



TARJETA NARANJA REPORTS FINANCIAL RESULTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2019

Summary of Activity

(Expressed in thousands of constant Argentine Pesos)

As of September 30, 2019, we had 3,306,768 open accounts under the Naranja brand. This figure reaches a total of 4,662,106 customers when considering Naranja additional cardholders. During the reporting period, we completed 133,572,000 transactions, including purchases in stores and automatic debits, personal loans, cash advances and cash withdrawals from ATMs.

At the beginning of the year, all cards under the Nevada brand had already been unified under the Naranja brand, as a result of the merger with Tarjetas Cuyanas S. A.

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.

Inflation-adjusted Profit before Income Tax as of September 30, 2019 was AR\$ 553,988 and Equity amounted to AR\$ 14,385,353.

Sources of Financing

During the first nine-months of 2019, and as part of the Global Program for the Issuance of Notes ("*Obligaciones Negociables*"), on February 19, 2019, the Company issued Class XLIII Notes ("*Obligaciones Negociables*") for a total amount of AR\$ 1,687,903.

Additionally, during such period, the Company repaid principal and interest with regard to Notes ("*Obligaciones Negociables*"), Borrowings, Credit Lines and Leases for AR\$ 12,667,537.

Review of Operations as of September 30

Digital Evolution

The digital channel has become one of the main sales channel within just 12 months from implementation; 33% of the users (1 out of 3) self-manage transactions, without visiting brick-and-mortar branches. Concerning digital payments, in September users completed 298,000 transactions using the payment button in Naranja app.

Deployment of the “Branches of the Future”

The pilot test was completed at the branches located in Alta Córdoba, Pacheco and San Isidro, resulting in improved customer service response time and satisfaction. The project is being scaled-up and is expected to be deployed in additional five branches by year-end.

Quiero! as Customer Loyalty Program

Naranja announced that *Quiero!* has become its customer loyalty program. During the first stage, over 230,000 customers started to earn points for redemption at major brands and categories, products, vouchers and travel benefits, among others. The Company expects the entire customer base of Naranja will have access to the program by 2020.

Assignment of NCuenta

Following completion of the pilot test, and in the light of the need for concentrating the digital service ecosystem in a specialized company, the product *NCuenta* was assigned to Cobranzas Regionales S.A., a company in which TN is a shareholder and with whom it shares the majority shareholder (Tarjetas Regionales S.A.).

Promotions and Benefits

During the period, cardholders had access to several benefits at supermarkets, including 10% discounts and the Z Plan (3 interest-free installments); and up to 12 interest-free installment plans at Telcos.

The Company also continued pursuing the Smartes program, offering 20% discounts on clothing (and 25% discounts to customers who have been cardholders for 10 years).

For winter vacations and the Children's Day, the Company launched exclusive promotions in transportation, entertainment, fast-food chains, cinemas, gambling houses, and theaters.

Within the tourism category, the Company launched exclusive promotions offering up to 40% discounts on Atrápalo.com; and 6, 9 and up to 12 interest-free installment plans to buy air tickets from Aerolíneas Argentinas, GOL, Flecha Bus, and Air Europa.

Effective since October 8, the managed cards Naranja Visa and Naranja Mastercard will no longer participate in the Ahora 12 program.

Music and Arts at Casa Naranja

During the period, TÁNDEM, a collective exhibition by contemporary artists, was featured at Casa Naranja's cultural venue, offering free workshops and projections open to the community.

Los Caligaris, La Beriso and Turf were some of the performers participating in “*Música en Colores*” (Music in Colors), a series of acoustic shows co-hosted with Cadena 3.

Awards and Distinctions

Naranja achieved the 18th position in MERCO's 2019 ranking of the 100 companies with best reputation in Argentina, climbing two positions compared to the previous year. Once again, Naranja has ranked 1st in the Ranking of Corporate Governance and Accountability compiled by MERCO in the financial and credit card sector.

On the other hand, Alejandro Asrin, Naranja's Chairman, and David Ruda, Naranja's Honorary Chairman, ranked 22nd and 40th, respectively, in the ranking of most recognized corporate leaders in Argentina.

Finally, Sergio Mazzitello, Naranja's CIO, was chosen the “CIO of the Year” at the Infotechnology awards; while Juan Pablo Mon, Assistant Chief Marketing Officer, received the “Marketer Innovator” award at the Marketers awards organized by Ad Latina.

Outlook

In the light of the current year's macroeconomic conditions, caution is required at the time of forecasting financial results.

The Company will continue pursuing its Digital Evolution projects. We will continue striving to achieve gradual digital growth in customer acquisition, account statements, payments and other interactions to enhance the customer's experience and cost efficiency.

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

Naranja	09.30.19	09.30.18
Open Accounts (in Thousands)	3,307	3,185
Monthly Average Consumption per Active Account (in Thousands of AR\$) ⁽¹⁾	5.78	4.65

Nevada	09.30.19	09.30.18
Open Accounts (in Thousands)	-	387
Monthly Average Consumption per Active Account (in Thousands of AR\$)	-	3.34

(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)

Transactions with Naranja	09.30.19	09.30.18
Amounts in Thousands (until September) ⁽¹⁾	133,572	121,033
Monthly Average Amount (in Thousands of AR\$) ⁽¹⁾	18,135,330	13,368,373
Merchants' Average Fee	2.07%	2.15%

Transactions with Nevada	09.30.19	09.30.18
Amounts in Thousands	-	19,055
Monthly Average Amount (in Thousands of AR\$)	-	1,549,474

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

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

	09.30.19	09.30.18
Tarjeta Naranja Clásica and Oro	4,662	4,487
Tarjeta Naranja Visa	3,485	3,272
Tarjeta Naranja MasterCard	465	506
Tarjeta Naranja Amex	49	45
Tarjeta Nevada	-	473
Tarjetas Nevada Visa	-	264
Total	8,661	9,047

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

	09.30.19	09.30.18
Current Assets	48,884,222	64,228,756
Non-current Assets	5,976,719	6,510,484
Assets	54,860,941	70,739,240
Current Liabilities	35,238,830	40,294,830
Non-current Liabilities	5,236,758	14,663,808
Liabilities	40,475,588	54,958,638
Equity	14,385,353	15,780,602

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

	09.30.19	09.30.18
Operating Revenue	16,071,707	18,632,652
Operating Revenue, Net of Provision for Loan Losses	11,715,848	14,726,158
Total Operating Expenses	(11,159,838)	(13,145,035)
(Loss) Income from Investments Accounted for Using the Equity Method	(2,022)	703
Profit before Income Tax	553,988	1,581,826
Income Tax	(222,546)	(1,786,699)
Profit (Loss) for the Period	331,442	(204,873)
Comprehensive Income for the Period	331,442	(204,873)

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

	09.30.19	09.30.18
Net Cash Inflow / (Outflow) from Operating Activities	14,344,645	(2,036,849)
Net Cash Outflow from Investing Activities	(2,105,694)	(1,842,438)
(Outflow) Inflow from Financing Activities	(10,979,634)	4,270,724
Total Net Cash (Outflow) / Inflow during the Six-month Period	1,259,317	391,437
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6,960,043	4,364,204
Inflation Loss Attributable to Cash	(2,135,691)	(1,233,961)
Increase due to Effects of Exchange Rate Changes on Cash and Cash Equivalents	(36,415)	(7,111)
CASH AND CASH EQUIVALENTS AT PERIOD-END	6,047,254	3,514,569

RATIOS

	09.30.19	09.30.18
Liquidity	1.387	1.594
Indebtedness	2.814	3.483
Solvency	0.355	0.287
Tied-up Capital	0.109	0.092
ROE for the Period	(1) 2.33%	-1.25%
ROA for the Period	(2) 0.52%	-0.28%

(1) PROFIT (LOSS) FOR THE PERIOD / (EQUITY 09/19+ EQUITY 12/18) / 2

(2) PROFIT (LOSS) FOR THE PERIOD / (ASSETS 09/19+ ASSETS 12/18) / 2

Statement of Profit or Loss

For the years ended September 30, 2019 and 2018
Expressed in thousands of constant Argentine Pesos at period-end

	Notes	Year-to-Date		Quarter	
		01.01.2019	01.01.2018	07.01.2019	07.01.2018
		09.30.2019	09.30.2018	09.30.2019	09.30.2018
		In Thousands of AR\$			
Revenues from Services	7	11,326,298	12,753,794	3,892,677	4,091,754
Costs of Services	8	(1,260,739)	(1,878,980)	(394,739)	(619,179)
Net Revenues from Services		10,065,559	10,874,814	3,497,938	3,472,575
Revenues from Financing	9	14,378,998	16,192,504	4,029,338	5,502,882
Costs of Financing	10	(6,974,972)	(5,362,785)	(2,019,756)	(2,309,354)
Loss on Net Monetary Position		(3,189,652)	(3,792,151)	(1,211,031)	(1,722,090)
Net Revenues from Financing		4,214,374	7,037,568	798,551	1,471,438
Net Income from Short-term Investments	11	1,791,774	720,270	719,815	332,102
Operating Revenue		16,071,707	18,632,652	5,016,304	5,276,115
Provision for Loan Losses	12	(4,355,859)	(3,906,494)	(1,043,564)	(1,165,652)
Operating Revenue, Net of Provision for Loan Losses		11,715,848	14,726,158	3,972,740	4,110,463
Employee Benefits Expenses	13	(3,628,431)	(4,880,440)	(1,226,946)	(1,543,564)
Taxes and Charges	14	(2,845,815)	(3,211,171)	(870,148)	(1,074,065)
Marketing Expenses	15	(429,695)	(537,685)	(150,804)	(166,135)
Depreciation and Amortization	16	(734,687)	(505,199)	(246,652)	(149,068)
Other Operating Expenses	17	(3,521,210)	(4,010,540)	(1,112,419)	(1,494,369)
Total Operating Expenses		(11,159,838)	(13,145,035)	(3,606,969)	(4,427,201)
Net Profit (Loss) before Income from Investments Accounted for Using the Equity Method		556,010	1,581,123	365,771	(316,738)
Income (Loss) from Investments Accounted for Using the Equity Method	18	(2,022)	703	(1,381)	433
Profit (Loss) before Income Tax		553,988	1,581,826	364,390	(316,305)
Income Tax	19	(222,546)	(1,786,699)	(242,739)	(497,423)
Profit (Loss) for the Period		331,442	(204,873)	121,651	(813,728)
Earnings per Share					
Basic and Diluted Earnings per Share		117.37	(72.55)	43.08	(288.15)

Statement of Other Comprehensive Income

For the years ended September 30, 2019 and 2018
Expressed in thousands of constant Argentine Pesos at period-end

	Year-to-Date		Quarter	
	01.01.2019	01.01.2018	07.01.2019	07.01.2018
	09.30.2019	09.30.2018	09.30.2019	09.30.2018
	In Thousands of AR\$			
Profit (Loss) for the Period	331,442	(204,873)	121,651	(813,728)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income (Loss) for the Period	331,442	(204,873)	121,651	(813,728)
Earnings per Share				
Basic and Diluted Earnings per Share	117.37	(72.55)	43.08	(288.15)

Balance Sheet

For the years ended September 30, 2019 and December 31, 2018
Expressed in thousands of constant Argentine Pesos at period-end

	Note	09.30.2019	12.31.2018		Note	09.30.2019	12.31.2018
		In Thousands of AR\$				In Thousands of AR\$	
ASSETS				LIABILITIES			
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and Cash Equivalents	20	6,047,254	6,960,043	Trade and Other Payables	27	24,088,323	31,450,536
Investments	21	1,653,734	-	Borrowings	28	8,893,693	11,734,082
Receivables from Trade	22	40,716,207	58,678,097	Employee Benefit Obligations	29	665,946	1,092,456
Other Receivables	23	467,027	365,001	Current Tax Liabilities	30	1,072,261	1,355,812
				Other Liabilities	31	38,132	54,254
				Income Tax Provision	19	480,475	52,512
Total Current Assets		48,884,222	66,003,141	Total Current Liabilities		35,238,830	45,739,652
NON-CURRENT ASSETS				NON-CURRENT LIABILITIES			
Receivables from Trade	22	671,348	1,673,465	Borrowings	28	5,135,961	11,831,024
Other Receivables	23	35,152	22,895	Other Liabilities	31	8,036	13,910
Deferred Tax Assets	19	1,210,332	697,284	Provisions	32	92,761	89,498
Investments Accounted for Using the Equity Method	24	4,771	2,917				
Property, Plant and Equipment	25	3,098,573	2,485,623				
Intangible Assets	26	956,543	842,670				
Total Non-current Assets		5,976,719	5,724,854	Total Non-current Liabilities		5,236,758	11,934,432
				Total Liabilities		40,475,588	57,674,084
				EQUITY		14,385,353	14,053,911
Total Assets		54,860,941	71,727,995	Total Liabilities and Equity		54,860,941	71,727,995