



TARJETA NARANJA REPORTS FINANCIAL RESULTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2020

Summary of Activity

As of September 30, 2020, we had 3,224,565 open accounts under the Naranja brand. This figure reaches a total of 4,554,710 customers when considering Naranja additional cardholders. During the reporting period, we completed 116,188,320 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 September 30, 2020, profit was AR\$ 2,434,647, accounting for an increase of 1,017% in constant currency as compared to the previous year. At period-end, equity amounted to AR\$ 20,881,422 in constant currency.

Sources of Financing (Figures Expressed in nominal currency)

As of September 30, 2020, Naranja secured financing through the issuance of Notes ("*Obligaciones Negociables*") for an aggregate amount of AR\$ 3,574,897, new Borrowings for AR\$ 2,940,000 and Credit Lines for AR\$ 1,940,000.

Additionally, during such period, the Company repaid principal and interest with regard to Notes ("*Obligaciones Negociables*"), Borrowings, Credit Lines and Leases for AR\$ 15,776,610.

Review of Operations as of September 30

Digital Evolution

As a result of the mandatory social distancing measures currently in place, Naranja's digital channels experienced substantial growth, adding up 600,000 new digital users from January to September 2020. Particularly during the third quarter, the share of our digital channel in sales/ customer acquisitions was 56.4% over total sales. On the other hand, the Company recorded an average of 1,300,000 electronic payments per month. Out of that total, 650,000 payments were made using the payment button in Naranja Online and Naranja app.

Tienda Naranja (Naranja Store)

For the third consecutive quarter, Tienda Naranja (Naranja Store) Marketplace's sales increased twofold to AR\$ 742 million from July to September. At the same time, the site received the same number of visits as in 2019. As of September 30, 2020, it had 307 active sellers offering more than 58,000 products.

The Hot Sale marked a milestone in terms of number of transactions, accounting for more than 50% of the full quarter's sales. Some highlights of the period included the creation of a specialized customer service team, a new product offering segmentation, follow-up of product shipments, and development of the sales channel at Naranja app.

Arrears Ratios

During the third quarter of 2020, Naranja continued improving its arrears ratios relative to the first and second quarters, and even relative to the same quarter in previous years. Our 30 days' arrears ratios reached an average of 5.01%, with a 4.72% arrears ratio in September—the Company's record low.

New 35% Tax

On September 16, 2020, AFIP published its General Resolution 4815/2020 in the Official Gazette, implementing tax measures affecting our customers. The new resolution provides that transactions subject to the Tax for an Inclusive and Solidarity-driven Argentina, also known as PAIS, will also attract a new 35% tax as advance payment against other taxes.

Increased Loans and Limits

In view of the prevailing scenario and the increased placement potential, during the third quarter of 2020, Naranja raised the maximum limit for loans. Accordingly, the maximum limit a customer may apply for, always considering that customer's available credit, was set at AR\$ 100, payable in up to 24 installments.

Naranja also increased the average purchase limit by 33%. Such increase impacted 1,700,000 customers with outstanding payment and use behavior.

Deployment of the Branch of the Future

Further with the branch network transformation that commenced in April 2019, Naranja deployed its new service model in several cities, including San Juan, Rosario, and Villa Mercedes; and Villa Carlos Paz, San Vicente, Yofre and Cerro de las Rosas in the Province of Córdoba.

Insurance and Assistance Products

At the reporting period end, the Company recorded 2.1 million insurance policies and assistance products. Sixty-six per cent (66%) of the sales were completed through digital channels, with an average of 82,000 new products per month, almost doubling the figures recorded in the first and second quarter of the year. Some relevant initiatives included the sale of Motorbike Insurance at Naranja's branches and Pet Insurance through digital channels, as well as a redesigned experience with the Homeowners' Insurance.

Ajnaran and Naranja Virtual

During the reporting period, we delivered 13,440 Ajnaran cards. Ajnaran is a card printed and ready to use by cardholders on the spot. Eighty-five per cent (85%) of the cards were sent to the customers, while the remaining 15% of the plastics were delivered at branches.

On the other hand, Naranja Virtual, available at Naranja app and Naranja Online, is available to 2,400,000 customers, including cardholders and additional cardholders.

New Contactless-enabled Naranja MasterCard

During the third quarter, the Company incorporated the contactless-enabled Naranja MasterCard for new cardholders and for card replacements and renewals. With these cards, customers can make contactless payments, through faster and more secure transactions.

Promotions and Benefits

Like in the second quarter of the year, Naranja's benefits and promotions were oriented to categories and sectors which are essential in the current scenario. At supermarkets, Naranja offered the Z Plan (3 interest-free installments) and 6, 9 and 12 interest-free installment plans on selected products. At drug stores, Naranja offered the Z Plan (3 interest-free installments).

In the technology, home appliances, and home & deco categories, customers enjoyed discounts and up to 14 interest-free installment plans.

With the Smartes program, customers benefitted from 20% discounts, plus an additional 5% discount for those who have been using the Z plan for certain time.

On the other hand, customers placing orders through the delivery companies "Rappi" and "Pedidos Ya" enjoyed a 25% discount on Thursdays and a 30% discount on Tuesdays, respectively; plus a 35% discount at supermarkets.

Finally, in telephony services, customers benefitted from 6 interest-free installment plans at Claro and Movistar.

Cultural Agenda

Naranja redesigned its cultural proposal into new formats and contents, through "Vodcasters," a series of 15 minutes' video podcasts with arts, cinema and popular culture specialists. Naranja also launched "Pasó por Casa" (It's Been Here)—a section containing videos, interviews, texts, audio guides and photo tours of Elian Chali's, Leandro Erlich's and Julio Le Parc's exhibitions. The talks led by the former President of Uruguay, José Mujica, and Argentine intellectuals, such as Beatriz Sarlo and Tomás Abraham, are available at the media library, as well as the live shows of the "Acústicos en Casa" and "Música en Colores" cycles.

Awards and Distinctions

For the second consecutive year, Great Place to Work released the ranking of "Argentina's Best Places to Work for Women." Naranja made it to the 3rd position in the ranking within the category of "companies with over 1,000 employees."

In addition, Great Place to Work also ranked Naranja second among the "Best Companies to Work for in Financial Services and Insurance."

Outlook

It is certainly difficult for us to make any forecast for the coming months, amidst such a volatile environment as the current one. We expect to continue increasing our interest-bearing placements, as well as to offset the decline in financial margins with incremental volumes.

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	09.30.20	09.30.19	09.30.18
Open Accounts (in Thousands)	3,225	3,307	3,185
Monthly Average Consumption per Active Account (in Thousands of AR\$) (1)	7.91	7.90	9.75
Nevada	09.30.20	09.30.19	09.30.18
Open Accounts (in Thousands)	0	0	387
Monthly Average Consumption per Active Account (in Thousands of AR\$)	0	0	7

(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	09.30.20	09.30.19	09.30.18
Amounts in Thousands (until September) (1)	116,188	133,572	121,033
Monthly Average Amount (in Thousands of AR\$) (1)	22,814,408	24,776,618	28,042,862
Merchants' Average Fee	1.90%	2.07%	2.15%
Transactions with Nevada	09.30.20	09.30.19	09.30.18
Amounts in Thousands	0	0	19,055
Monthly Average Amount (in Thousands of AR\$)	0	0	3,250,336

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

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

	09.30.20	09.30.19	09.30.18
Tarjeta Naranja Clásica and Oro	4,555	4,662	4,487
Tarjeta Naranja Visa	3,443	3,485	3,272
Tarjeta Naranja MasterCard	425	465	506
Tarjeta Naranja Amex	58	49	45
Tarjeta Nevada	-	-	473
Tarjetas Nevada Visa	-	-	264
Total	8,481	8,661	9,047

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

	09.30.20	09.30.19	09.30.18
Current Assets	64,195,040	64,106,418	87,749,788
Non-current Assets	8,513,116	8,969,307	8,894,670
Assets	72,708,156	73,075,725	96,644,458
Current Liabilities	47,511,648	48,143,543	55,051,087
Non-current Liabilities	4,315,086	7,154,499	20,033,800
Liabilities	51,826,734	55,298,042	75,084,887
Equity	20,881,422	17,777,683	21,559,571

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

	09.30.20	09.30.19	09.30.18
Operating Revenue	24,956,674	26,315,008	29,248,214
Operating Revenue, Net of Provision for Loan Losses	21,503,909	20,059,043	23,911,134
Total Operating Expenses	(14,810,522)	(15,246,649)	(17,958,841)
(Loss) / Income from Investments Accounted for Using the Equity Method	(13,153)	(2,763)	960
Loss on Net Monetary Position	(2,947,730)	(4,357,726)	(3,792,151)
Profit before Income Tax	3,732,504	451,905	2,161,102
Income Tax	(1,297,857)	(212,556)	(2,441,001)
Profit for the Period	2,434,647	239,349	(279,899)

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

	09.30.20	09.30.19	09.30.18
Net Cash Inflow / (Outflow) from Operating Activities	6,709,911	19,597,761	(2,782,756)
Net Cash Inflow / (Outflow) from Investing Activities	884,126	(2,876,814)	(2,517,152)
Net Cash (Outflow) / Inflow from Financing Activities	(8,898,742)	(15,000,455)	5,834,694
Total Net Cash (Outflow) / Inflow during the Period	(1,304,705)	1,720,492	534,785
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8,890,525	9,508,861	5,962,407
Inflation Loss Attributable to Cash	(2,153,323)	(2,917,801)	(1,685,848)
Increase due to Effects of Exchange Rate Changes on Cash and Cash Equivalents	228,840	(49,750)	(9,715)
CASH AND CASH EQUIVALENTS AT PERIOD-END	5,661,337	8,261,802	4,801,629

RATIOS

	09.30.20	09.30.19	09.30.18
Liquidity	1.351	1.332	1.594
Indebtedness	2.482	3.111	3.483
Solvency	0.403	0.321	0.287
Tied-up Capital	0.117	0.123	0.092
ROE for the Period	(1) 12.15%	1.36%	(1.23) %
ROA for the Period	(2) 3.23%	0.28%	(0.28) %

(1) Profit / (Loss) for the Period / (Equity 09/20 + Equity 12/19) / 2

(2) Profit / (Loss) for the Period / (Assets 09/20 + Assets 12/19) / 2

Statement of Profit or Loss

For the periods ended September 30, 2020 and 2019
Expressed in thousands of constant Argentine Pesos at period-end

	Notes	Year-to-Date		Quarter	
		01.01.2020	01.01.2019	07.01.2020	07.01.2019
		09.30.2020	09.30.2019	09.30.2020	09.30.2019
In Thousands of AR\$					
Revenues from Services	7	13,819,229	15,474,069	4,534,948	5,318,201
Costs of Services	8	(1,863,488)	(1,722,430)	(634,841)	(539,295)
Net Revenues from Services		11,955,741	13,751,639	3,900,107	4,778,906
Revenues from Financing	9	14,600,115	19,644,691	4,332,268	5,534,277
Costs of Financing	10	(3,689,742)	(9,529,257)	(897,191)	(2,788,771)
Net Revenues from Financing		10,910,373	10,115,434	3,435,077	2,745,506
Net Income from Short-term Investments	11	2,090,560	2,447,935	435,790	983,417
Operating Revenues		24,956,674	26,315,008	7,770,974	8,507,829
Provision for Loan Losses	12	(3,452,765)	(6,255,965)	(541,674)	(1,571,606)
Operating Revenue, Net of Provision for Loan Losses		21,503,909	20,059,043	7,229,300	6,936,223
Employee Benefits Expenses	13	(4,851,581)	(4,957,189)	(1,604,888)	(1,676,263)
Taxes and Charges	14	(3,465,446)	(3,887,972)	(1,106,776)	(1,188,802)
Marketing Expenses	15	(623,570)	(587,052)	(243,591)	(206,030)
Depreciation and Amortization	16	(1,190,041)	(1,003,734)	(404,339)	(336,979)
Other Operating Expenses	17	(4,679,884)	(4,810,702)	(1,588,156)	(1,519,792)
Total Operating Expenses		(14,810,522)	(15,246,649)	(4,947,750)	(4,927,866)
Net Profit before Income from Investments Accounted for Using the Equity Method		6,693,387	4,812,394	2,281,550	2,008,357
Loss from Investments Accounted for Using the Equity Method	18	(13,153)	(2,763)	(8,957)	(1,886)
Loss on Net Monetary Position		(2,947,730)	(4,357,726)	(1,109,124)	(1,654,520)
Profit / (Loss) before Income Tax		3,732,504	451,905	1,163,469	351,951
Income Tax	19	(1,297,857)	(212,556)	(420,666)	(287,868)
Profit for the Period		2,434,647	239,349	742,803	64,083
Earnings per Share					
Basic and Diluted Earnings per Share		862.13	84.76	263.03	22.69

Statement of Other Comprehensive Income

For the periods ended September 30, 2020 and 2019
Expressed in thousands of constant Argentine Pesos at period-end

	Year-to-Date		Quarter	
	01.01.2020	01.01.2019	07.01.2020	07.01.2019
	09.30.2020	09.30.2019	09.30.2020	09.30.2019
	In Thousands of AR\$			
Profit for the Period	2,434,647	239,349	742,803	64,083
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Period	2,434,647	239,349	742,803	64,083
Earnings per Share				
Basic and Diluted Earnings per Share	862.13	84.76	263.03	22.69

Balance Sheet

For the periods ended September 30, 2020 and December 31, 2019
Expressed in thousands of constant Argentine Pesos at period-end

	Note	09.30.2020	12.31.2019		Note	09.30.2020	12.31.2019
		In Thousands of AR\$				In Thousands of AR\$	
ASSETS				LIABILITIES			
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and Cash Equivalents	20	5,661,337	8,890,525	Trade and Other Payables	27	38,579,888	38,579,776
Investments	21	-	1,618,509	Borrowings	28	5,420,774	12,371,317
Receivables from Trade	22	58,173,657	58,226,580	Employee Benefit Obligations	29	1,106,303	1,015,486
Other Receivables	23	360,046	330,991	Current Tax Liabilities	30	1,361,272	1,455,871
				Other Liabilities	31	22,567	14,856
				Income Tax Provision	19	1,020,844	1,139,063
Total Current Assets		64,195,040	69,066,605	Total Current Liabilities		47,511,648	54,576,369
NON-CURRENT ASSETS				NON-CURRENT LIABILITIES			
Receivables from Trade	22	171,462	506,757	Borrowings	28	4,158,936	4,146,773
Other Receivables	23	7,587	9,470	Provisions	31	146,100	132,512
Deferred Tax Assets	19	2,898,945	2,750,281	Other Liabilities	32	10,050	8,986
Investments Accounted for Using the Equity Method	24	9,566	15,794				
Property, Plant and Equipment	25	4,144,241	4,149,508				
Intangible Assets	26	1,281,315	1,573,044				
Total Non-current Assets		8,513,116	9,004,854	Total Non-current Liabilities		4,315,086	4,288,271
				Total Liabilities		51,826,734	58,864,640
				EQUITY		20,881,422	19,206,819
Total Assets		72,708,156	78,071,459	Total Liabilities and Equity		72,708,156	78,071,459