation enabled the Company to continue with the construction of such real property development, up to the authorized height limit.

To date, the Company is awaiting judgment from the court of first instance.

Note 45. Information on investments in companies

45.1 Investment in associates

The Company holds direct ownership interests in the following associates:

Company name	Share capital and voting stock
Limp Ar Rosario S.A.	40%
America Pavilion S.A.	20%
Altos del Puerto S.A.	32%

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

(amounts stated in thousands of Argentine pesos)

Note 45. Information on investments in companies (continued)

45.1 Investment in associates (continued)

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

The Company formally initiated the provision of the urban hygiene and waste management service in the northern area of the city of Rosario in the aforementioned date. It is to note that Limp AR Rosario S.A. is not responsible for the treatment, nor the final disposal of the waste collected by it. Once collected, urban waste is taken to transfer areas, which are the responsibility of the Municipality, and then they are sent for treatment and/or final disposal.

Industrial, commercial or hazardous waste are not included in this objective. As from September 17, 2013, the provision of SEPARE program services was awarded to Limp AR Rosario S.A. by the Municipality of Rosario. Such service consists in the separation of waste in its two modes of collection: door to door and in reception centers.

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. has used such property to build some office and family housing buildings with parking spots.

	Limp Ar Rosario S.A.	America Pavilion S.A.
Non-current assets	174,290	2,641,075
Current assets	336,442	150,544
Non-current liabilities	56,750	2,697,251
Current liabilities	253,115	142,114
Shareholders' equity	**200,867**	**(47,746)**
	Profit/(Loss)	
Income from ordinary activities	812,739	-
Cost of sales	(680,808)	-
Administrative expenses	(47,857)	-
Financial results, net	(66,067)	(25,289)
Other income/loss	(252)	(1,448)
Income/(loss) before income tax	17,755	(26,737)
Income tax	(14,546)	12,453
Income/loss for the period	**3,209**	**(14,284)**

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 activity of the company has been discontinued, the shareholders have resolved the company's early dissolution. The company prepared the balance sheet for liquidation purposes on October 31, 2018. To the date of issuance of these financial statements, liabilities have been settled and assets have been liquidated. In February 2019, the Shareholders' Meeting approved the balance sheet and appointed a liquidator. The company is currently analyzing the administrative processes to register the company's dissolution with the IGJ.

45.2 Joint operations

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

As of September 30, 2019, the joint agreements entered into by the Company are as follows:

Company name	Share capital and voting stock
Caputo S.A.I.C. y F. – Farallon S.A. – S.E.S S.A. UTE ("Hospital Posadas")	40.00%
Caputo S.A.I.C. y F – 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%
CRIK S.R.L. - CAPUTO S.A.I.C. y F. UT	50.00%

(amounts stated in thousands of Argentine pesos)

Note 45. Information on investments in companies (continued)

45.1 Investment in associates (continued)

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

As of September 30, 2019, 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. And Eleprint S.A., the main purpose of which is the performance of the works needed (design, executive project, labor, and provision of materials and equipment) to complete the work "Concurso para la elaboración de proyecto, precio y plazo para la construcción de viviendas, en el predio Estación Sáenz, Ciudad Autónoma de Buenos Aires" (Bidding for the preparation of a project, price, and term for the construction of residential dwellings in Estación Sáenz, City of Buenos Aires).

As of September 30, 2019, the net assets added by these joint operations are as follows:

	Hospital Posadas	Hospital del Bicentenario	Museo Islas Malvinas	Procrear
Current assets	9,809,103	27,701,199	28,704,363	35,559,276
Current liabilities	3,320,379	33,030,950	28,055,236	35,815,850
Shareholders' equity	**6,488,724**	**(5,329,751)**	**649,127**	**(256,574)**
Income/loss for the year	**5,094,663**	**9,260,600**	**606,833**	**35,559,276**

45.3 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 pieces of real property 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.

(amounts stated in thousands of Argentine pesos)

Note 45. Information on investments in companies (continued)

45.3 Investment in joint operations (continued)

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 created in June 22, 2018 for the purposes of providing non-hazardous urban solid waste collection and transportation in the city of Córdoba from December 1, 2018 to November 30, 2026, with the possibility of extension 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	406,918	2,868,220	54,702	1,704,992	174,591
Current assets	121	891,833	1,040,012	41,219	397,078
Non-current liabilities	405,096	838,573	7,552	138,816	271,602
Current liabilities	2,153	1,380,432	359,200	32,629	223,329
Shareholders' equity	**(210)**	**1,541,048**	**727,962**	**1,574,766**	**76,737**
Income from ordinary activities	(402)	240,684	1,391,089	-	469,100
Cost of sales	-	(227,028)	(962,390)	-	(291,492)
Gain/loss on appraisal of investment property at fair value	-	14,986	-	-	-
Selling expenses	-	(14,028)	(547)	-	(14,981)
Administrative expenses	-	(25,412)	(70,064)	(6,135)	(29,309)
Financial results, net	(328)	(35,841)	(136,103)	-	(68,883)
Other income/loss	-	208,204	1,046	25,064	(9,595)
Income/(loss) before income tax	(730)	161,565	223,032	18,928	54,840
Income tax	63	(73,343)	(68,485)	(22,551)	(17,437)
Income/loss for the period	**(667)**	**88,222**	**154,547**	**(3,623)**	**37,403**

(*) Financial statements prepared under IFRS.

The financial statements of Marina Rio Luján include balances as of June 2019, restated as of September 2019.

45.4 Summary of balances per Company

	Notes	Sept 30, 2019	Dec 31, 2018
Fideicomiso Financiero Privado Inmobiliario de Administración Catalinas I		732,248	813,306
Marina Río Luján S.A.		1,003,906	992,197
SES. S.A.		1,247,455	897,706
Limp Ar S.A.		106,478	100,406
Newbery 3431 S.A.		89	228
Logística Ambiental Mediterránea		31,378	20,061
América Pavilion S.A.		1,198	-
UTE Museo Malvinas		165	2,592
UTE Hospital del Bicentenario		1,881	228
Total Investments in companies		**3,124,798**	**2,826,724**

Note 46. Negative shareholders’ equity, negative working capital and business plans

In the period ended September 30, 2019, TGLT has incurred significant losses, which added to accumulated losses, result in negative shareholder's equity. As of September 30, 2019, 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 recapitalization by voluntarily exchanging Convertible Corporate Notes into convertible preferred shares, jointly with the Business Plan to be applied since 2019, will enable to revert the situation described, as mentioned in Note 48.

Note 47. Financial statements approval

These consolidated financial statements as of September 30, 2019 and December 31, 2018, as well as the separate financial statements as of that date, were approved by the Company's Board of Directors at their meeting held on November 8, 2019.

Note 48. Recapitalization Support Agreement

On August 8, 2019, the Company signed, together with a substantial majority of the holders of the Convertible Notes (the "Consenting Holders"), a new recapitalization support agreement (the "New RSA"), through which the Company undertook to: (i) make a public offering of new Class A preferred shares of the Company (the "Class A Public Offer" and the "Class A Preferred Shares", respectively), which may be subscribed in cash and/or in kind and/or through capitalization of debts of the Company, at a subscription price per Class A Preferred Share of US$ 1 (or its equivalent in Pesos); (ii) make a public offering of new Class B preferred shares of the Company (the "Class B Preferred Shares"), which may be subscribed through (ii) the swap for common shares of the Company (the "Swap Offer of Common Shares"), at a swap ratio of one Class B Preferred Share for every 6.94 common shares of the Company; and/or (ii) the swap for Convertible Notes (the "Swap Offer for Convertible Notes" and, together with the Swap Offer for Common Shares, the "Class B Public Offer"), at a swap ratio of one Class B Preferred Share for every US$ 1 of Convertible Notes (including interest accrued and not paid under Convertible Notes); complementing this offer with a request for conformity from these Accepting Holders to modify certain provisions of the Indenture; and (iii) the granting of an option (the "Option") to Accepting Holders to subscribe new Class C preferred shares of the Company (the "Class C Preferred Shares" and, together with Class A Preferred Shares and Class B Preferred Shares, the "Preferred Shares") in a public subscription offer in cash (the "Class C Public Offering" and, together with the Class A Public Offering and the Class B Public Offering, the "Public Offering") to be carried out if: (a) the Class A Public Offering and the Class B Public Offering have taken place; and (b) a certain number of holders of the Option have exercised that option; at a subscription price per Class C Preferred Share of US$ 1 (or its equivalent in Pesos).

The preferential characteristics of such preferred shares will have regarding the collection of dividends, liquidation proceeds and voting rights were also established.

In addition, Preferred Shares are to be convertible into common shares of TGLT, either voluntarily or mandatorily under certain conditions described in the New Agreements. It is further stated that: (a) Class A Public Offering and Class B Public Offering shall take place jointly; (b) in each Public Offering, the holders of ordinary shares may exercise their rights of first refusal, in the terms provided by the Company's bylaws and the Capital Markets Law; and (c) the swap ratios and subscription prices provided for in the New RSA are subject to the resolutions adopted by the shareholders' meeting, the Company's sovereign body in the matter.

On the other hand, with the intention of allowing and facilitating the implementation of the Optimized Recapitalization Plan, on August 8, 2019, the Company also signed an agreement with a substantial majority of the holders of Convertible Notes (the "IDA Holders") to defer payment of interest payable as of February 15, 2019 and August 15, 2019 until November 8, 2019 (the "New IDA" and, together with the New RSA, the "New Agreements"). It is expressly stated that the deferral of interest will apply only and exclusively to IDA Holders who voluntarily decide to subscribe the New IDA; interest payable on August 15, 2019 (and February 15, 2019, if applicable) by holders of Convertible Notes who have not signed the New IDA as of that date will not be deferred. The Company continues working to obtain the support of the holders of Convertible Corporate Notes who, so far, have not signed the New Agreements in order to expand the number of consenting holders.

In support of the Optimized Recapitalization Plan, IRSA Propiedades Comerciales S.A. ("IRSA") and PointArgentum Master Fund LP ("PointArgentum"), as Accepting Holders, signed with the Company on August 8, 2019 two share subscription commitments whereby IRSA, on the one hand, and PointArgentum, on the other hand, undertook to make capital contributions to the Company (in cash and/or in kind and/or through the capitalization of certain loans granted to the Company, as applicable) for a total amount of US$ 39,000,000, through the subscription of Class A Preferred Shares under the Class A Public Offer (the "Subscription Commitments").

The Company also signed on August 8, 2019, together with the Accepting Holders, the Option contract for the subscription of the Class C Preferred Shares (the "Option Contract") granting to the holders of Convertible Notes who are a party to it or become a party to the New Agreements up to a certain date, the right to exercise a subscription option for Class C Preferred Shares, whose offer will be contingent upon the provisions of the Option Contract and the New RSA.

Also, as evidence of the Consenting Holders' trust in the Company's capacity of creating value through the generation of new investment projects, within the framework of the operation described, it was agreed that those Consenting Holders that hold Class B Preferred Shares will have a right of co-investment with the Company in future projects that TGLT (or a company wholly owned by TGLT) develops in Argentina or Uruguay, in which TGLT considers 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.

Note 48. Recapitalization Support Agreement (continued)

The New Agreements establish certain milestones to be fulfilled in the process of implementing the Optimized Recapitalization Plan in the near future, including: (i) the approval of the issuance of Preferred Shares and Public Offers by the Shareholders' Meeting of TGLT; (ii) the launch of the Swap Offer for Convertible Notes; (iii) the launch of the Class A Public Offer; (iv) compliance with Class A Public Offer and Class B Public Offer; and (v) the exercise of the Option; all this in order to complete the implementation of the Optimized Recapitalization Plan as soon as possible.

The provisions of this agreement were approved by the Extraordinary General Shareholders' Meeting held on September 10, as detailed in Note 43.

Note 49. Subsequent events

On October 30, 2019, the CNV authorized, amongst other things, the public offering of up to 80,000,000 Class A, registered, preferred shares, with a nominal value of 1 peso each and one vote per share, convertible into common shares and entitled to preferred and cumulative dividends to be accrued as from the date of issue, which may be increased to a total amount of up to 92,000,000 shares with a nominal value of up to 92,000,000 pesos, to be paid in cash and/or in kind through the contribution of 100% of IRSA Propiedades Comerciales S.A.'s shares in La Maltería S.A. (According to the terms of the Agreement executed with such company on August 8, 2019); and/or through the capitalization of debts, by the capitalization of principal and interest and further amounts owed by the company under any of the privately traded Corporate Note Series, whose issuance was approved by the Company's Board of Directors on July 15, 2019 (according to the terms of the Agreement signed with PointArgentum Master Fund LP on August 8, 2019).

Furthermore, the CNV authorized TGLT's public offering of up to 250,000,000 Class B, registered, preferred shares, with a nominal value of 1 peso each and 1 vote per share, convertible into common shares and entitled to the collection of preferred and cumulative dividends to be accrued as from the date of issue, which may be increased to a total amount of up to 287,500,000 shares with a nominal value of up to 287,500,000 pesos, to be paid in cash and/or in kind, through the exchange for common shares and/or subordinated Corporate Notes, convertible into shares, issued by the company on August 3, 2017 and/or for deferred interest rights under those Convertible Corporate Notes.

The above authorization was subject to the presentation and compliance by the CNV of the final prospectus, adjusted based on the comments made and requirements listed in the file; on November 1, 2019 TGLT has published through the CNV, MAE and ByMA the prospectus and summarized prospectus .

At the meeting held on November 1, 2019, the Company's Board of Directors decided, among other matters, to call a meeting of holders of Corporate Notes convertible into new common shares in the amount of US$ 150,000,000, maturing in 2027, authorized by Resolution No. 18773 of the Argentine Securities Commission ("CNV") dated June 13, 2017 (the "Convertible Corporate Notes"), and issued under the trust agreement dated August 3, 2017 entered into between TGLT, The Bank of New York Mellon (the "Trustee") and Banco Santander S.A., as amended on April 20, 2019 (the "Indenture"), to be held on November 22, 2019 in order to discuss the matters indicated in the Reporting Summary.

No other events or transactions have occurred from period-end to the date of issuance of these financial statements that would have a material effect on the financial position of the Company as of September 30, 2019, or the results of its operations at such period-end.

CONDENSED SEPARATE FINANCIAL STATEMENTS

TGLT S.A.

AS OF SEPTEMBER 30, 2019

(PRESENTED COMPARATIVELY)

TGLT S.A.

CONDENSED SEPARATE FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2019 AND DECEMBER 31, 2018
(amounts stated in thousands of Argentine pesos)

	Notes	Sept 30, 2019	Dec 31, 2018
Non-current assets			
Property, plant and equipment	5	113,907	125,729
Intangible assets	6	32,709	56,846
Investment property	7	45,912	474,346
Investments in companies	8	4,110,904	3,812,831
Inventories	11	1,333,040	1,322,416
Receivables from related parties	31	152,254	44,310
Deferred tax assets	12	850,176	854,817
Contract assets		1,421	1,957
Other receivables	13	5,788	466,223
Accounts receivable from sales	14	40,974	45,711
Total non-current assets		**6,687,085**	7,205,186
Current assets			
Inventories	11	321,950	286,739
Other assets		-	1,107,750
Assets held for sale		-	197,745
Other receivables	13	863,891	1,209,520
Receivables from related parties	31	1,689,589	1,481,608
Accounts receivable from sales	14	1,957,823	1,733,732
Cash and cash equivalents	15	115,259	1,088,581
Total current assets		**4,948,512**	7,105,675
Total Assets		**11,635,597**	**14,310,861**
NET EQUITY		**(3,327,053)**	(1,791,179)
LIABILITIES			
Non-current liabilities			
Contract liabilities	17	546,141	1,665,645
Other accounts payable	16	-	1,315,563
Payables to related parties	31	315,294	176,612
Loans	18	6,036,155	5,994,351
Other tax burden	19	6,553	12,410
Total non-current liabilities		**6,904,143**	9,164,581
Current liabilities			
Provisions and allowances	22	109,670	216,896
Contract liabilities	17	1,919,318	899,309
Other accounts payable	16	1,594,852	2,910,163
Payables to related parties	31	333,686	271,174
Loans	18	2,360,311	967,938
Other tax burden	19	95,243	157,125
Payroll and social security contributions	20	163,588	173,905
Trade payables	21	1,481,839	1,340,949
Total current liabilities		**8,058,507**	6,937,459
Total Liabilities		**14,962,650**	**16,102,040**
Total Shareholders' equity and liabilities		**11,635,597**	**14,310,861**

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

TGLT S.A.

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION AND OF OTHER COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

(amounts stated in thousands of Argentine pesos)

	Notes	NINE MONTHS		THREE MONTHS	
		Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Income from ordinary activities	24	5,180,582	369,258	1,824,694	42,373
Cost of ordinary activities	25	(4,302,269)	(667,119)	(1,565,750)	(176,676)
Gross profit		**878,313**	**(297,861)**	**258,944**	**(134,303)**
Selling expenses	26	(295,623)	(82,902)	(129,468)	(14,729)
Administrative expenses	27	(355,142)	(204,269)	(128,968)	(75,990)
Other operating costs		(133,567)	(1,005,261)	(80,164)	(149,856)
Other expenses		(24,137)	(470)	(8,043)	(185)
Investment property appraisal at fair value	7	15,912	1,546,100	11,142	482,072
Income from sale of investment property	7	(107,476)	-	-	-
Other income and expenses, net	29	188,069	111,576	3,062	(24,884)
Operating income/loss		**166,349**	**66,913**	**(73,225)**	**82,123**
Gain/loss on investments in companies		10,744	1,009,483	138,858	286,786
Financial and holding results, net					
Exchange gains/losses	28	(2,982,353)	(4,706,273)	(2,148,643)	(2,633,099)
Financial income	28	325,191	141,639	194,523	89,607
Financial costs	28	(1,091,223)	(853,032)	(407,794)	(397,859)
Gains/losses from the exposure to changes in the currency purchasing power		2,113,425	(337,151)	527,431	410,380
Income (loss) for the period before income tax		**(1,457,867)**	**(4,678,421)**	**(1,768,850)**	**(2,162,062)**
Income tax	30	19,943	1,518,988	130,036	514,909
Income/loss for the period		**(1,437,924)**	**(3,159,433)**	**(1,638,814)**	**(1,647,151)**
Other comprehensive income/loss					
Foreign exchange gain (loss) of a net investment abroad		(96,975)	(165,827)	(69,569)	(88,257)
Total other comprehensive income/loss		**(96,975)**	**(165,827)**	(69,569)	(88,257)
Total comprehensive income/loss for the period		**(1,534,899)**	**(3,325,260)**	**(1,708,383)**	**(1,735,408)**
Income/loss per share attributable to parent company's owners					
Basic		**(19.03)**	**(44.53)**	-	-
Diluted		**1.10**	**(11.81)**	-	-

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

TGLT S.A.

CONDENSED SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

(amounts stated in thousands of Argentine pesos)

	Capital								Reserves			Income/loss	
	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	Unappropriated retained income/loss	Total
Adjusted balances as of January 1, 2019	71,993	592,782	2,625,171	(220)	80,247	777,455	4,147,428	(50,854)	556	10,566	(290,827)	(5,608,048)	(1,791,179)
Shares to be issued	-	-	-	-	(357)	-	(357)	(618)	-	-	-	-	(975)
Swap of shares (1)	8,662	1,953	60,364	-	(70,979)	-	-	-	-	-	-	-	-
Other comprehensive loss for the period, net of income tax	-	-	-	-	-	-	-	-	-	-	(96,975)	-	(96,975)
Income (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	(1,437,924)	(1,437,924)
Balances as of September 30, 2019	**80,655**	**594,735**	**2,685,535**	**(220)**	**8,911**	**777,455**	**4,147,071**	**(51,472)**	**556**	**10,566**	**(387,802)**	**(7,045,972)**	**(3,327,053)**

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

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

TGLT

TGLT S.A.

CONDENSED SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

(amounts stated in thousands of Argentine pesos)

	Capital							Reserves			Income/loss	
	Capital stock	Capital adjustment	Stock premium	Buyback premium	Capital contribution	Total	Transactions between shareholders	Legal reserve	Optional reserve	Foreign currency translation reserve	Unappropriated retained income/loss	Total
Balance as of January 1, 2018	70,349	591,281	2,596,915	(220)	1,476,819	4,735,144	(50,237)	556	10,565	(141,966)	(3,412,977)	1,141,085
Translation of shares	1,644	1,502	28,247	-	(8,575)	22,818	-	-	-	-	-	22,818
Acquisition of companies	-	-	-	-	-	-	-	-	-	-	-	-
Income/loss for the period	-	-	-	-	-	-	-	-	-	-	(3,159,433)	(3,159,433)
Other comprehensive loss for the period, net of income tax	-	-	-	-	-	-	-	-	-	(165,827)	-	(165,827)
Comprehensive loss for the period	-	-	-	-	-	-	-	-	-	(165,827)	(3,159,433)	(3,325,260)
Balances as of September 30, 2018	**71,993**	**592,783**	**2,625,162**	**(220)**	**1,468,244**	**4,757,962**	**(50,237)**	**556**	**10,565**	**(307,793)**	**(6,572,410)**	**(2,161,357)**

TGLT S.A.

CONDENSED SEPARATESTATEMENT OF CASH FLOWS

FOR THE FISCAL PERIODS ENDED SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018

(amounts stated in thousands of Argentine pesos)

	Sept 30, 2019	Sept 30, 2018
Operating activities		
Income/loss for the period	(1,437,924)	(3,159,433)
Income tax	(19,943)	(1,518,988)
Gain/loss on long-term investments	(10,744)	(1,009,483)
Depreciation of property, plant and equipment	21,368	2,830
Gain/loss on sale of property, plant and equipment	-	(184)
Gain/loss on sale of other assets	(145,777)	(168,849)
Gain/loss on sale of investment property	107,476	-
Amortization of intangible assets	24,137	381
Gain/loss on fair value of investment property	(15,912)	(1,546,100)
Exchange gains/losses and accrued interest	3,268,777	5,043,001
Other expenses	-	848,975
Present value of assets and liabilities	83,879	-
Effect of financial statements conversion	(96,975)	(165,827)
RECPAM	(2,411,432)	(316,510)
Changes in operating assets and liabilities		
Receivables from sales	(219,354)	(60,548)
Other receivables	903,039	17,887
Receivables from related parties	(315,925)	(1,114,498)
Other assets	1,253,527	37,164
Inventories	(45,835)	222,048
Assets held for sale	197,745	100,973
Tax assets	4,641	81,901
Contract assets	536	(1,591)
Trade payables	140,890	21,661
Payroll and social security contributions	(10,317)	7,726
Other tax burden	(47,796)	(6,813)
Balances with related parties	201,194	577,933
Contract liabilities	(99,495)	17,088
Provisions	(107,226)	(8,645)
Other accounts payable	(1,326,002)	1,885,878
Net cash flows provided by operating activities	**(103,448)**	**(212,023)**
Investment activities		
Investments not considered as cash	-	5,733
Payments for purchase of investment property	336,870	(6,473)
Collections from sale of other assets	304,092	307,973
Collections from sale of property, plant and equipment	-	184
Payments for purchase of property, plant and equipment	(9,546)	(783)
Payments for purchase of intangible assets	-	(1,012)
Payments for purchases of shares in companies	(1,388,751)	(3,270,655)
Dividends from associates	33,283	-
Contributions in associates	(2,159)	(9,451)
Net cash flows provided by investing activities	**(726,211)**	**(2,974,484)**
Financing activities		
Loans (Note 18)	(440,695)	171,606
Capital contribution	(975)	-
Net cash flows provided by financing activities	**(441,670)**	**171,606**
Net decrease in cash and cash equivalents	(1,271,329)	(3,014,901)
Gain/loss on the exposure to changes in the currency purchasing power due to cash and cash equivalents	298,007	653,661
Cash and cash equivalents at beginning of the period	1,088,581	2,387,740
Cash and cash equivalents at period-end (see Note 15)	**115,259**	**26,500**

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

Note 1. Purpose of the financial statements

These separate financial statements (hereinafter the "financial statements") as of September 30, 2019 and 2018, 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, taking into account the provisions of IAS 34.

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 of presentation of the separate financial statements

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

There are no new developments to report regarding the accounting policies applied to the preparation of the separate financial statements as of September 30, 2019. Therefore, for the preparation of the separate 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 ended December 31, 2018 has been comparatively presented.

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

These separate financial statements are for the fiscal period beginning January 1, 2019 and ended September 30, 2019. As per IFRS, the financial information is comparatively presented with the most recent fiscal year ended December 31, 2018, 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.

(amounts stated in thousands of Argentine pesos)

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

As of June 30 2019 and 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 separate 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 the meeting held on November 8, 2019.

Note 5. Property, plant and equipment

	Furniture and fixtures	**Hardware**	**Leasehold improvements**	**Motor vehicles**	**Automobile elevators**	**Machinery**	**Formwork**	**Total**
Original value								
Balance as of January 1, 2019	7,983	11,188	44,934	19,498	812	111,188	14,207	209,810
Acquisitions	-	-	3,434	12	1,082	4,609	409	9,546
Total	**7,983**	**11,188**	**48,368**	**19,510**	**1,894**	**115,797**	**14,616**	**219,356**
Depreciation and impairment								
Balance as of January 1, 2019	(5,268)	(9,970)	(29,465)	(8,132)	(657)	(25,675)	(4,914)	(84,081)
Depreciation	(415)	(479)	(7,578)	(2,739)	(970)	(7,483)	(1,704)	(21,368)
Total	**(5,683)**	**(10,449)**	**(37,043)**	**(10,871)**	**(1,627)**	**(33,158)**	**(6,618)**	**(105,449)**
Residual value as of Sept 30, 2019	**2,300**	**739**	**11,325**	**8,639**	**267**	**82,639**	**7,998**	**113,907**

(amounts stated in thousands of Argentine pesos)

Note 5. Property, plant and equipment (continued)

	Furniture and fixtures	Hardware	Leasehold improvements	Showroom	Motor vehicles	Automobile elevators	Machinery	Formwork	Total
Original value									
Balance as of January 1, 2018	6,873	9,109	7,788	56,980	-	-	-	-	80,750
Acquisitions	508	1,451	10,096	-	7,167	-	30,793	10,437	60,452
Acquisition of companies	602	628	27,050	-	12,331	812	80,395	3,770	125,588
Total	7,983	11,188	44,934	56,980	19,498	812	111,188	14,207	266,790
Depreciation and impairment									
Balance as of January 1, 2018	(4,668)	(8,567)	(7,294)	(54,974)	-	-	-	-	(75,503)
Depreciation	(520)	(953)	(5,654)	(2,006)	(2,952)	(81)	(7,532)	(1,921)	(21,619)
Acquisition of companies	(80)	(450)	(16,517)	-	(5,180)	(576)	(18,143)	(2,993)	(43,939)
Total	**(5,268)**	**(9,970)**	**(29,465)**	**(56,980)**	**(8,132)**	**(657)**	**(25,675)**	**(4,914)**	**(141,061)**
Residual value as of Dec 31, 2018	**2,715**	**1,218**	**15,469**	**-**	**11,366**	**155**	**85,513**	**9,293**	**125,729**

Note 6. Intangible assets

	Software	Software development	Trademarks	Contractual rights	Total
Original value					
Balance as of January 1, 2019	1,859	21,295	112	87,001	110,267
Total	**1,859**	**21,295**	**112**	**87,001**	**110,267**
Amortization and impairment					
Balance as of January 1, 2019	(1,763)	(19,928)	(93)	(31,637)	(53,421)
Amortization	(96)	(305)	(8)	(23,728)	(24,137)
Total	**(1,859)**	**(20,233)**	**(101)**	**(55,365)**	**(77,558)**
Residual value as of Sept 30, 2019	**-**	**1,062**	**11**	**31,636**	**32,709**

	Software	Software development	Trademarks	Contractual rights	Total
Original value					
Balance as of January 1, 2018	1,859	14,525	112	-	16,496
Acquisitions	-	1,148	-	-	1,148
Acquisition of companies	-	5,622	-	87,001	92,623
Total	**1,859**	**21,295**	**112**	**87,001**	**110,267**
Amortization and impairment					
Balance as of January 1, 2018	(1,748)	(13,570)	(83)	-	(15,401)
Acquisition of companies	-	(4,129)	-	-	(4,129)
Amortization	(15)	(2,229)	(10)	(31,637)	(33,891)
Total	**(1,763)**	**(19,928)**	**(93)**	**(31,637)**	**(53,421)**
Residual value as of Dec 31, 2018	**96**	**1,367**	**19**	**55,364**	**56,846**

(amounts stated in thousands of Argentine pesos)

Note 7. Investment property

As of September 30, 2019 and December 31, 2018, changes in investment property were as follows:

	Capital appreciation (1)	Under construction	Under lease	Total
As of January 1, 2019	474,346	-	-	474,346
Adjustment due to the exposure to changes in the currency purchasing power	(129,856)	-	-	(129,856)
Fair value adjustments	15,912	-	-	15,912
Sales for the year	(314,490)	-	-	(314,490)
Total as of September 30, 2019	**45,912**	**-**	**-**	**45,912**

	Capital appreciation (1)	Under construction	Under lease	Total
As of January 1, 2018	-	32,178	-	32,178
Acquisitions for the year	-	6,450	-	6,450
Transfer from Inventory	-	176,214	-	176,214
Addition of Caputo	599,897	(125,530)	54,302	528,669
Fair value adjustments	395,638	1,268,534	-	1,664,172
Depreciation of property for rent	-	-	(972)	(972)
Transfer to Inventory	-	(9,546)	-	(9,546)
Transfer to assets held for sale and other assets	-	(915,263)	-	(915,263)
Transfers	433,037	(433,037)	-	-
Sales for the fiscal year	(954,226)	-	(53,330)	(1,007,556)
Total as of December 31, 2018	**474,346**	**-**	**-**	**474,346**

The Company maintains as investment property the following items:

1- Investment property for capital appreciation:

In June 2018, the Company's Board of Directors decided a strategic change in the use of assets called Brisario, which consisted in reducing the saleable area affected to the urban development project by 49.65% and maintaining the remaining 50.35% as a reserve to increase its value. As a consequence of the aforementioned change, the proportional 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 did not exceed its recoverable value.

On March 21, 2019, the Company sold to Servicios Portuarios (Sepor) two plots of land located in Rosario, which were classified as held for capital appreciation. The sales value was agreed at US$ 6.034, payable as follows: a) US$ 2,200 within 15 working days from the date of execution; b) US$ 773 on August 11, 2019 or on the date on which TGLT has completed 35% of the public infrastructure work as agreed by the parties; c) US$ 773 on December 11, 2019 or on the date on which TGLT has completed100% of the public work and regulatory fencing; d) US$ 773 on April 30, 2020 or upon the handing over of possession of all apartments held by Servicios Portuarios in the Metra Puerto Norte project; in addition the following amounts have been discounted: a) US$ 613 as settlement of apartments of the Metra Puerto Noerte Project (tower two), and b) US$ 900 as payment of 30% of the value allocated to PLOT I committed to Servicios Portuarios. To the date of these financial statements, the Company has received payment of the first instalment.

(amounts stated in thousands of Argentine pesos)

Note 7. Investment property (continued)

As of September 30, 2019 the transaction resulted in a loss of $ 107,476, including related expenses, which is disclosed in Sale of investment property. In addition, receivables amount to $ 65,101, disclose in other current receivables.

Furthermore, on that date, the Company executed an agreement of annulment with Sepor, whereby it returned the plots of land that, as of December 31, 2018, were classified as other assets. As a consequence of such transaction, the Company has complied with the obligation towards Sepor associated with the delivery of apartments as payment for the plots of land returned, which as of December 31, 2018 were classified as other payables under Other accounts payable.

Also on March 21, 2019, the Company sold four plots of land of the Brisario project, located in the City of Rosario, Province of Santa Fe. The sales price of Plot 2 was US$ 3,200, which has been collected in full as of the date of issuance of these financial statements. Plots 3, 4, and 5 have been sold at a price of US$ 3,300. Twenty four hours after execution of the deed, the Company received payment of US$ 1,800, and the remaining balance of US$ 1,500 must be paid as follows: a) US$ 450 upon completion of 35% of the public work, and 35% of service work; b) US$ 675 against certification of 90% of the public work, which will be evidenced by the related level of progress certificate, and upon the certification of 90% of the service work, evidenced by the related original level of progress certificate issued by the construction company hired by TGLT; c) US$ 225 upon the issuance of the temporary certificate of receipt of the public work by the Municipality of Rosario; and d) US$ 150 upon the issuance of the final certificate by the Municipality of Rosario.

As of September 30, 2019, receivables in the amount of $86,085 are disclosed in receivables from the sale of assets under Other receivables.

Note 8. Investments in companies

	Notes	Sept 30, 2019	Dec 31, 2018
Fideicomiso Financiero Privado Inmobiliario de Administración Catalinas I	10	732,248	813,306
Marina Río Luján S.A.	10	1,003,906	992,197
SES. S.A.	10	1,247,455	897,705
Limp Ar S.A.	10	106,478	100,406
Newbery 3431 S.A.	10	89	230
Goodwill	9	986,106	986,106
América Pavilion S.A.	10	1,198	-
Logística Ambiental Mediterránea	10	31,378	20,061
UTE Hospital Nacional Posadas		165	2,592
UTE Museo Malvinas		1,881	228
Total Investments in companies		**4,110,904**	**3,812,831**

As of September 30, 2019 the Company recorded liabilities in the amount of $ 308,057 with TGLT Uruguay S.A., while at December 31, 2018 the balance was $ 167,058 with TGLT Uruguay, $ 8,120 with América Pavilion and $ 1,433 with Altos del Puerto S.A. Such liabilities are disclosed in “Balances with related parties” within non-current liabilities (Note 31).

(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, 2019	1,430,797	1,430,797
Total	**1,430,797**	**1,430,797**
Impairment		
Balance as of January 1, 2019		
Impairment loss	(444,691)	(444,691)
Total	**(444,691)**	**(444,691)**
Residual value as of September 30, 2019	**986,106**	**986,106**

	Caputo S.A.I.C .y F.	Total
Original value		
Balance as of January 1, 2018	1,430,797	1,430,797
Total	**1,430,797**	**1,430,797**
Impairment		
Balance as of January 1, 2018		
Impairment loss	(444,691)	(444,691)
Total	**(444,691)**	**(444,691)**
Residual value as of December 31, 2018	**986,106**	**986,106**

(amounts stated in thousands of Argentine pesos)

Note 10. Information on investments in companies

				Information on the issuer						
		As per the last financial statement issued								
Name of issuer and description of securities	**Nominal value**	**Sept 30, 2019**	**Dec 31 2018**	**Main business**	**Address**	**Closing date**	**Capital stock**	**Income/loss for the year**	**Equity**	**Ownership Interest**
Fideicomiso Financiero Privado Inmobiliario de Administración Catalinas I		732,248	813,306	Real estate development	San Martin 674 1°A - City of Buenos Aires – Republic of Argentina	12/31/2019	915,489	(3,623)	1,574,765	50
Marina Río Luján S.A. (1)(5)	$100 with 1 vote each	1,003,906	992,197	Construction and sale of real property	Enrique Butty 220 - 11th floor - Suite A - City of Buenos Aires – Republic of Argentina	12/31/2019	384,539	88,222	1,541,048	49.99
TGLT Uruguay S.A (2) and (3)	$U with 1 vote each (4)	(315,294)	(167,058)	Investor	Plaza Independencia 811 P.B. – Montevideo – Uruguay	12/31/2019	18,778	(196,252)	(324,404)	100
SES S.A. (1)	$ 1 of 1 vote each	1,247,455	897,705	Building company	Cerrito 1070 – 9th floor – City of Buenos Aires	12/31/2019	750	154,547	727,962	50
Limp Ar Rosario S.A (1)	$ 1 of 1 vote each	106,478	100,406	Urban hygiene and waste management services	Rua Clodomiro Amazonas N° 249. Floor 1 City of Sao Paulo. Brazil	12/31/2019	5,680	3,209	200,866	40
América Pavilion S.A. (1)	$ 1 of 1 vote each	1,198	(8,120)	Real estate investments, exploitation and development	Martin Coronado 3260. Floor 3 Suite 318, City of Buenos Aires	5/31/2019	400	(14,284)	(47,746)	20
Newbery 3431 S.A. (1)	$ 1 of 1 vote each	89	230	Real estate investments, exploitation and development	Martin Coronado 3260. Floor 3 Suite 318, City of Buenos Aires	12/31/2019	400	(667)	(210)	50
Logística Ambiental Mediterránea S.A. (1)	$100 with 1 vote each	31,378	20,061	Urban hygiene and waste management services	Arturo M. Bas 327 Ground floor. City of Córdoba Province of Córdoba	12/31/2019	28,000	37,403	76,737	51

(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.

(amounts stated in thousands of Argentine pesos)

Note 11. Inventories

Non-current	Sept 30, 2019	Dec 31, 2018
Projects under construction		
Astor San Telmo	1,175,378	1,002,009
Metra Puerto Norte	299,071	449,000
Impairment		
Metra Puerto Norte	(141,409)	(128,593)
Subtotal Inventories – non-current	**1,333,040**	**1,322,416**
Current		
Projects completed		
Astor Núñez	11,420	6,041
Astor Palermo	16,301	11,872
Forum Alcorta	43,791	58,318
Metra Puerto Norte	308,951	248,983
Other Projects	140	139
Impairment		
Forum Alcorta	(22,240)	(14,802)
Metra Puerto Norte	(36,413)	(23,812)
Subtotal Inventories - Current	**321,950**	**286,739**
Total Inventory	**1,654,990**	**1,609,155**

Note 12. Deferred tax assets

		Sept 30, 2019	Dec 31, 2018
Income tax		78,664	57,592
Minimum presumed income tax		54,752	75,390
Deferred tax	30	716,760	696,817
Minimum presumed income tax - Refund		-	25,018
Total tax assets		**850,176**	**854,817**

Note 13. Other receivables

Non-current	Notes	Sept 30, 2019	Dec 31, 2018
Security deposits in local currency		255	-
Security deposits in foreign currency	36	5,533	7,608
Advance payments to work suppliers		-	80,892
Receivables from swaps		-	377,723
Subtotal Other receivables – Non-current		**5,788**	**466,223**

(amounts stated in thousands of Argentine pesos)

Note 13. Other receivables (continued)

Current	Notes	Sept 30, 2019	Dec 31, 2018
Value added tax		1,803	71,346
Turnover tax		30,962	34,666
Social security taxes		4,357	-
Receivables from the sale of investment property	36	65,101	6,114
Receivables from the sale of assets held for sale	36	113,345	-
Insurance to be accrued in local currency		568	3
Insurance to be accrued in foreign currency	36	2,048	3,265
Advance payments to work suppliers in local currency		518,571	362,101
Advance payments to work suppliers in foreign currency	36	-	152,227
Expenses to be reported		7,445	106,526
Expenses to be reported in foreign currency	36	-	6
Expenses to be recovered		2,168	16,463
Maintenance fees to be recovered		38,999	38,910
Accounts receivable from swaps		84,311	222,224
Security deposits		72	450
Court deposits		813	-
Loans granted		459	48,878
Collectible equipment fund in local currency		1.	-
Collectible equipment fund in foreign currency	36	1,205	3,021
Advance payments for the purchase of real property		50	-
Collectible operative fund in local currency		72	140
Tax credits UTES		5,063	6,333
Sundry receivables UTES		9,969	6,574
Collectible operative fund in foreign currency	36	15	14
Receivables under litigation proceedings		1,963	2,868
Sundry in local currency		18,574	168,669
Sundry in foreign currency	36	14,348	-
Allowance for doubtful receivables		(58,391)	(41,278)
Subtotal other receivables – Current		**863,891**	**1,209,520**
Total other receivables		**869,679**	**1,675,743**

Note 14. Accounts receivable from sales

Non-current	Notes	Sept 30, 2019	Dec 31, 2018
Accounts receivable from sales of units in local currency		40,974	45,711
Subtotal accounts receivable from sales - Non-current		**40,974**	**45,711**
Accounts receivable from services rendered in local currency		1,954,335	1,688,488
Accounts receivable from services rendered in foreign currency	36	89	36
Accounts receivables for services rendered UTE MN		16,516	23,393
Accounts receivable from sales of units in local currency		37,515	18,147
Accounts receivable from sales of units in foreign currency	36	4,101	7,521
Allowance for bad debts in local currency		(53,542)	(3,853)
Allowance for bad debts in foreign currency	36	(1,191)	-
Subtotal Accounts receivable from sales - current		**1,957,823**	**1,733,732**
Total accounts receivable from sales		**1,998,797**	**1,779,443**

(amounts stated in thousands of Argentine pesos)

Note 14. Accounts receivable from sales (continued)

The maturity of accounts receivable from sales is the following:

Accounts receivable from sales	Sept 30, 2019	Dec 31, 2018
To become due		
Up to 3 months	1,716,853	1,708,082
From 3 to 6 months	1,857	5,360
From 6 to 9 months	2,527	1,732
From 9 to 12 months	1,896	2,467
Over 12 months	40,974	45,711
Overdue		
Up to 3 months	5,447	9,352
From 3 to 6 months	5,288	-
From 6 to 9 months	7,157	-
From 9 to 12 months	222	-
Over 12 months	216,576	6,739
	1,998,797	**1,779,443**

Note 15. Cash and cash equivalents

	Notes	Sept 30, 2019	Dec 31, 2018
Cash in local currency		810	1,462
Cash in foreign currency	36	-	1,750
Banks in local currency		4,337	12,858
Banks in foreign currency	36	62,889	1,057,845
Checks to be deposited		-	1,756
Mutual funds in local currency		47,223	-
Mutual funds in foreign currency	36	-	12,910
Total cash and cash equivalents		**115,259**	**1,088,581**

Note 16. Other accounts payable

Non-current	Notes	Sept 30, 2019	Dec 31, 2018
Purchase of shares in foreign currency	36	-	1,315,563
Subtotal other accounts payable – Non-current		-	**1,315,563**
Current			
Purchase of shares in foreign currency	36	1,518,164	1,520,441
Sundry creditors in foreign currency	36	25,341	26,216
Provision for directors' fees		4,472	8,869
Dividends to be paid in cash		295	406
Contributions to be subscribed		13	10
Security deposits in local currency		30	41
Other liabilities		8,284	1,288,836
Other liabilities– UTES		29,697	53,563
Deferred income		8,556	11,781
Subtotal other accounts payable – Current		**1,594,852**	**2,910,163**
Total other accounts payable		**1,594,852**	**4,225,726**

(amounts stated in thousands of Argentine pesos)

Note 17. Contract liabilities

Non-current	Sept 30, 2019	Dec 31, 2018
Advanced collections	623,991	1,750,602
Equipment fund	3,614	207
Operative fund	2	3
Other contract liabilities	19,100	23,407
Value added tax	(100,566)	(108,574)
Subtotal contract liabilities - Non-current	**546,141**	**1,665,645**
Current		
Advanced collections	1,899,919	876,039
Equipment fund	16,083	21,291
Operative fund	5,325	7,064
Value added tax	(2,009)	(5,085)
Subtotal contract liabilities - Current	**1,919,318**	**899,309**
Total contract liabilities	**2,465,459**	**2,564,954**

Note 18. Loans

Non-current	Notes	Sept 30, 2019	Dec 31, 2018
Corporate notes in foreign currency	36	6,035,579	5,991,831
Financial lease in local currency		365	2,046
Financial lease in foreign currency	36	211	474
Subtotal loans – Non-current		**6,036,155**	**5,994,351**
Current			
Bank overdrafts		79,881	202,283
Bank overdrafts in foreign currency	36	299	-
Loans received in local currency		8,015	26,699
Corporate Notes	36	2,268,802	731,390
Financial lease in local currency		2,964	7,293
Financial lease in foreign currency	36	350	273
Subtotal loans – Current		**2,360,311**	**967,938**
Total loans		**8,396,466**	**6,962,289**

(amounts stated in thousands of Argentine pesos)

Note 18. Loans (continued)

The following is a breakdown of loans and financing:

FOR THE PERIOD	Sept 30, 2019	Dec 31, 2018
Balance at beginning of period	6,962,289	2,768,268
Restatement of balances in constant currency	(1,895,495)	-
Addition due to acquisition	42,500	80,258
New disbursements under existing loans		1,446,843
Accrued interest	894,850	536,600
Effects of exchange rate variation	2,571,308	2,456,363
Bank overdrafts	(66,378)	157,115
Payment of principal	(15,343)	(250,950)
Payment of interest	(97,265)	(217,638)
Conversion of corporate notes	-	(14,570)
Effects of financial statements conversion		-
Balance at period-end	**8,396,466**	**6,962,289**

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

Note 19. Other tax burdens

Non-current	Sept 30, 2019	Dec 31, 2018
Municipal tax payment plan	-	23
Federal tax payment plan	6,553	12,387
Subtotal other tax burdens – Non-current	**6,553**	**12,410**
Current		
Withholdings and collections to be deposited	12,783	61,121
Wealth tax	2	-
Turnover tax	5,404	9,873
Stamp tax	3,732	3,218
Provincial taxes	50,266	23,462
Municipal taxes	-	4
Federal tax payment plan	3,346	41,799
Provincial tax payment plan	-	26
Municipal tax payment plan	69	267
Other tax burdens UTES	691	772
Provision for federal taxes	18,950	16,583
Subtotal other tax burdens – Current	**95,243**	**157,125**
Total other tax burdens	**101,796**	**169,535**

Note 20. Payroll and social security contributions

	Sept 30, 2019	Dec 31, 2018
Salaries payable	66,395	92,097
Social security contributions payable	24,464	30,394
Social security contributions payable - UTES	59	78
Provision for vacations	68,963	51,610
Federal tax payment plan SUSS	3,906	-
Advances to personnel	(199)	(274)
Total payroll and social security contributions	**163,588**	**173,905**

(amounts stated in thousands of Argentine pesos)

Note 21. Trade payables

Current	Notes	Sept 30, 2019	Dec 31, 2018
Suppliers in local currency		473,410	353,693
Suppliers in foreign currency	36	39,296	4,668
Deferred checks		-	192,562
Provision for expenses in local currency		51,552	143,530
Provision for expenses in foreign currency	36	6,911	46,720
Provision for works in local currency		641,096	478,511
Provision for works in foreign currency	36	1	1
Insurance payable in local currency		4	6
Insurance payable in foreign currency	36	1,296	1,173
Trade payables - – UTES		196,928	24,862
Contingency fund in local currency		70,563	94,373
Contingency fund in foreign currency	36	782	850
Subtotal trade payables - Current		**1,481,839**	**1,340,949**
Total trade payables		**1,481,839**	**1,340,949**

Note 22. Provisions and allowances

	Notes	Legal claims	Sept 30, 2019	Dec 31, 2018
In local currency				
Balances as of January 1, 2019		216,896	216,896	64,590
Exposure to changes in the currency purchasing power		(59,377)	(59,377)	-
Balances from acquisition of companies		-	-	174,432
Additions (I)		15,994	15,994	6,783
Recoveries (I)		(63,843)	(63,843)	-
Used during the fiscal period/year		-	-	(28,909)
Provisions in local currency		**109,670**	**109,670**	**216,896**
In foreign currency				
Balances as of January 1, 2019		-	-	514
Used during the fiscal period/year		-	-	(1,136)
Effects of exchange rate variation		-	-	622
Provisions in foreign currency		-	-	-
Total provisions		**109,670**	**109,670**	**216,896**

(I) Additions and recoveries are included in the statement of profit or loss in line “Other operating expenses”.

(amounts stated in thousands of Argentine pesos)

Note 23. Capital stock

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

	Sept 30, 2019	Dec 31,2018
Fully paid-in common shares	80,655,424	71,993,485
Total fully paid-in common shares	**80,655,424**	**71,993,485**

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

Note 24. Income from ordinary activities

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sep 30, 30.2019**	Sept 30, 2018
Revenue from delivery of goods	63,478	366,057	17,189	41,680
Income from services rendered	4,827,978	3,201	1,813,179	-
Income from the sale of inventories	289,126	-	(5,674)	693
Total income from ordinary activities	**5,180,582**	**369,258**	**1,824,694**	**42,373**

Note 25. Cost of ordinary activities

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Costs of delivery of inventories	128,514	666,738	106,488	176,295
Costs of sale of inventories	278,077	-	658	-
Cost of services rendered	3,895,678	381	1,458,604	381
Total cost of ordinary activities	**4,302,269**	**667,119**	**1,565,750**	**176,676**

Note 26. Selling expenses

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Payroll and social security contributions	96,151	16,007	30,950	938
Other payroll expenses	3,420	356	(93)	95
Rentals and common charges	8,728	1,047	795	305
Professional fees	1,039	7,763	451	478
Taxes, rates and contributions	173,919	29,454	94,231	2,994
Depreciation of property, plant and equipment	-	2,005	-	1,346
Travel and per diem expenses	642	155	415	(2,270)
Information technology and service expenses	3,038	883	885	(352)
Sales expenses	14	4,744	(68)	(365)
Advertising expenses	4,091	8,697	427	4,480
Office expenses	3,755	387	649	110
Post sales expenses	782	11,373	782	6,970
General expenses	-	31	-	-
Insurances	44	-	44	-
Total selling expenses	**295,623**	**82,902**	**129,468**	**14,729**

(amounts stated in thousands of Argentine pesos)

TGLT

Note 27. Administrative expenses

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Payroll and social security contributions	172,103	109,893	67,822	45,746
Other payroll expenses	4,304	2,457	(268)	930
Rentals and common charges	21,272	8,228	9,517	2,330
Professional fees	54,177	27,369	15,258	6,754
Directors’ fees	2,249	1,749	721	488
Supervisory audit committee’s fees	2,410	1,944	799	536
Taxes, rates and contributions	2,124	1,856	881	558
Public offering expenses	383	9,299	383	7,228
Depreciation of property, plant and equipment	21,368	825	5,457	(633)
Travel and per diem expenses	1,229	1,070	935	285
Information technology and services expenses	9,974	6,125	4,978	2,670
Office expenses	11,839	4,346	6,393	1,013
Equipment maintenance expenses	1,147	-	645	-
IP under construction maintenance expenses	-	706	-	706
General expenses	3,710	-	5	-
Tax on bank account debits and credits	43,901	23,653	14,576	7,293
Insurance	2,952	4,749	596	86
Total administrative expenses	**355,142**	**204,269**	**128,698**	**75,990**

Note 28. Financial results

	Loss			
	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Exchange gains/losses				
Exchange gains	330,885	1,252,348	161,819	248,572
Exchange losses	(3,313,238)	(5,958,621)	(2,310,462)	(2,881,671)
Total exchange gains/losses	**(2,982,353)**	**(4,706,273)**	**(2,148,643)**	**(2,633,099)**
Financial income				
Interest - financial income	299,323	56,442	182,826	16,074
Gain from financial instruments - IF	-	41,234	-	41,234
Income/loss on the sale of shares	-	-	-	-
Income/loss on the sale of IT	9,137	21,055	7,296	21,055
Income/loss on IT holdings	315	16,621	315	6,716
Present value of receivables - IF	1,297	892	(162)	(87)
Updated IF ratios	15,119	5,395	4,248	4,615
Total financial income	**325,191**	**141,639**	**194,523**	**89,607**
Financial costs				
Interest - financial costs	(998,936)	(700,377)	(370,040)	(330,997)
Subtotal interest	(998,936)	(700,377)	(370,040)	(330,997)
Other financial costs				
Income/loss from sales	-	(343)	-	3,067
Present value of receivables	(92,287)	(152,312)	(37,754)	(69,929)
Subtotal other financial costs	(92,287)	(152,655)	(37,754)	(66,862)
Total financial costs	**(1,091,223)**	**(853,032)**	**(407,794)**	**(397,859)**
Total financial income/loss	**(3,748,385)**	**(5,417,666)**	**(2,361,914)**	**(2,941,351)**

(amounts stated in thousands of Argentine pesos)

Note 29. Other income and expenses, net

	NINE MONTHS		THREE MONTHS	
	Sept 30, 2019	Sept 30, 2018	**Sept 30, 2019**	Sept 30, 2018
Sale of fixed assets	644	210	3	54
Expense recovery	6,068	14,462	4,692	2,373
Lawsuits and other contingencies	(34,802)	(2,529)	1,686	(2,217)
Debt forgiveness	-	-	-	138
Donations	(12)	-	72	-
Recovery of provision for expenses	-	3,725	-	312
Sale of other assets	145,777	168,849	-	(9,762)
Sundry	13,477	2,411	3,718	3,807
Contracts termination	56,917	(75,552)	(7,109)	(19,589)
Total Other income and expenses, net	**188,069**	**111,576**	**3,062**	**(24,884)**

Note 30. Income tax and deferred tax

Income tax assessed in accordance with IAS 12, which is included in the statement of profit or loss as of September 30, 2019 and 2018, is broken down as follows:

	Sept 30, 2019	**Sept 30, 2018**
Income tax	165,472	2,208,720
Deferred tax from temporary differences	(145,529)	(689,732)
Total income tax	**19,943**	**1,518,988**

Deferred tax as of each 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)	**Sept 30, 2019**	**Dec 31, 2018**
National source tax loss	1,547,217	1,060,073
Valuation of short-term investments	(31)	88
Financial costs	(30,437)	(45,594)
Property, plant and equipment	(2,635)	(7,014)
Intangible assets	(9,199)	(16,185)
Leasing	(707)	(142)
Bad debts	(33,838)	5,348
Valuation of investment property	101,861	146,699
Inventory valuation	(336,067)	(290,542)
Valuation in foreign currency	32,015	44,083
Convertible corporate notes	(698,663)	(651,425)
Other receivables	-	(48,638)
Income/loss from UTEs	(162)	(223)
Bonuses	18,250	25,129
Contract liabilities	287,926	128,955
Sundry provisions	201,983	335,648
Tax adjustment liabilities	(369,050)	-
Deferred income	8,297	10,557
Net position of deferred tax assets	**716,760**	**696,817**

(amounts stated in thousands of Argentine pesos)

Note 30. Income tax and deferred tax (continued)

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

	Sept 30, 2019	Sept 30, 2018
Income tax calculated at the prevailing tax rate on income before taxes	(479,370)	1,290,703
Adjustment Tax Reform Law No. 27430	3,440	29,150
Depreciation of vehicles	164	-
Non-deductible expenses	168	(2,833)
Directors' fees	585	(392)
Bad debts	689	-
Intangible assets	(2,969)	-
Interest	1,234	(700)
Inventory valuation	-	13,713
Permanent investments	39,405	189,329
Other	(35,323)	18
Property, plant and equipment	(736)	-
Provisions and allowances	20,111	-
RECPAM	328,639	-
Sale of assets	143,906	-
Income tax	**19,943**	**1,518,988**

Tax losses resulting from national source income, and accumulated as of June 30, 2019, may be used up to the dates indicated below:

	Pesos
Year	2019
2019	69,939
2020	56,422
2021	11,281
2022	163,768
2023	468,461
2024	777,346
Total	**1,547,217**

As to the tax inflation adjustment, the Tax Reform Law No. 27430, amended by Law No. 27468, applicable to fiscal years beginning January 1, 2018, states that:

(a) Such adjustment will be applicable in the fiscal year in which the percentage of variation in the general level of the national consumer price index (CPI) exceeds 100% in the thirty-six months prior to the closing of the fiscal year being calculated;

(b) With respect to the first, second and third year after its validity, this procedure will be applicable if the variation of that index, calculated from the beginning and until the end of each of those years, exceeds 55%, 30% and 15% for the first, second and third year of application, respectively; and

c) the adjustment for positive or negative tax inflation, as the case may be, applicable to the first, second, and third fiscal years beginning as from January 1, 2018, which should be calculated if the assumptions provided for in sections (a) and (b) above are verified, shall be applied in one third in that fiscal period and the remaining two thirds, in equal parts, in the following two fiscal periods.

(amounts stated in thousands of Argentine pesos)

Note 30. Income tax and deferred tax (continued)

At the end of an interim period, it must be determined if the conditions established by the income tax law to apply the inflation adjustment for tax purposes will be fulfilled by the end of the fiscal year. At the date of approval of these interim financial statements, there is sufficient evidence to conclude that in fiscal year 2019, it will be necessary to apply the inflation adjustment for tax purposes. Consequently, the current and deferred income tax has been recorded in the nine-month period ended September 30, 2019, incorporating the effects arising from the application of the inflation adjustment for tax purposes as provided for by the law.

The Company estimates its taxable income to determine the use of its deferred tax assets within five years, in accordance with Argentine Income Tax laws, which represent the basis for the recognition of deferred tax assets, tax losses, and minimum presumed income tax and value added tax credit balances. Recoverability thereof will depend on due and timely compliance with the delivery of any remaining project units and 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.

Note 31. 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	Sept 30, 2019	Dec 31, 2018
In foreign currency			
IRSA	36	49,248	44,310
Newbery 3431 S.A.		103,006	-
Total receivables from related parties – Non-current		**152,254**	**44,310**
RECEIVABLES FROM RELATED PARTIES – Current			
ACCOUNTS RECEIVABLE FROM SALES			
Marina Río Luján S.A.		4,243	256
FDB S.A. in local currency		2,461	3,389
FDB S.A. in foreign currency	36	3,186	2,831
Subtotal		**9,890**	**6,476**
OTHER RECEIVABLES			
Individual shareholders		2,374	3,449
Other shareholders		3,528	4,858
FDB S.A. in local currency		816	1,124
FDB S.A. in foreign currency	1 and 36	199,776	173,806
Marina Río Lujan S.A. in local currency		9,492	13,116
Marina Río Lujan S.A. in foreign currency	1 and 36	479,586	392,111
TGLT Uruguay S.A. in foreign currency	1 and 36	934,064	811,515
CAPUTO S.A - PYPSA S.A - SES S.A UTE		7,099	18,318
Eleprint S.A.		415	571
Logística Ambiental Mediterránea		19,676	16,354
GFDI S.A - CAPUTO S.A.- ELEPRINT S.A UTE		14,344	24,205
GFDI S.A - CAPUTO S.A.- SES S.A UTE		8,529	11,744
Limp Ar Rosario S.A.		-	3,961
Subtotal		**1,679,699**	**1,475,132**
Total receivables from related parties – Current		**1,689,589**	**1,481,608**
Total receivables from related parties		**1,841,843**	**1,525,918**

(amounts stated in thousands of Argentine pesos)

Note 31. Related parties (continued)

PAYABLES TO RELATED PARTIES – Non-current	Notes	Sep 30, 2019	Dec 31 2018
OTHER ACCOUNTS PAYABLE – INVESTMENTS IN COMPANIES			
Altos del Puerto S.A.		-	1,433
America Pavilion S.A		-	8,120
TGLT Uruguay S.A.		315,294	167,058
Subtotal		**315,294**	**176,612**
Total payables to related parties – Non-current		**315,294**	**176,612**

PAYABLES TO RELATED PARTIES – Current	Notes	Sep 30, 2019	Dec 31, 2018
OTHER ACCOUNTS PAYABLE			
Marina Río Luján S.A.		11,263	395
FDB S.A. in foreign currency	36	263,303	237,338
CAPUTO S.A.- GFDI S.A - SES S.A UTE		3,147	4,391
CRIK S.R.L. - CAPUTO S.A.I.C. y F. UT		54,066	2,754
Limp Ar Rosario S.A.		1,907	26,296
Subtotal		**333,686**	**271,174**
Total payables to related parties – Current		**333,686**	**271,174**
Total payables to related parties		**648,980**	**447,786**

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

- Transactions and their effects on cash flow

Name of related party	Transaction	Sep 30, 2019	Sep 30, 2018
AGL S.A.	Collections received	-	4,505
AGL S.A.	Payments made	-	(453)
Altos del Puerto S.A.	Financial contributions	(129)	6,759
Altos del Puerto S.A.	Compensation	1,385	-
America Pavilion S.A.	Collections received	40,055	-
Fideicomiso Nuevo Quilmes	Collections from dividends	-	1,010
FDB S.A.	Collections received	228	-
Limp Ar Rosario S.A.	Collections from services rendered	-	1,236
Limp Ar Rosario S.A.	Collections from dividends	-	}9,750
Limp Ar Rosario S.A.	Dividends	13,880	-
Limp Ar Rosario S.A.	Compensation	(14,450)	-
Limp Ar Rosario S.A.	Loans borrowed	-	8,876
Logística Ambiental Mediterránea	Financial contributions	-	(14,358)
Logística Ambiental Mediterránea	Loans granted	(10,799)	-
Marina Río Luján S.A.	Loans granted	(98,000)	-
Marina Río Luján S.A.	Collections received	464	101
Marina Río Luján S.A.	Payments made	10,975	-
Marina Río Luján S.A.	Write-off due to capitalization	-	293,359
Newbery 3431 S.A.	Loans granted	-	(124,474)
SES S.A	Dividends	8,744	-
SES S.A.	Collections received	-	23,311
TGLT Uruguay S.A.	Collections received	2,045	-
TGLT Uruguay S.A.	Financial contributions	-	(821)
CRIK S.R.L. - CAPUTO S.A.I.C. y F. UT	Collections received	36,716	-
CRIK S.R.L. - CAPUTO S.A.I.C. y F. UT	Financial contributions	15.350	-
CAPUTO S.A - PYPSA S.A - SES S.A UTE	Financial contributions	6,204	5,155
GFDI S.A - CAPUTO S.A.- SES S.A UTE	Financial contributions	(46)	-
GFDI S.A - CAPUTO S.A.- ELEPRINT S.A UTE	Financial contributions	3,235	(10,599)
Total		**15,857**	**203,357**

(amounts stated in thousands of Argentine pesos)

Note 31. Related parties (continued)

- Transactions and their effects on profit/loss

		Income	
Name of company	**Transaction**	**Sep 30, 2019**	Sept 30, 2018
AGL S.A.	Services provided	-	1,873
AGL S.A.	Financial results	-	(154)
Altos del Puerto S.A.	Financial results	-	(7,846)
América Pavilion S.A.	Income/loss on higher value	(131,258)	-
Directors	Professional fees	-	(1,402)
FDB S.A.	Services provided	51	-
FDB S.A.	Financial results	(26,110)	-
Limp Ar Rosario S.A.	Services provided	1,397	1,843
Limp Ar Rosario S.A.	Income/loss on dividends	13,880	10,502
Limp Ar Rosario S.A.	Structure expenses	-	(3,031)
Marina Río Luján S.A.	Services provided	4,411	-
Marina Río Luján S.A.	Financial results	103,841	178,869
Newbery 3431 S.A.	Financial results	-	6,369
Other shareholders	Income/loss on bad debts	-	(18)
SES S.A	Income/loss on dividends	8,744	32,523
TGLT Uruguay S.A.	Financial results	332,452	(2,841)
Total		307,408	216,687

1. Loans granted

On April 1, 2018, the Company capitalized seventy per cent (70%) of the principal balances (excluding interest) of Offer Letters 1/16, 1/ 17, 2/ 17, 3/17 and 4/17, whereby the credit line agreements entered into with Marina Rio Lujan, for a total amount of US$15,000, were documented 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.

On July 3, 2019, the Company applied US$ 2,163,936 equivalent to $ 90,885,312, to offset the purchase of a bunch of units from the Venice Project.

Balances in foreign currency							Sep 30, 30.2019		Dec 31, 2018	
Entity	**Credit line**	**Capital US$**	**Maturity**	**Capitalization/ Compensation**	**Disbursement US$**	**Rate**	**Current**	**Non-current**	**Current**	**Non-current**
FDB S.A. (1)	01-2016	20,000	9/30/2020	-	2,948	5.36%	199,776	-	173,806	-
TGLT Uruguay (1)	01-2015	20,000	9/30/2020	-	14,310	5.36%	934,064	-	811,514	-
MRL (2)	01-2016	2,000	9/30/2020	(2,000)	2,000	0.05%	698	-	628	-
MRL	01-2017	1,000	9/30/2020	(974)	974	0.05%	14	-	12	-
MRL	02-2017	2,000	9/30/2020	(2,000)	2,000	0.05%	48	-	43	-
MRL	03-2017	5,000	9/30/2020	(4,508)	4,885	0.05%	53	-	48	-
MRL	04-2017	5,000	9/30/2020	(4,729)	4,913	0.05%	32,367	-	131,795	-
MRL	01-2018	5,000	9/30/2020	-	5,170	0.05%	296,816	-	155,108	-
							1,463,836	**-**	**1,272,954**	**-**

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

(2) Annual fixed rate

(amounts stated in thousands of Argentine pesos)

Note 32. Receivables, tax assets and payables broken down by maturity and interest rates

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

Receivables/tax assets	**Sept 30, 2019**	**Dec 31, 2018**
To become due		
Up to 3 months	2,141,329	3,316,807
From 3 to 6 months	133,368	175,441
From 6 to 9 months	293,600	210,518
From 9 to 12 months	1,614,308	434,984
Over 12 months	1,049,192	1,429,683
Without any established term	79,660	252,011
Overdue		
Up to 3 months	5,447	-
From 3 to 6 months	5,288	9,460
From 6 to 9 months	7,157	275
From 9 to 12 months	222	-
Over 12 months	230,924	6,742
	5,560,495	**5,835,921**

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

Payables (except for customer advances to third and related parties)	**Sep 30, 2019**	**Dec 31, 2018**
To become due		
Up to 3 months	2,255,117	3,100,825
From 3 to 6 months	1,000,496	1,939,783
From 6 to 9 months	2,000,342	42,037
From 9 to 12 months	376,544	356,446
Over 12 months	6,358,002	7,498,936
Without any established term	515,043	599,059
	12,505,544	**13,537,086**

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

Receivables/Tax assets	**Sept 30, 2019**	**Dec 31, 2018**
Interest bearing	1,309,313	1,177,924
Non-interest bearing	4,251,182	4,657,997
	5,560,495	**5,835,921**
Annual nominal average rate:	**3%**	**4%**
Payables (except for customer advances to third and related parties)		
Interest bearing	5,108,655	7,089,099
Non-interest bearing	7,396,889	6,447,973
	12,505,544	**13,537,086**
Annual nominal average rate:	**15.75%**	**18%**

(amounts stated in thousands of Argentine pesos)

Note 33. Negative shareholders’ equity and business plans

TGLT has incurred in significant accumulated losses during prior years, which have resulted in a Negative shareholders’ equity; therefore, as of September 30, 2019, the Company is subject to the mandatory termination provisions of the law. Such circumstances must be addressed at the forthcoming Shareholders’ Meeting. The Company’s Management believes that TGLT’s recapitalization by voluntarily swapping convertible corporate notes into convertible preferred shares, jointly with the business plan, will allow to revert such negative scenario.

Note 34. CNV General Resolution No. 622

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

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

Note 35. Lawsuits

See Note 32 of the consolidated financial statements.

(amounts stated in thousands of Argentine pesos)

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Note 36. Assets and liabilities in foreign currency

Item	Sep 30, 2019 Type and amount of foreign currency		Exchange rate prevailing	Recorded amount in pesos	Dec 31 2018 Recorded amount in pesos
ASSETS					
Non-current assets					
Other receivables:					
Security deposit	US$	96	57.39	5,533	7,608
Receivables from related parties					
Other receivables	US$	858	57.39	49,248	44,310
Total non-current assets				**54,781**	**51,918**
Current assets					
Other receivables:					
Receivables from the sale of investment property	US$	1,134	57.39	65,101	6,114
Receivables from the sale of assets	US$	1,975	57.39	113,345	-
Prepaid insurance	US$	36	57.39	2,048	3,265
Expenses to be reported	US$	-	57.39	-	6
Collectible operative fund	US$	0.26	57.39	15	14
Advances to suppliers	US $	-	-	-	152,227
Equipment fund receivable	US$	21	57.39	1,205	3,021
Miscellaneous	US$	250	57.39	14,348	-
Receivables from related parties:					
Receivables from sales	US$	56	57.39	3,186	2,831
Other receivables	US$	28,113	57.39	1,613,426	1,377,432
Accounts receivable from sales:					
Receivables for services rendered	US$	2	57.39	89	36
Receivables from sale of units	US$	71	57.39	4,101	7,521
Allowance for bad debts	US$	(21)	57.39	(1,191)	-
Cash and cash equivalents					
Cash	US$	-	57.39	-	1,750
Banks	US$	1,096	57.39	62,889	1,057,845
Mutual funds	US$	-	57.39	-	12,910
Total Current assets				**1,877,371**	**2,624,972**
Total assets				**1,932,152**	**2,676,890**

(amounts stated in thousands of Argentine pesos)

Note 36. Assets and liabilities in foreign currency (continued)

Item	Sep 30, 2019				Dec 31 2018
	Type and amount of foreign currency		Exchange rate prevailing	Recorded amount in pesos	Recorded amount in pesos
LIABILITIES					
Non-current liabilities					
Other accounts payable:					
Payable for purchase of shares	US$	-	57.59	-	1,315,563
Security deposit	US$	96	57.59	5,533	7,608
Loans:					
Corporate notes	US$	104,803	57.59	6,035,579	5,991,831
Finance leases	US$	4	57.59	211	474
Total non-current liabilities				**6,041,323**	**7,315,476**
Current liabilities					
Other accounts payable:					
Payable for purchase of shares	US$	26,362	57.59	1,518,164	1,520,441
Sundry creditors	US$	440	57.59	25,341	26,216
Payables with related parties:					
Other accounts payable	US$	4,572	57.59	263,303	237,338
Loans:					
Bank overdrafts	US$	5	57.59	299	-
Corporate notes	US$	39,396	57.59	2,268,802	731,390
Finance leases	US$	6	57.59	350	273
Trade payables:					
Suppliers	US$	682	57.59	39,296	4,668
Expense provision	US$	120	57.59	6,911	46,720
Provision for works	US$	0.02	57.59	1	1
Insurance payable	US$	23	57.59	1,296	1,173
Contingency fund	US$	14	57.59	782	850
Total current liabilities				**4,124,545**	**2,569,070**
Total liabilities				**10,165,868**	**9,884,546**

Note 37. 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.

37.1 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 37. Risks - Financial risk management (continued)

37.1 Market risks (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.

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.

37.2. 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 has been lately restricted due to situations outside the Company's control, such as the negative shareholders' equity recorded in the present financial statements, which made it difficult to obtain financing and/or refinancing. In this sense, the Company has been analyzing and working on various alternatives to implement a recapitalization plan enabling us to reverse the negative shareholders' equity and improve our access to the banking and capital markets. In January 2019, we entered into a recapitalization agreement with the holders of Convertible Corporate Notes, which provides for a voluntary swap of Convertible Corporate Notes for preferred shares ,which, to date has been signed by 65.6% of such holders. Notwithstanding the foregoing, TGLT continues working, within the conditions permitted by the applicable law, to obtain the support of the holders who did not participate in the previous conversations, in order to expand the number of participating holders. For more information see section "I.1.1 Execution of agreements for the Company's recapitalization. Optimizing the Company's Recapitalization Plan. Approval of the Company's capital increase" and "I.2.1 Approval of the Company's capital increase" in section "relevant subsequent events", respectively of the reporting summary.

Note 37. 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 payables denominated in US dollars in Argentina amounting to $177.1 million, mainly composed of the US$ 26.4 million owed to the former shareholders of Caputo, the issuance of 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, US$ 54 million out of which were registered 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 $ 143.5 million, which would be charged to income/loss for the fiscal year ended September 30, 2019.

Interest rate risks

The group is slightly exposed to interest rate volatility as around $ 82.8 million out of a total of $ 6,962 million, 1.19% of our financial liabilities, are subject to the Private BADLAR or the bank overdraft interest rates. We believe that should the rates increase by 100 basis points, a loss of $0.8 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 (except for Metra Puerto Norte, which includes post-possession installments adjustable by CAC or UVA ratios), with installments payable throughout the building process. These agreements provide for high penalties applicable to clients in case of default. In addition, in the Construction segment contracts, the speed of execution of some works will general depend on the client's capacity. As a result, we do not register high levels of uncollectibilty or default in payments. To the date of this reporting summary, 3.08% of our receivables from sales are classified as uncollectible.

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 to honor its financial debt. We think recapitalization is essential to gain adequate access to the banking and capital markets to finance short-term working capital needs and also generate the necessary tools to issue long-term debt.

Note 38. Recapitalization agreement

On August 8, 2019, the Company signed, together with a substantial majority of the holders of the Convertible Notes (the "Accepting Holders"), a new recapitalization agreement (the "New RSA"), through which the Company undertook to: (i) make a public offering for the subscription of new Class A preferred shares of the Company (the "Class A Public Offering" and the "Class A Preferred Shares", respectively), which may be subscribed in cash and/or in kind and/or by capitalization of debts of the Company, at a subscription price per Class A Preferred Share of US$ 1 (or its equivalent in Pesos); (ii) make a public offering of new Class B preferred shares of the Company (the "Class B Preferred Shares"), which may be subscribed through (i) the swap for common shares of the Company (the "Swap Offer for Common Shares "), at a swap ratio of one Class B Preferred Share for every 6.94 common share of the Company; and/or (ii) the swap for Convertible Notes (the "Swap Offer for Convertible Notes" and, together with the Swap Offer for Common Shares, the "Class B Public Offering"), at a swap ratio of one Class B Preferred Share for every US$ 1 of Convertible Notes (including interest accrued and not paid under Convertible Notes); complementing this offer with a request for conformity from these Accepting Holders to modify certain provisions of the Indenture; and (iii) the granting of an option (the "Option") to Accepting Holders to subscribe new Class C preferred shares of the Company (the "Class C Preferred Shares" and, together with Class A Preferred Shares and Class B Preferred Shares, the "Preferred Shares") in a public subscription offer in cash (the "Class C Public Offering" and, together with the Class A Public Offering and the Class B Public Offering, the "Public Offering") to be carried out if: (a) the Class A Public Offering and the Class B Public Offering have taken place; and (b) a certain number of holders of the Option have exercised that option; at a subscription price per Class C Preferred Share of US$ 1 (or its equivalent in Pesos). The preferences that these preferred shares will have, in terms of the collection of dividends, liquidation share and voting rights, are also established.

In addition, Preferred Shares are to be convertible into common shares of TGLT, either voluntarily or mandatorily under certain conditions described in the New Agreements. It is further stated that: (a) Class A Public Offering and Class B Public Offering shall take place jointly; (b) in each Public Offering, the holders of ordinary shares may exercise their rights of first refusal, in the terms provided by the Company's bylaws and the Capital Markets Law; and (c) the swap ratios and subscription prices provided for in the New RSA are subject to the resolutions adopted by the shareholders' meeting, the Company's sovereign body in the matter.

To allow and facilitate the implementation of the Optimized Recapitalization Plan, on August 8, 2019, the Company also signed, with a substantial majority of the holders of Convertible Notes (the "IDA Holders"), an agreement to defer payment of interest payable as of February 15, 2019 and August 15, 2019 until November 8, 2019 (the "New IDA" and, together with the New RSA, the "New Agreements"). It is expressly stated that the deferral of interest will apply only and exclusively to the IDA Holders who voluntarily decide to sign the New IDA, so the interest payable on August 15, 2019 (and February 15, 2019, if applicable) relating to holders of the Convertible Notes who have not signed the New IDA as of that date will not be deferred. The Company continues working to obtain the support of the holders of Convertible Corporate Notes who, so far, have not signed the New Agreements in order to expand the number of accepting holders.

In support of the Optimized Recapitalization Plan, IRSA Propiedades Comerciales S.A. ("IRSA") and PointArgentum Master Fund LP ("PointArgentum"), in their capacity as Accepting Holders, signed with the Company on August 8, 2019 two share subscription commitments, through which IRSA, on the one hand, and PointArgentum, on the other hand, undertook to make capital contributions to the Company (in cash and/or in kind and/or through the capitalization of certain claims against the Company, as applicable) for a total amount of US$ 39,000,000, through the subscription of Class A Preferred Shares under Class A Public Offering (the "Subscription Commitments").

Likewise, the Company signed on August 8, 2019, together with the Accepting Holders, the Option contract for the subscription of the Class C Preferred Shares (the "Option Contract"), granting to the holders of Convertible Notes who are parties, or become parties, to the New Agreements up to a certain date, the right to exercise a subscription option for Class C Preferred Shares, whose offer will be contingent upon the provisions of the Option Contract and the New RSA.

Note 38. Recapitalization agreement (continued)

Also, as evidence of the Accepting Holders' trust in the Company's capacity of creating value through the generation of new investment projects, within the framework of the operation described, it was agreed that those Accepting Holders that hold Class B Preferred Shares will have a right of co-investment with the Company in future projects that TGLT (or a company wholly owned by TGLT) develops in Argentina or Uruguay, in which TGLT considers 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.

The New Agreements establish certain milestones to be fulfilled in the process of implementing the Optimized Recapitalization Plan in the near future, including: (i) approval of the issuance of Preferred Shares and Public Offerings by the shareholders' meeting of TGLT; (ii) launching of the Swap Offer for Convertible Notes; (iii) launching of the Class A Public Offering; (iv) materialization of the Class A Public Offering and the Class B Public Offering; and (v) exercise of the Option; all this in order to complete the implementation of the Optimized Recapitalization Plan as soon as possible.

This was approved by the Extraordinary Shareholders' Meeting conducted on September 10, as detailed in Note 43 to the consolidated financial statements.

Note 39. Subsequent events

On October 30, 2019, the CNV authorized, among others, the public offering of up to 80,000,000 Class A preferred, registered shares of nominal value 1 peso each, entitled to 1 vote per share, convertible into common shares and with the right to preferred and cumulative dividends to be accrued from the date of issuance, extendable for a total amount of up to 92,000,000, representing up to a nominal value of 92,000,000 pesos, to be paid in cash and/or in kind, by the 100% of La Maltería SA's shares contributed by IRSA Propiedades Comerciales S.A. (as per the terms of the Agreement signed with that company on August 8, 2019); and/or by the capitalization of debts, through the capitalization of principal and interest and any other amounts owed by the company under any Series of Corporate Notes with private placement, the issuance of which was approved by the Board of Directors of the Company on July 15, 2019 (according to the terms of the Agreement signed with PointArgentum Master Fund LP on August 8, 2019)

It also authorized TGLT to make a public offering of up to 250,000,000 Class B preferred, registered shares of nominal value 1 peso each, convertible into common shares and with the right to preferred and cumulative dividends to be accrued as from the date of issuance, which may be extended up to a total of 287,500,000 , representing up to a nominal value of 287,500,000 pesos, to be paid-in in cash and/or in kind, by the swap of common shares and/or Subordinate Corporate Notes convertible into shares issued by the Company on August 3, 2017 and/or by the rights to deferred interest under those Corporate Notes.

Such authorizations were subject to the filing of the final prospectus with the CNV (adjusted as per the observations made in the signed file and all other requirements included therein) and to the CNV's approval of it; thus, on November 1, 2019, TGLT published the prospectus and summarized prospectus through the CNV, MAE and ByMA.

In addition, on November 1, 2019, the Company's Board Meeting decided, among other issues, to call a meeting of holders of Corporate Notes convertible into new common shares for an amount of US$ 150,000,000 maturing in 2027, authorized by Resolution No. 18773 issued by the CNV on June 13, 2017 (the "Convertible Corporate Notes"), and issued under the trust agreement dated August 3, 2017 entered into by and between TGLT, the Bank of New York Mellon (the "Trustee") and Banco Santander Río S.A., as amended on April 20, 2019 (the Indenture), to be hold on November 22, 2019, where all issues discussed in the Reporting Summary will be addressed.

No other events or transactions have occurred from period-end to the date of issuance of these financial statements, that would have a material effect on the financial position of the Company as of September 30, 2019, or the results of its operations at such period-end.

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

(amounts stated in thousands of Argentine pesos)

1. There are no specific and significant legal systems that involve contingent reestablishments or elimination of benefits that may adversely affect the Company.

2. There are no significant changes in the activity of the Company as of September 30, 2019.

3. Regarding the classification of receivables and payables balances by maturity, see Note 32 to the separate financial statements.

4. Regarding the classification of receivable and payable balances on the basis of their financial effects, see Note 32 to the separate financial statements.

a) A breakdown of investments, receivables and payables in foreign currency as of September 30, 2019, is disclosed in Note 36 to the separate financial statements.

b) There are no assets or liabilities subject to any adjustment clause.

5. Breakdown of the percentage of interest held in companies under section 33 of Law N ° 19550 as of September 30, 2019 (for further information see Note 4.2 to the consolidated financial statements of the Company):

		Interest	
Company	**As**	**% Capital**	**% Votes**
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 %
Limp Ar Rosario S.A.	Shareholder	40.00%	40.00%
America Pavilion S.A.	Shareholder	20.00%	20.00%
Newbery 3431 S.A.	Shareholder	50.00%	50.00%
S.E.S. S.A.	Shareholder	50.00%	50.00%
Logística Ambiental Mediterránea S.A.	Shareholder	50.00%	50.00%
Caputo S.A.I.C. y F. – Farallon S.A. – S.E.S S.A. UTE (“Hospital Posadas”)	Joint operations	40.00%	40.00%
Caputo S.A.I.C. y F – PYPSA S.A. – S.E.S. S.A. – UTE (“Hospital del Bicentenario”)	Joint operations	66.67%	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”)	Joint operations	35.00%	35.00%
Grupo Farallon Desarrollos Inmobiliarios S.A. – Caputo S.A.I.C. y F. – Eleprint S.A. - U.T.E. (“Procrear”)	Joint operations	33.33%	33.33%
CRIK S.R.L. - CAPUTO S.A.I.C. y F. UT	Joint operations	50.00%	50.00%

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.

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)

7. As of September 30, 2019, 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 $ 2,535,436 as non-current, and $226,227 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, 2018. 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 $ 114,105.

11. As of September 30, 2019, the Company held investments in companies in the amount of $ 3,079,679. As of that date, the Company had exceeded the limit established by section 31 of Law No. 19550.

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

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

As of September 30, 2019, 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.

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

13. Insurance (stated in thousands):

Type of insurance	Insured risk	Amount insured	
		$	US$
Business overhead expense	Fire Astor Núñez building	-	55,000
Business overhead expense	Fire Astor Palermo building	-	62,000
Business overhead expense	Fire Forum Puerto Norte building	146,776	-
General trade	Fire Miñones 2177 offices	-	7,466
Motor vehicle	Vehicles	15,274	-
Technical insurance	Machinery and equipment Pesos	-	6,273
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	-	38,217
Technical insurance	All risk construction NASA - ATUCHA 1	878,186	-
Technical insurance	All risk construction UPCN ITOIZ	364,913	-
Technical insurance	All risk construction SWISS MEDICAL	128,926	-
Technical insurance	All risk construction A2000 - EZEIZA	103,573	-
Operations	Liability insurance	-	7,500
Transactions	Liability insurance - Directors and Managers	-	15,000
Transactions	Liability insurance in construction MADERO HARBOUR	-	1,000
Transactions	Liability insurance Ariel A2000 - EZEIZA	-	250
Transactions	Liability insurance in construction PAPELERA DEL PLATA	-	1,000
Guarantee bond	Contracts enforcement	697,187	4,000
Guarantee bond	Financial advances	648,826	-
Guarantee bond	replacement Contingency fund	533,205	-
Guarantee bond	Rent guarantee	1,573	-

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 22 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 21 to the consolidated financial statements.

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LIMITED REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS
Free translation from the original report issued in Spanish for local purposes submitted to local regulator: Comision Nacional de Valores – CNV

To the President and Directors of
TGLT S.A.
Taxpayer Identification Number (CUIT): 30-70928253-7
Legal address: Miñones N° 2177, ground floor "C"
City of Buenos Aires

1. REPORT ON THE FINANCIAL STATEMENTS

a) We have performed a limited review of the attached condensed interim stand-alone financial statements of TGLT S.A. (hereinafter, indistinctly, "TGLT S.A." or the "Company") which include (i) the condensed interim statement of financial position as of September 30, 2019, (ii) the condensed interim statement of profit or loss and other comprehensive profit or loss for the nine and three-month period then ended, (iii) the condensed interim statements of changes in equity and of changes in cash flows for the nine-month period ended as of the above date, and (iv) the supplementary information contained in notes 1 to 39.

b) We have performed a limited review of the attached condensed interim consolidated financial statements of TGLT S.A. with its controlled companies (detailed in Note 4.2 to the interim consolidated financial statements), which include (i) the condensed interim consolidated statement of financial position as of September 30, 2019, (ii) the condensed interim consolidated statement of profit or loss and other comprehensive profit or loss for the nine and three-month period then ended, (iii) the condensed interim consolidated statements of changes in equity and of changes in cash flows for the nine-month period ended as of the above date, and (iv) the supplementary information contained in notes 1 to 49.

LIMITED REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS – Continued

1. Report on the financial statements – Continued

The amounts and other information for the fiscal year ended December 31, 2018 and the nine and three-month period ended September 30, 2018, are an integral part of the above mentioned condensed interim stand-alone and consolidated financial statements, and are intended to be interpreted exclusively in connection with the current condensed interim consolidated financial statements.

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

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

a) the condensed interim stand-alone financial statements according to the International Financial Reporting Standards (IFRS), which were adopted by the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE") as professional accounting standards and incorporated by the CNV to its regulations, as approved by the International Accounting Standards Board ("IASB"); and, therefore, the Board of Directors is responsible for the fair preparation and presentation of the condensed interim stand-alone financial statements mentioned in section 1.a), according to the International Accounting Standard 34, "Interim Financial Reporting" (IAS 34).

b) The condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), which were adopted by the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE") as professional accounting standards and incorporated by the CNV to its regulations, as approved by the International Accounting Standards Board ("IASB"), and, therefore, the Board of Directors is responsible for the fair preparation and presentation of the condensed interim consolidated financial statements mentioned in section 1.b), according to International Accounting Standard 34, "Interim Financial Reporting" (IAS 34).

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

3. AUDITORS' RESPONSIBILITY

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

LIMITED REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS – Continued

3. AUDITORS' RESPONSIBILITY - Continued

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

4. GROUNDS FOR QUALIFIED OPINION

i) As described in Notes 33 and 46 "Negative shareholders' equity, negative working capital and business plans" to the condensed interim separate and consolidated financial statements, respectively, the Company has incurred in significant losses, which to date have resulted in a negative equity of $ 3,327,053 thousand; thus, representing a ground for dissolution. In addition, the company records a negative working capital in the amounts of $ 3,109,995 thousand and $ 4,653,272 thousand in the interim separate and consolidated financial statements, respectively. In addition, the Company's Management states in Notes 31 and 29 to the separate and consolidated financial statements, respectively, that $ 1,689,589 thousand and $ 549,320 thousand are expected to be collected in the next 12 months as "Receivables from related parties". Therefore, the equity and working capital restoration, as well as the business continuity, will depend on the successful completion of the business plans considered by the Company's Board of Directors, and on the successful conversion of debts into capital, as described in note 38 and 48 to the condensed interim consolidated financial statements. 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 period ended September 30, 2019, fail to disclose such circumstances as well as the Board of Director's strategies and plans to revert them.

ii) As described in notes 30 and 28 "Income tax and deferred tax" to the condensed interim 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 any supporting documentation for the calculation of income tax and deferred tax; nor have we been able to obtain any evidence used by Management in the preparation of their projections. Therefore, we have not been able to determine if the amounts registered for the taxes mentioned above must be adjusted.

iii) The equity method provided for by IAS 28 "Investments in Associates and Joint Ventures" was used to estimate the Company's share in "Investments in companies", a breakdown of which is included in Notes 8 and 45 to the condensed interim separate and consolidated financial statements. However, in order to determine the value of the interest held in SES S.A. in the amount of $ 1,247,455 thousand and in Limp Ar S.A. $ 106,478 thousand, certain procedures that are applicable to the registration of an investment in an associate were not considered.

LIMITED REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS – Continued

4. GROUNS FOR QUALIFIED OPINION - Cont.

According to such standards, when measuring the investment or share in its associates' income/loss, the value of allocated assets and liabilities as of the acquisition date must be identified. This way, it will be possible to determine and register the adjustments the associate has failed to recognize in their financial statements.

In this specific case, the Company's interest in SES S.A. was restated as from the first quarter of 2019, but only partially in case of balances prior to such period-end date; thus, the provisions of IAS 29 "Financial reporting in hyperinflationary economies" were not complied with.

As to the interest held in Marina Río Luján S.A. amounting to $1,003,906 thousand, we have not been able to apply any limited review procedures on such company's assets and liabilities, neither have we had access to the working papers used to determine the proportional equity value.

We have not been able to obtain valid and sufficient evidence to determine which would have been the value of such investments in companies had the equity method been correctly applied. Therefore, we have not been able to determine if such amounts should be adjusted, and which would be their impact on the income/loss for this period.

iv) as described in notes 9 and 11 to the condensed interim stand-alone financial statements and notes 7 and 8 in the interim consolidated financial statements, the Company's goodwill and inventories in the Metra Puerto Norte project amount to $ 986,106 and $ 430,200, respectively. The Company's Management has determined that such assets must not be impaired. We have not been able to obtain any supporting documentation for its recoverability; nor have we been able to obtain any evidence used by Management in the preparation of their projections.

v) As described in notes 4 and 3: "Presentation basis" to the condensed interim separate and consolidated financial statements, respectively, the Company's Management has applied the provisions of IAS 29 "Financial reporting in hyperinflationary economies" to the restatement of the condensed interim separate and consolidated financial statements. Nevertheless, we have not been provided with certain supporting information that may allow us to review how inflation affected the calculation of income and costs related to construction services; neither have we obtained any reasonable evidence based on monetary items.

vi) As described in notes 22 and 18 "Provisions and Allowances" to the condensed interim separate and consolidated financial statements, respectively, at the beginning of the period the Company recorded provisions for legal or contractual claims in the amount of $ 122,830 thousand, related to the contingencies resulting from the business combinations involved in the acquisition of Caputo S.A.I.C: y F. Although we received an answer from one of the Company's legal advisors confirming the amounts for which provisions for such contingencies should be set, as of the beginning of the period, 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 as of such date, and on whether the amount of the provisions recognized in profit or loss during the nine-month period was correct.

LIMITED REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS – Continued

4. GROUNS FOR QUALIFIED OPINION - Cont.

In addition, as of September 30, 2019, we have not been able to obtain a response from all of the Company's legal advisors; thus, we have not been able to determine if the balance of the provision at the beginning of the period, as described above, and its recognition in profit or loss, or the balance at period-end, should be adjusted.

vii) As described in notes 7 and 35 "Investment property" to the condensed interim 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 at the beginning of the period. Therefore, we have not been able to determine if such amount or the proceeds from the sale of such property during the period should have been adjusted.

5. CONCLUSION

Based on our review, as indicated in section 3 of this report, and except for the possible effects that might result from non-compliance with the referred standards, the limitations of our scope, and in light of the missing information indicated above, we are in a position to report that:

a) Nothing has come to our attention that causes us to believe that the accompanying condensed interim separate financial statements of TGLT S.A. identified in section 1.a) are not presented fairly, in all material respects, in accordance with IAS 34.

b) Nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of TGLT S.A. identified in section 1.b) are not presented fairly, in all material respects, in accordance with IAS 34.

6. EMPHASIS ON CERTAIN MATTERS DISCLOSED IN THE FINANCIAL STATEMENTS

Without modifying our conclusion, we wish to highlight:

i) Note 37: "Risks - Financial risk management", relating to financial and market risks and to how the Company's Board of Directors analyzes them, designs strategies and policies for mitigation, and the level of exposure to those risks.

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.

LIMITED REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS – Continued

7. INFORMATION ON COMPLIANCE WITH PROVISIONS IN FORCE

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

a) The separate and consolidated interim 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 condensed interim 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 as from March to September 2019, which have not been transcribed as of the date hereof, and which are kept in compliance with the security and integrity requirements on which basis they were authorized by the CNV. The figures in the condensed interim 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 condensed interim stand-alone financial statements of the companies members of the economic group, which are detailed in note 4.2 to the condensed interim consolidated financial statements;

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

d) as of September 30, 2019, the accrued liability for retirement and pension contributions payable to the Argentine Pension Fund System arising from the accounting records was $ 12,285,180.40, no amounts being due as of that date.

City of Buenos Aires, November 8, 2019.

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

Christian Martin (Partner)
Public Accountant (U.N.L.Z.)
C.P.C.E.C.A.B.A. Tº 271 - Fº 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 I. The preparation and presentation of said documents is the responsibility of the Board of Directors in the exercise of its exclusive functions.

I. DOCUMENTS SUBJECT TO EXAMINATION

a) Condensed interim separate statement of financial position as of September 30, 2019.
b) Condensed interim separate statement of profit or loss and other comprehensive profit or loss for the nine and three-month period ended September 30, 2019.
c) Condensed separate statement of changes in shareholders' equity for the nine-month period ended September 30, 2019.
d) Condensed separate statement of cash flows for the nine-month period ended September 30, 2019.
e) Notes to the condensed interim separate financial statements as of September 30, 2019.
f) Condensed interim consolidated statement of financial position as of September 30, 2019.
g) Condensed consolidated statement of profit or loss and other comprehensive profit or loss for the nine and three-month period ended September 30, 2019.
h) Condensed consolidated statement of changes in shareholders' equity for the nine-month period ended September 30, 2019.
i) Condensed consolidated statement of cash flows for the nine-month period ended September 30, 2019.
j) Notes to the condensed interim consolidated financial statements for the nine-month period ended September 30, 2019.
k) Additional information required by Section No. 68 of the Buenos Aires Stock Exchange Regulations.
l) Reporting summary required by the CNV.

The amounts and other information for the fiscal year ended December 31, 2018 and the nine and three-month periods ended September 30, 2018, are an integral part of the above mentioned condensed interim consolidated and separate financial statements, and are intended to be interpreted exclusively in connection with those financial statements.

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

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

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. SCOPE OF THE LIMITED REVIEW REPORT

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

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

To perform our professional task on the documents listed in Section I, we have reviewed the task performed by TGLT S.A.'s external auditors, Adler, Hasenclever & Asociados S.R.L., who issued their limited review report dated November 8, 2019, in accordance with the International Standards on Review Engagements ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", which was adopted as review standard in Argentina by FACPCE Technical Resolution No. 33, and stated that, except for the possible effects that might result from non-compliance with the previously mentioned standards, the limitations of scope, and in light of the missing information indicated below, nothing had come to their attention that would have made them believe that the condensed interim separate financial statements and the condensed interim consolidated financial statements of TGLT S.A. were not prepared in accordance with International Accounting Standard 34.

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

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

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

IV. GROUNDS FOR QUALIFIED OPINION

i) As described in Notes 33 and 46 "Negative shareholders' equity, negative working capital and business plans" to the condensed interim separate and consolidated financial statements, respectively, the Company has incurred in significant losses, which to date have resulted in a negative equity of $ 3,327,053 thousand; thus, representing a ground for dissolution. In addition, the company records a negative working capital in the amounts of $ 3,109,995 thousand and $ 4,653,272 thousand in the interim separate and consolidated financial statements, respectively. In addition, the Company's Management states in Notes 31 and 29 to the separate and consolidated financial statements, respectively, that $ 1,689,589 thousand and $ 549,320 thousand are expected to be collected in the next 12 months as "Receivables from related parties". Therefore, the equity and working capital restoration, as well as the business continuity, will depend on the successful completion of the business plans considered by the Company's Board of Directors, and on the successful conversion of debts into capital, as described in note 38 and 48 to the condensed interim consolidated financial statements. 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 period ended September 30, 2019, fail to disclose such circumstances as well as the Board of Director's strategies and plans to revert them.

ii) As described in notes 30 and 28 "Income tax and deferred tax" to the condensed interim 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 any supporting documentation for the calculation of income tax and deferred tax; nor have we been able to obtain any evidence used by Management in the preparation of their projections. Therefore, we have not been able to determine if the amounts registered for the taxes mentioned above must be adjusted.

SUPERVISORY COMMITTEE’S REPORT (CONTINUED)

iii) The equity method provided for by IAS 28 “Investments in Associates and Joint Ventures” was used to estimate the Company’s share in “Investments in companies”, a breakdown of which is included in Notes 8 and 45 to the condensed interim separate and consolidated financial statements. However, in order to determine the value of the interest held in SES S.A. in the amount of $ 1,247,455 thousand and in Limp Ar S.A. $ 106,478 thousand, certain procedures that are applicable to the registration of an investment in an associate were not considered.

According to such standards, when measuring the investment or share in the results of its associates operation, the value of assets and liabilities as of the acquisition date must be identified, so as to be able to determine and register the adjustments the associate has failed to recognize in their financial statements.

In this specific case, the Company’s interest in SES S.A. was restated as from the first quarter of 2019, but only partially in case of balances prior to such period-end date; thus, the provisions of IAS 29 “Financial reporting in hyperinflationary economies” were not complied with.

As to the interest held in Marina Río Luján S.A. amounting to $1,003,906 thousand, we have not been able to apply any limited review procedures on such company’s assets and liabilities, neither have we had access to the working papers used to determine the proportional equity value.

We have not been able to obtain valid and sufficient evidence to determine which would have been the values of such investments in companies had the equity method been correctly applied. Therefore, we have not been able to determine if such amounts should be adjusted, and which would be their impact on the income/loss for this period.

iv) as described in notes 9 and 11 to the condensed interim stand-alone financial statements and notes 7 and 8 in the interim consolidated financial statements, the Company’s goodwill and inventories in the Metra Puerto Norte project amount to $ 986,106 and $ 430,200, respectively. The Company’s Management has determined that such assets must not be impaired. We have not been able to obtain any supporting documentation for its recoverability; nor have we been able to obtain any evidence used by Management in the preparation of their projections.

v) As described in notes 4 and 3: “Presentation basis” to the condensed interim separate and consolidated financial statements, respectively, the Company’s Management has applied the provisions of IAS 29 “Financial reporting in hyperinflationary economies” to the restatement of the condensed interim separate and consolidated financial statements. Nevertheless, we have not been provided with certain supporting information that may allow us to review how inflation affected the calculation of income and costs related to construction services; neither have we obtained any reasonableness evidence based on monetary items.

vi) As described in notes 22 and 18 “Provisions and Allowances” to the condensed interim separate and consolidated financial statements, respectively, at the beginning of the period the Company recorded provisions for legal or contractual claims in the amount of $ 122,830 thousand, related to the contingencies resulting from the business combinations involved in the acquisition of Caputo S.A.I.C: y F. Although we received an answer from one of the Company’s legal advisors confirming the amounts for which provisions for such contingencies should be set, as of the beginning of the period, 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 as of such date, and on whether the amount of the provisions recognized in profit or loss during the nine-month period was correct.

In addition, as of September 30, 2019, we have not been able to obtain a response from all of the Company’s legal advisors; thus, we have not been able to determine if the balance of the provision at the beginning of the period, as described above, and its recognition in profit or loss, or the balance at period-end, should be adjusted.

vii) As described in notes 7 and 35 “Investment property” to the condensed interim 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 at the beginning of the period. Therefore, we have not been able to determine if such amount or the proceeds from the sale of such property during the period should have been adjusted.

SUPERVISORY COMMITTEE'S REPORT (CONTINUED)

V. CONCLUSION

Based on our review, within the scope detailed in Section III, and except for the possible effects that might result from non-compliance with the referred standards, the limitations of our scope, and in light of the missing information indicated above, we are in a position to report that nothing has come to our attention that would have made us believe that the condensed interim separate financial statements of TGLT S.A. as of September 30, 2019, and its condensed interim consolidated financial statements as of such date, referred to in Section I, were not prepared in accordance with IAS 34.

VI. EMPHASIS ON CERTAIN MATTERS DISCLOSED IN THE FINANCIAL STATEMENTS

Without modifying our conclusion, we wish to highlight that the information included in notes 37 and 34 "Risks - Financial risk management" to the condensed interim separate and consolidated financial statements, respectively, relating to financial and market risks and to how the Company's Board of Directors analyzes them, designs strategies and policies for mitigation, and determines the level of exposure to those risks.

VII. INFORMATION ON COMPLIANCE WITH PROVISIONS IN FORCE

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

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

City of Buenos Aires, November 8, 2019.

Manuel Moreno