



## TARJETA NARANJA REPORTS FINANCIAL RESULTS FOR THE PERIOD ENDED ON DECEMBER 31, 2021

### Summary of Activity

As of December 31, 2021, we had 3,340,578 open accounts under the Naranja brand. This figure reaches a total of 4,640,267 customers when considering Naranja additional cardholders.

As of December, we completed 180,508,605 transactions, including purchases in stores and automatic debits, personal loans, cash advances and cash withdrawals from ATMs.

By way of General Resolution 777/2018, the C.N.V. provided that issuers subject to its oversight are required to restate their financial statements ended on and after December 31, 2018 into constant currency as required by IAS 29.

Originally reported comparative figures were adjusted accordingly.

As of December 31, 2021, profit was AR\$ 9,120,566, accounting for an increase of 82% in constant currency as compared to the previous year. At period-end, equity amounted to AR\$ 39,232,986 in constant currency. The Company's Ordinary Shareholders' Meeting approved a distribution of dividends in the amount of AR\$ 5,890,533. Out of that total, AR\$ 2,700,000 were partially released from the discretionary reserve for distribution of future dividends and/or to generate new businesses and undertakings, as required by the Company's financial needs.

### Sources of Financing (Figures Expressed in Nominal Amounts)

As of December 31, 2021, Naranja X secured financing through the issuance of Notes ("*Obligaciones Negociables*") for an aggregate amount of AR\$ 17,435,844 (in nominal currency) and US\$ 8,500 (in thousands) and new Borrowings and Credit Lines for AR\$ 22,225,000 (in nominal currency).

Additionally, during such period, the Company repaid principal and interest with regard to Notes ("*Obligaciones Negociables*"), Borrowings, Credit Lines and Leases for AR\$ 18,397,819 (in nominal currency).

### Review of Operations as of December 31

#### Increase in Digital Payments

During 2021, we continued with the migration of card payments, leveraging customers' enhanced experience to facilitate transactions. At the beginning of 2021, digital transactions accounted for 48% of the total, while at year-end digital payments rose to 52%—66% of which are made through our own channels, which means increased efficiency.

Finally, the Company managed to improve its Customer Effort Score (CES)—a metric that measures the ease of the digital payment experience— from 90 points in 2020 to 91% at the reporting period end.

#### Increased Portfolio Financing

In order to improve the financing offering available to customers in 2021, we included new plans and products. With varying options and plans based on customer segments, we offered up to 18 installments with the Z Plan (up to 3-interest free installments), as well as with Naranja Plus for customers who were current with their card payments. This action allowed to increase the financed portfolio by 60%.

Effective since September, we implemented “Pago Flex,” a facility to finance the card payment through all digital channels and for purchases in excess of AR\$ 800. The plan comprises a cash payment and installments based on each customer's particular case, plus interest on the balance being financed. With this product, we achieved considerable efficiency gains and enhanced profitability with each customer.

### **Consumption Level**

During the reporting period, we strived to boost the use of the card, reducing the number of inactive accounts, and minimizing attrition. Annual consumption grew 21%, in tandem with average consumption per customer, with a 13% increase in transactions relative to 2020. In 2021, the number of inactive accounts declined 16%, while attrition fell 27%, maintaining an account activation ratio of 77% at 90 days versus 2020.

### **Arrears Ratios**

Similarly to the previous year, in 2021, collection efforts of amounts in arrears were a significant determining factor of this year's performance. The 30 days' arrears ratio averaged 6.04%, the lowest mark in the Company's history.

Besides, 120 days' arrears—a ratio which indicates arrears after completion of early arrears collection efforts—displayed very good performance, with an annual average of 0.55%.

These results were primarily driven by early management of customers likely to fall into arrears, by using new analytical models, maximizing management capacity, and offering tailored-made refinancing plans, consistent with the complexity of the prevailing context and the constant search for better arrears management solutions.

### **Personal Loans**

In 2021, the Company expanded its offering for account holders, The Company offers loans for a maximum amount of AR\$ 750,000 repayable in 36 installments. The promotional actions are aimed at offering customers their first borrowing experiences, with focus on financial inclusion. Through these efforts, Naranja X was able to achieve sustained growth and hit loan origination records in recent months.

### **Insurance and Assistance Products**

At the reporting period end, the Company recorded 2.1 million insurance policies and assistance products, with an average of 70,000 new products per month. These indicators were maintained throughout the year.

Some remarkable initiatives during the year included the migration of insurance sales to the new NX app and the sale of products within the ecosystem workflows (loans and debits).

### **Promotions and Benefits**

At the beginning of 2021, and with the gradual opening of stores in Argentina, we launched “Smartes Recargado” (an umbrella action under the Zeta Plan and up to 25% discounts through an intensive communication campaign, leveraging the “Smartes” brand) on categories and stores that were not traditionally included in this campaign, such as mattress and paint shops, Falabella, and Farmacity. Benefits include payment plans in up to 12 installments and up to 25% discounts. Naranja X participated in the Hot Sale event, boosting sales and pushing sustainable growth month over month, despite the COVID-19 second wave.

Grido and Starbucks were some of the brands that joined the portfolio of benefits available to cardholders. At supermarkets, we expanded our benefit offering not only with the Zeta Plan (up to 3 interest-free installments), but also with an online offering including up to 20% unlimited discounts.

Besides, a new sales event was created known as the “Electro Week,” during which electronics stores offered special prices. Naranja X supported the action with plans in more installments.

We also supported the categories most badly affected by the pandemic— such as bus and air tickets—with plans, terms and conditions, as well as with web-based communication efforts.

### **Social Innovation and Sustainability Strategy**

In line with the business transformation, in 2021 Naranja X presented its new Social Innovation and Sustainability strategy. The strategy design was based on the “Future-Fit” methodology, an international tool that allows companies and organizations in general to assess whether their services, sources of income and operations are conducive—or not—to a fairer and more equal society and to a regenerating environment.

The process encompassed already existing initiatives, initiatives that were redesigned based on new action lines, and new opportunities that were identified to boost the business through a triple impact approach: **Economic, social and environmental**.

### **2021 Awards and Distinctions**

Naranja X made it to the 16th position in the ranking of “The 100 Companies with Best Corporate Image” compiled by Apertura magazine. The several categories considered in the ranking include: opinion from businessmen, management quality, opinion from journalists, care for human resources, innovation, advertising and communication actions, and financial services.

Naranja X also ranked 19th among Argentina’s most responsible companies with best corporate governance—a report prepared by the Spanish firm Análisis e Investigación and audited by KPMG.

Finally, the Company made it to the 4th position in the ranking of “Best Employers,” which is compiled by Apertura.

## **2022 Outlook**

After Argentina's economic rebound in 2021, driven, in part, by the low base of comparison versus 2020, activity growth would moderate in 2022. The macroeconomic imbalances accumulated in recent years, particularly during 2020, would start to be fixed in light of the agreement with the IMF. In principle, the agreement would require a more moderate primary deficit, a decrease in the FX gap, the phasing out of the existing exchange controls and foreign trade restrictions, and less pressure on monetary issuance. In the short term, these corrections would have a negative impact on purchasing power—a more moderate primary deficit and exchange rate lag would entail adjustments to utility rates and the official exchange rate, coupled with a reduction in discretionary expenditures. The foregoing would negatively affect purchasing power; therefore, economic growth would not be driven by spending. Exports and investment could eventually support activity growth, once the macroeconomic correction months are left behind, paving the way for a modest recovery in 2022.

Against this backdrop, we should highlight the risks and opportunities faced by Naranja X. On the risks side, one of the most significant ones is the economic turmoil that has prevailed in Argentina over the last years. Years of shrinking activity, exchange volatility, high inflation, changes in the sector's regulations and the adoption of reforms with uncertain results are just a few examples of the challenges the financial sector, in general, and Naranja X, in particular, have to face.

Finally, as a consequence of all the foregoing, Naranja X seeks to become the most human technological and financial platform preferred by Argentinians. This will surely allow it to scale up new products and services simply and to a massive extent, facilitating financial inclusion and education.

## TARJETA NARANJA S.A.'S COMPARATIVE STATISTICAL DATA FOR CURRENT AND PREVIOUS YEARS

(This information is not within the scope of the Independent Auditors' Report)

### TARJETA NARANJA S.A.'S USERS

<b>Naranja</b>	<b>12.31.21</b>	<b>12.31.20</b>	<b>12.31.19</b>	<b>12.31.18</b>	<b>12.31.17</b>
Open Accounts (in Thousands)	3,341	3,282	3,257	3,413	2,977
Monthly Average Consumption per Active Account (in Thousands of AR\$) (1)	15,82	13,72	12,65	15,15	16,90

<b>Nevada</b>	<b>12.31.21</b>	<b>12.31.20</b>	<b>12.31.19</b>	<b>12.31.18</b>	<b>12.31.17</b>
Open Accounts (in Thousands)	-	-	-	-	781
Monthly Average Consumption per Active Account (in Thousands of AR\$)	-	-	-	11	14

(1) It includes the managed brands Naranja Visa, Naranja MasterCard, Naranja Amex.

### OPERATIONS (purchases in stores, personal loans, cash advances and cash withdrawals from ATMs)

<b>Transactions with Naranja</b>	<b>12.31.21</b>	<b>12.31.20</b>	<b>12.31.19</b>	<b>12.31.18</b>	<b>12.31.17</b>
Amounts in Thousands (until December) (1)	180,509	159,090	177,849	166,330	150,033
Monthly Average Amount (in Thousands of AR\$) (1)	46,883,337	39,469,830	39,375,644	44,543,107	47,591,587
Merchants' Average Fee	1.72%	1.92%	2.08%	2.19%	2.33%

<b>Transactions with Nevada</b>	<b>12.31.21</b>	<b>12.31.20</b>	<b>12.31.19</b>	<b>12.31.18</b>	<b>12.31.17</b>
Amounts in Thousands	-	-	-	20,142	7,837
Monthly Average Amount (in Thousands of AR\$)	-	-	-	4,722,791	8,037,646

(1) It includes the managed brands Naranja Visa, Naranja MasterCard, Naranja Amex.

### NUMBER OF TARJETA NARANJA S.A.'S AUTHORIZED CREDIT CARDS (in Thousands)

	<b>12.31.21</b>	<b>12.31.20</b>	<b>12.31.19</b>	<b>12.31.18</b>	<b>12.31.17</b>
Naranja Clásica and Oro	4,640	4,619	4,605	4,777	4,266
Naranja Visa	3,594	3,514	3,451	3,504	2,968
Naranja MasterCard	381	416	454	491	531
Naranja Amex	60	64	49	46	41
Nevada	-	-	-	0	960
Nevada Visa	-	-	-	0	551
<b>Total</b>	<b>8,675</b>	<b>8,613</b>	<b>8,559</b>	<b>8,818</b>	<b>9,317</b>

### COMPARATIVE CHART OF BALANCE SHEET (in Thousands of AR\$)

	12.31.21	12.31.20	12.31.19	12.31.18	12.31.17
Current Assets	179,536,406	136,574,898	116,058,742	147,537,058	156,403,891
Non-current Assets	12,534,534	14,537,003	15,131,654	14,307,389	13,819,250
Assets	192,070,940	151,111,901	131,190,396	161,844,447	170,223,141
Current Liabilities	147,213,580	110,276,761	91,709,515	104,974,650	90,532,008
Non-current Liabilities	5,624,374	4,832,187	7,205,960	27,398,580	40,945,012
Liabilities	152,837,954	115,108,948	98,915,475	132,373,230	131,477,020
Equity	39,232,986	36,002,953	32,274,921	29,471,217	38,746,121

### COMPARATIVE CHART OF STATEMENTS OF PROFIT OR LOSS (in Thousands of AR\$)

	12.31.21	12.31.20	12.31.19	12.31.18	12.31.17
Operating Revenues	65,242,265	53,591,670	58,313,730	65,653,270	46,021,236
Operating Revenues, Net of Provision for Loan Losses	57,309,361	45,940,628	48,267,962	52,226,072	40,985,626
Total Operating Expenses	(31,119,675)	(30,164,920)	(34,415,559)	(40,474,462)	(25,119,235)
Loss / (Income) from Investments Accounted for Using the Equity Method	(52,628)	(39,838)	(18,971)	1,423	9,872
Loss on Net Monetary Position	(11,962,464)	(7,775,586)	(10,085,838)	(10,775,106)	(5,335,950)
Profit before Income Tax	14,174,594	7,960,284	3,747,594	977,927	10,540,313
Income Tax	(5,054,028)	(2,955,087)	(943,889)	(4,904,101)	(5,630,407)
Profit for the Year	9,120,566	5,005,197	2,803,705	(3,926,174)	4,909,906

### COMPARATIVE STRUCTURE OF THE STATEMENT OF CASH FLOWS (in Thousands of AR\$)

	12.31.21	12.31.20	12.31.19	12.31.18	12.31.17
Net Cash Inflow / (Outflow) from Operating Activities	(13,177,774)	(2,460,514)	40,866,197	4,312,748	13,530,367
Net Cash Inflow / (Outflow) from Investing Activities	(2,037,357)	1,196,505	(4,868,283)	(2,418,511)	(2,389,770)
Net Cash (Outflow) / Inflow from Financing Activities	18,012,728	(5,839,273)	(30,305,602)	8,026,305	(12,450,313)
Total Net Cash (Outflow) / Inflow as of December	2,797,597	(7,103,282)	5,692,312	9,920,542	(1,309,716)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>4,068,741</b>	<b>14,939,537</b>	<b>15,978,582</b>	<b>10,019,158</b>	<b>10,665,537</b>
Increase in Cash and Cash Equivalents from Merger	-	-	-	-	1,513,718
Loss on Net Monetary Position on Cash and Cash Equivalents	(1,549,890)	(4,248,044)	(6,674,594)	(3,947,798)	(859,702)
Increase due to Effects of Exchange Rate Changes on Cash and Cash Equivalents	148,783	480,530	(56,763)	(13,321)	9,325
<b>CASH AND CASH EQUIVALENTS AT YEAR-END</b>	<b>5,465,231</b>	<b>4,068,741</b>	<b>14,939,537</b>	<b>15,978,581</b>	<b>10,019,162</b>

## RATIOS

	12.31.21	12.31.20	12.31.19	12.31.18	12.31.17
Liquidity	1.220	1.238	1.266	1.405	1.728
Indebtedness	3.896	3.197	3.065	4.492	3.393
Solvency	0.257	0.313	0.326	0.223	0.295
Tied-up Capital	0.065	0.096	0.115	0.088	0.081
ROE for the Period	(1) 24.25%	14.66%	9.08%	(11.51%)	14.53%
ROA for the Period	(2) 5.32%	3.55%	1.91%	(2.36%)	3.09%

(1) Profit (Loss) for the Year / (Equity 12/21 + Equity 12/20) / 2

(2) Profit (Loss) for the Year / (Assets 12/21 + Assets 12/20) / 2

**Statement of Profit or Loss**  
For the periods ended December 31, 2021 and 2020  
Expressed in thousands of constant Argentine Pesos at period-end

	12.31.2021	12.31.2020
	In Thousands of AR\$	
Revenues from Services	33,360,452	31,257,970
Costs of Services	(7,477;450)	(7,603,961)
<b>Net Revenues from Services</b>	<b>25,883,002</b>	<b>23,654,009</b>
Revenues from Financing	52,682,186	33,932,644
Costs of Financing	(13,659,411)	(7,668,987)
<b>Net Revenues from Financing</b>	<b>39,022,775</b>	<b>26,263,657</b>
Net Income from Short-term Investments	<b>336,488</b>	<b>3,674,004</b>
<b>Operating Revenues</b>	<b>65,242,265</b>	<b>53,591,670</b>
Provision for Loan Losses	(7,932,904)	(7,651,042)
<b>Operating Revenues, Net of Provision for Loan Losses</b>	<b>57,309,361</b>	<b>45,940,628</b>
Employee Benefits Expenses	(11,526,109)	(11,601,632)
Taxes	(10,252,580)	(7,939,550)
Marketing Expenses	(850,435)	(917,494)
Depreciation and Amortization	(3,145,563)	(2,730,888)
Other Operating Expenses	(5,344,988)	(6,975,356)
<b>Total Operating Expenses</b>	<b>(31,119,675)</b>	<b>(30,164,920)</b>
<b>Net Profit before Income from Investments Accounted for Using the Equity Method</b>	<b>26,189,686</b>	<b>15,775,708</b>
Loss from Investments Accounted for Using the Equity Method	(52,628)	(39,838)
Loss on Net Monetary Position	(11,962,464)	(7,775,586)
<b>Profit before Income Tax</b>	<b>14,174,594</b>	<b>7,960,284</b>
Income Tax	(5,054,028)	(2,955,087)
<b>Profit for the Year</b>	<b>9,120,566</b>	<b>5,005,197</b>
<b>Earnings per Share</b>		
Basic and Diluted Earnings per Share	<b>3,230</b>	<b>1,772</b>

**Statement of Other Comprehensive Income**  
For the periods ended December 31, 2021 and 2020  
Expressed in thousands of constant Argentine Pesos at period-end

	12.31.2021	12.31.2020
	In Thousands of AR\$	
<b>Profit for the Year</b>	9,120,566	5,005,197
Other Comprehensive Income	-	-
<b>Total Comprehensive Income for the Year</b>	9,120,566	5,005,197
<b>Earnings per Share</b>		
Basic and Diluted Earnings per Share	3,230	1,772



## Balance Sheet

For the periods ended December 31, 2021 and December 31, 2020  
Expressed in thousands of constant Argentine Pesos at period-end

	12.31.2021	12.31.2020		12.31.2021	12.31.2020
	In Thousands of AR\$			In Thousands of AR\$	
<b>ASSETS</b>			<b>LIABILITIES</b>		
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash and Cash Equivalents	5,465,231	4,068,741	Trade and Other Payables	96,368,748	82,586,410
Investments	12,487	-	Borrowings	39,324,482	20,533,040
Receivables from Trade	173,000,378	131,928,650	Employee Benefit Obligations	1,484,160	2,299,856
Other Receivables	1,058,310	577,507	Current Tax Liabilities	3,790,175	2,842,488
			Other Liabilities	2,767,381	219,102
			Income Tax Provision	3,478,634	1,795,865
<b>Total Current Assets</b>	<b>179,536,406</b>	<b>136,574,898</b>	<b>Total Current Liabilities</b>	<b>147,213,580</b>	<b>110,276,761</b>
<b>NON-CURRENT ASSETS</b>			<b>NON-CURRENT LIABILITIES</b>		
Receivables from Trade	2,463,527	754,415	Borrowings	5,443,048	4,595,100
Investments	AR\$ 1,000	-	Other Liabilities	17,767	18,134
Other Receivables	8,990	11,632	Provisions	163,559	218,953
Deferred Tax Assets	2,179,105	4,578,622			
Investments Accounted for Using the Equity Method	68,038	10,937			
Property, Plant and Equipment	6,185,855	7,257,441			
Intangible Assets	1,628,019	1,923,956			
<b>Total Non-current Assets</b>	<b>12,534,534</b>	<b>14,537,003</b>	<b>Total Non-current Liabilities</b>	<b>5,624,374</b>	<b>4,832,187</b>
			<b>Total Liabilities</b>	<b>152,837,954</b>	<b>115,108,948</b>
			<b>EQUITY</b>	<b>39,232,986</b>	<b>36,002,953</b>
<b>Total Assets</b>	<b>192,070,940</b>	<b>151,111,901</b>	<b>Total Liabilities and Equity</b>	<b>192,070,940</b>	<b>151,111,901</b>