

# **Tarjeta Naranja S.A.**

## **Condensed Interim Financial Statements**

For the nine-month period commenced January 1, 2019 and ended  
September 30, 2019, presented on a comparative basis  
(Free Translation from the Original in Spanish for Publication in Argentina)

# **Tarjeta Naranja S.A.**

(Free Translation from the Original in Spanish for Publication in Argentina)

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For the nine-month period commenced January 1, 2019 and ended September 30, 2019,  
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Supervisory Committee's Report

# Tarjeta Naranja S.A.

(Free Translation from the Original in Spanish for Publication in Argentina)

Legal Domicile: La Tablada 451 – Córdoba

Principal Line of Business: Credit Card Administrator

## 25th Year Condensed Interim Financial Statements

For the nine-month period commenced January 1, 2019 and ended September 30, 2019, presented on a comparative basis.  
Expressed in thousands of constant Argentine Pesos at period-end.

Date of Registration with the Public Registry of Commerce:

Of Bylaws: December 12, 1995, May 3, 2001, March 24, 2004, and May 9, 2018 (Note 5)

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

Date of Expiration of Company's Bylaws: December 12, 2094

CAPITAL STATUS (Note 5)				
Shares			Subscribed	Paid-in
Number	Type	Voting Rights per Share		
2,824	Ordinary shares with a face value of AR\$ 10,000	1	In Thousands of AR\$	
			28,240	28,240
2,824			28,240	28,240

Information on the Controlling Company:

Company's Name: **Tarjetas Regionales S.A.**

Legal Domicile: Tte. Gral. Juan D. Perón No. 430 – 19th Floor, Autonomous City of Buenos Aires.

Principal Line of Business: Financial and investment activities. Its principal line of business is to invest in nonbanking credit card issuers and in companies that perform services supplementary to the abovementioned activity (holding company).

Interest in Equity: 99.96%

Percentage of Votes: 99.96%

Please refer to our report dated November 6, 2019  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3  
Andrés Suarez  
Certified Public Accountant (U.B.A.)  
Professional License No. 10.11421.4 – C.P.C.E.Cba.

# **TARJETA NARANJA S.A.**

## **CONDENSED INTERIM FINANCIAL STATEMENTS As of September 30, 2019, presented on a comparative basis**

(Free Translation from the Original in Spanish for Publication in Argentina)

# Tarjeta Naranja S.A.

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

## Condensed Interim Statement of Profit or Loss

For the nine-month periods ended September 30, 2019 and 2018

Expressed in thousands of constant Argentine Pesos at period-end

(Free Translation from the Original in Spanish for Publication in Argentina)

	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)
<b>Net Revenues from Services</b>		<b>10,065,559</b>	<b>10,874,814</b>	<b>3,497,938</b>	<b>3,472,575</b>
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)
<b>Net Revenues from Financing</b>		<b>4,214,374</b>	<b>7,037,568</b>	<b>798,551</b>	<b>1,471,438</b>
Net Income from Short-term Investments	11	1,791,774	720,270	719,815	332,102
<b>Operating Revenue</b>		<b>16,071,707</b>	<b>18,632,652</b>	<b>5,016,304</b>	<b>5,276,115</b>
Provision for Loan Losses	12	(4,355,859)	(3,906,494)	(1,043,564)	(1,165,652)
<b>Operating Revenue, Net of Provision for Loan Losses</b>		<b>11,715,848</b>	<b>14,726,158</b>	<b>3,972,740</b>	<b>4,110,463</b>
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)
<b>Total Operating Expenses</b>		<b>(11,159,838)</b>	<b>(13,145,035)</b>	<b>(3,606,969)</b>	<b>(4,427,201)</b>
<b>Net Profit (Loss) before Income from Investments Accounted for Using the Equity Method</b>		<b>556,010</b>	<b>1,581,123</b>	<b>365,771</b>	<b>(316,738)</b>
Income (Loss) from Investments Accounted for Using the Equity Method	18	(2,022)	703	(1,381)	433
<b>Profit (Loss) before Income Tax</b>		<b>553,988</b>	<b>1,581,826</b>	<b>364,390</b>	<b>(316,305)</b>
Income Tax	19	(222,546)	(1,786,699)	(242,739)	(497,423)
<b>Profit (Loss) for the Period</b>		<b>331,442</b>	<b>(204,873)</b>	<b>121,651</b>	<b>(813,728)</b>
<b>Earnings per Share</b>					
Basic and Diluted Earnings per Share		117.37	(72.55)	43.08	(288.15)

The notes are an integral part of these condensed interim financial statements.

Please refer to our report dated November 6, 2019  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3  
Andrés Suarez  
Certified Public Accountant (U.B.A.)  
Professional License No. 10 11421.4 – C.P.C.E.Cba.

Jorge F. Gregorat  
For the Supervisory Committee

Miguel Angel Peña  
President

## Tarjeta Naranja S.A.

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

### Condensed Interim Statement of Other Comprehensive Income

For the nine-month periods ended September 30, 2019 and 2018

Expressed in thousands of constant Argentine Pesos at period-end

(Free Translation from the Original in Spanish for Publication in Argentina)

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

The notes are an integral part of these condensed interim financial statements.

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Jorge F. Gregorat  
 For the Supervisory Committee

Miguel Angel Peña  
 President

# Tarjeta Naranja S.A.

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

## Condensed Interim Balance Sheet

As of September 30, 2019 and December 31, 2018

Expressed in thousands of constant Argentine Pesos at period-end

(Free Translation from the Original in Spanish for Publication in Argentina)

	Note	09.30.2019		12.31.2018	
		In Thousands of AR\$		In Thousands of AR\$	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	20	6,047,254	6,960,043	24,088,323	31,450,536
Investments	21	1,653,734	-	8,893,693	11,734,082
Receivables from Trade	22	40,716,207	58,678,097	665,946	1,092,456
Other Receivables	23	467,027	365,001	1,072,261	1,355,812
<b>Total Current Assets</b>		<b>48,884,222</b>	<b>66,003,141</b>	<b>35,238,830</b>	<b>45,739,652</b>
<b>NON-CURRENT ASSETS</b>					
Receivables from Trade	22	671,348	1,673,465	5,135,961	11,831,024
Other Receivables	23	35,152	22,895	8,036	13,910
Deferred Tax Assets	19	1,210,332	697,284	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		
<b>Total Non-current Assets</b>		<b>5,976,719</b>	<b>5,724,854</b>	<b>5,236,758</b>	<b>11,934,432</b>
<b>Total Assets</b>		<b>54,860,941</b>	<b>71,727,995</b>	<b>40,475,588</b>	<b>57,674,084</b>
				<b>14,385,353</b>	<b>14,053,911</b>
				<b>54,860,941</b>	<b>71,727,995</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and Other Payables	27			24,088,323	31,450,536
Borrowings	28			8,893,693	11,734,082
Employee Benefit Obligations	29			665,946	1,092,456
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
<b>Total Current Liabilities</b>				<b>35,238,830</b>	<b>45,739,652</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	28			5,135,961	11,831,024
Other Liabilities	31			8,036	13,910
Provisions	32			92,761	89,498
<b>Total Non-current Liabilities</b>				<b>5,236,758</b>	<b>11,934,432</b>
<b>Total Liabilities</b>				<b>40,475,588</b>	<b>57,674,084</b>
<b>EQUITY</b>					
<b>Total Liabilities and Equity</b>				<b>54,860,941</b>	<b>71,727,995</b>

The notes are an integral part of these condensed interim financial statements.

Please refer to our report dated November 6, 2019  
**PRICE WATERHOUSE & CO. S.R.L.**

(Partner)

C.P.C.E.Cba. N° 21,00004.3

Andrés Suárez

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Jorge F. Gregorat  
 For the Supervisory Committee

Miguel Angel Peña  
 President

# Tarjeta Naranja S.A.

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

## Condensed Interim Statement of Changes in Equity

For the nine-month periods ended September 30, 2019 and 2018

Expressed in thousands of constant Argentine Pesos at period-end

(Free Translation from the Original in Spanish for Publication in Argentina)

	Shareholders' Contributions					Reserves				Retained Earnings	Total Equity
	Capital Stock (Note 5)	Comprehensive Adjustment to Capital Stock	Additional Paid-in Capital from Merger	Subtotal	Legal Reserve	Discretionary Reserve	Reserve for Conduction of New Operations				
In Thousands of AR\$											
Balances at 01.01.2019	28,240	760,358	58,541	847,139	39,089	-	18,183,147	-	(5,015,464)	14,053,911	
Changes during the Period:	-	-	-	-	-	-	-	-	331,442	331,442	
Profit for the Period	-	-	-	-	-	-	(5,015,464)	-	5,015,464	-	
Establishment of Reserve for Conduction of New Operations Decided pursuant to Minutes of Shareholders' Meeting No. 44 dated 04.29.2019	-	-	-	-	-	-	-	-	-	-	
<b>Balances at 09.30.2019</b>	<b>28,240</b>	<b>760,358</b>	<b>58,541</b>	<b>847,139</b>	<b>39,089</b>	<b>-</b>	<b>13,167,683</b>	<b>-</b>	<b>331,442</b>	<b>14,385,353</b>	
Balances at 01.01.2018	28,240	760,358	58,541	847,139	39,089	1,958,722	10,577,019	-	3,455,288	16,877,257	
Changes during the Period:	-	-	-	-	-	-	-	-	(204,873)	(204,873)	
Profit for the Period	-	-	-	-	-	-	5,642,837	-	(5,642,837)	-	
Establishment of Reserve for Conduction of New Operations Decided pursuant to Minutes of Shareholders' Meeting No. 42 dated 04.04.2018	-	-	-	-	-	-	-	-	-	-	
Release of Discretionary Reserve Balance and Appropriation to Reserve for Conduction of New Operations pursuant to Minutes of Shareholders' Meeting No. 42 dated 04.04.2018.	-	-	-	-	-	(1,957,138)	1,957,138	-	-	-	
Distribution of Cash Dividends Decided pursuant to Minutes of Shareholders' Meeting No. 42 dated 04.04.2018.	-	-	-	-	-	-	-	-	(1,112,260)	(1,112,260)	
<b>Balances at 09.30.2018</b>	<b>28,240</b>	<b>760,358</b>	<b>58,541</b>	<b>847,139</b>	<b>39,089</b>	<b>1,584</b>	<b>18,176,994</b>	<b>-</b>	<b>(3,504,682)</b>	<b>15,560,124</b>	

The notes are an integral part of these condensed interim financial statements.

Please refer to our report dated November 6, 2019  
**PRICE WATERHOUSE & CO. S.R.L.**

(Partner)

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Andrés Suarez

Certified Public Accountant (U.B.A.)

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Jorge F. Gregorat

For the Supervisory Committee

Miguel Angel Peña

President



# Tarjeta Naranja S.A.

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

## Condensed Interim Statement of Cash Flows

For the nine-month periods ended September 30, 2019 and 2018  
Expressed in thousands of constant Argentine Pesos at period-end  
(Free Translation from the Original in Spanish for Publication in Argentina)

	Note	09.30.2019	09.30.2018
In Thousands of AR\$			
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit (Loss) for the Period		331,442	(204,873)
Plus Income Tax Accrued during the Period		222,546	1,786,699
Plus Interest and Other Financial Expenses Accrued during the Period, Net of Interest and Other Financial Income Accrued		6,830,128	5,311,300
Plus Loss on Net Monetary Position		3,189,652	3,792,151
Adjustments to Calculate Net Cash Flow and Cash Equivalents from Operating Activities	38	5,884,999	5,697,109
Changes in Operating Assets	39	(2,301,729)	(19,042,407)
Changes in Operating Liabilities	40	187,607	623,172
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>		<b>14,344,645</b>	<b>(2,036,849)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Payments for Non-cash Equivalent Investments		(1,575,025)	(1,134,589)
Payments for Property, Plant and Equipment		(155,923)	(321,864)
Payments for Intangible Assets		(368,943)	(385,985)
Payments for Capital Contributions to Subsidiaries		(5,803)	-
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(2,105,694)</b>	<b>(1,842,438)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from Bank and Financial Loans		-	2,757,779
Proceeds from Credit Lines	41	-	1,980,718
Notes (" <i>Obligaciones Negociables</i> ") Issued	41	1,687,903	5,030,924
Dividends Paid to Company's Shareholders		-	(395)
Repayment of Principal, Interest and Expenses on Bank and Financial Loans	41	(2,490,781)	(727,941)
Repayment of Principal, Interest and Expenses on Notes (" <i>Obligaciones Negociables</i> ")	41	(9,933,659)	(4,718,522)
Payment of Tax on Bank Credits and Debits	41	(47,863)	(51,839)
Payment of Financial Leases	41	(195,234)	-
<b>NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES</b>		<b>(10,979,634)</b>	<b>4,270,724</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>1,259,317</b>	<b>391,437</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		<b>6,960,043</b>	<b>4,364,204</b>
Loss on Net Monetary Position on Cash and Cash Equivalents		(2,135,691)	(1,233,961)
Decrease Resulting from Exchange Rate Changes on Cash and Cash Equivalents		(36,415)	(7,111)
<b>Cash and Cash Equivalents at Period-End</b>	37	<b>6,047,254</b>	<b>3,514,569</b>

Additional information on the Condensed Statement of Cash Flows is disclosed in Note 41.

The notes are an integral part of these condensed interim financial statements.

Please refer to our report dated November 6, 2019  
**PRICE WATERHOUSE & CO. S.R.L.**

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# Tarjeta Naranja S.A.

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

## Notes to the Condensed Interim Financial Statements

For the nine-month periods ended September 30, 2019 and 2018

Expressed in thousands of constant Argentine Pesos at period-end  
(Free Translation from the Original in Spanish for Publication in Argentina)

### Notes to the Condensed Interim Financial Statements

(In the notes, figures are expressed in thousands of Argentine Pesos, except otherwise noted)

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Please refer to our report dated November 6, 2019  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 27.00004.3

# Tarjeta Naranja S.A.

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

## Notes to the Condensed Interim Financial Statements (Continued)

For the nine-month periods ended September 30, 2019 and 2018  
Expressed in thousands of constant Argentine Pesos at period-end  
(Free Translation from the Original in Spanish for Publication in Argentina)

### NOTE 1 – GENERAL INFORMATION

Tarjeta Naranja S.A. (hereinafter, “the Company”) was organized as a corporation in the Province of Córdoba on September 1, 1995. The Company is a leading credit-card company in Argentina. Its main business is to create, develop, direct, manage, market, exploit and operate credit and/or debit and/or purchase and/or similar card systems. The Company may hold an interest in the capital stock of other companies rendering supplementary services to the financial activity, which are allowed by the Argentine Central Bank (BCRA).

These financial statements were approved for their issuance by the Company’s Board of Directors on November 6, 2019.

Tarjeta Naranja S.A. is a subsidiary of Tarjetas Regionales S.A., which, in turn, is a subsidiary of Grupo Financiero Galicia S.A.

### NOTE 2 – BASIS FOR PREPARATION

The Argentine National Securities Commission (C.N.V.), pursuant to Title IV “Periodical Reporting Requirements”- Chapter III “Rules concerning the Presentation and Valuation Criteria of Financial Statements” - Section 1 of its regulations, has established the application of Technical Pronouncement No. 26 (TP No. 26) issued by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), as amended, adopting the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) for certain entities included in the public offer regime prescribed in Law No. 17811, whether by reason of their capital stock or notes (“*obligaciones negociables*”), or because these entities have applied for authorization to be included in such regime.

Due to the aforementioned factors, the Company’s management has prepared these condensed interim financial statements in accordance with the accounting guidance laid down by the C.N.V., which is based on the application of the IFRS, in particular, IAS 34, except for IFRS No. 9, paragraph 5.5, “Impairment,” as further explained in Note 3 to these condensed interim financial statements. Also, some additional matters required by the Companies Law and/or C.N.V. regulations, among others, the supplementary information established in the last paragraph of Section 1, Chapter III, Title IV of General Resolution No. 622/13 were included. Such information is included in the notes to these condensed interim financial statements, as established by IFRS.

In preparing these condensed interim financial statements, the Company has availed of the option set forth in IAS 34, and has prepared such statements on a condensed basis. Therefore, these financial statements do not include all such information required to prepare a full set of annual financial statements, and users are encouraged to read them jointly with the Company’s annual financial statements as of December 31, 2018.

The figures disclosed in these condensed interim financial statements and in their accompanying notes are stated in thousands of Argentine Pesos, except for net earnings per share.

#### a) Going Concern

As of the date of these condensed interim financial statements, there are no uncertainties as to events or conditions that may pose any doubt about the likelihood that the Company will continue operating normally as a going concern.

Please refer to our report dated November 6, 2019  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3

# Tarjeta Naranja S.A.

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

## Notes to the Condensed Interim Financial Statements (Continued)

For the nine-month periods ended September 30, 2019 and 2018  
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### NOTE 2 – BASIS FOR PREPARATION (CONTINUED)

#### b) Measuring Unit

International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29") requires that an entity's financial statements whose functional currency is the currency of a hyperinflationary economy, regardless of whether they are based on the historical cost method or on the current cost method, be stated in terms of the measuring unit current at the end of the reporting period. For such purpose, in general, the inflation from the acquisition date or the revaluation date, as the case may be, should be computed in non-monetary items. Such requirements are also applicable to the comparative information disclosed in the financial statements.

To conclude on the existence of a hyperinflationary economy pursuant to the provisions set forth in IAS 29, the standard details a series of factors to be considered, including an accumulated three-year inflation rate that approximates to or exceeds 100%. Accordingly, pursuant to the requirements of IAS 29, effective since July 1, 2018, the Argentine economy qualifies as a hyperinflationary economy.

In turn, Law No. 27,468 (published in the Official Gazette on December 4, 2018) introduced certain changes to Section 10 of Law No. 23,928, as amended, establishing that the repeal of all such legal and regulatory standards which establish or authorize price indexation mechanisms, monetary adjustments, changes in costs or any other form of restatement of indebtedness, taxes, prices or rates for goods, works or services, is not applicable to financial statements, which should continue to be subject to the provisions of Section 62 *in fine* of the Argentine General Companies Law No. 19,550 (as amended in 1984) and its amendments. In addition, Law No. 27,468 repealed Decree No. 1269/2002 dated July 16, 2002, as amended, and entrusted the National Executive Branch, through its regulatory agencies, with the duty of setting the date as from which the foregoing provisions would come into force in respect of financial statements filed with them. Accordingly, by way of General Resolution 777/2018 (published in the Official Gazette on December 28, 2018), the C.N.V. provided that issuers subject to its oversight were required to restate their annual, interim and special financial statements ended on and after December 31, 2018 into constant currency as required by IAS 29.

In accordance with IAS 29, the financial statements of an entity reporting in the currency of a hyperinflationary economy should be presented in the current unit of measurement as of the end of the reporting period. All balances disclosed in the entity's balance sheet, other than those stated in the current unit of measurement as of the end of the reporting period, should be adjusted by reference to a general price index. All profit & loss items should be reported in terms of a unit of measurement adjusted as of the end of the reporting period by reference to the changes in the general price index occurring since the date on which revenues and expenses have been originally recognized in the financial statements.

The inflation adjustment was calculated by reference to the indexes established by the FACPCE, which are based on the price indexes released by the Argentine Institute of Statistics and Census ("INDEC"). The following table shows the applicable indexes as of the end of each reporting year/period, and the indexes applicable to each month.

Please refer to our report dated November 6, 2019  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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# Tarjeta Naranja S.A.

Registration Number with the Public Registry of Commerce: No. 1363 Fo. 5857 Vol. 24/95

## Notes to the Condensed Interim Financial Statements (Continued)

For the nine-month periods ended September 30, 2019 and 2018  
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### NOTE 2 – BASIS FOR PREPARATION (CONTINUED)

#### b) Measuring Unit (Continued)

Month	FACPCE's Indexes	
	2019	2018
December (Previous Year)	184.2552	124.7956
January	189.6101	126.9887
February	196.7501	130.0606
March	205.9571	133.1054
April	213.0517	136.7512
May	219.5691	139.5893
June	225.5370	144.8053
July	230.4940	149.2966
August	239.6077	155.1034
September	253.7102	165.2383
October	-	174.1473
November	-	179.6388
December	-	184.2552

For the Company, the transition date to IAS 29 was January 1, 2017.

Below is a detail of the main guidelines for the application of the inflation adjustment:

- Monetary assets and liabilities should not be restated, for they are stated in current currency as of the end of the reporting period.
- Non-monetary assets and liabilities recognized at cost and equity items should be restated, by reference to the respective adjustment ratios, for they are stated in a currency prior to the end of the reporting period.
- All profit & loss items are restated by reference to the respective adjustment factors.
- The effects of inflation on the Company's net monetary position are disclosed in the statement of profit or loss in a separate item, under "Loss on Net Monetary Position".
- The Company has reported revenues from financing and costs of financing (including, without limitation, interest and foreign exchange gain (loss)) at their restated nominal value, as provided for in paragraph 28 of IAS 29. Accordingly, such items are not reported net of the effects of inflation (in real terms).

Equity items were restated as follows on the transition date:

- Capital Stock was restated since the later of the subscription date or the date of the last inflation adjustment. The resulting amount was accounted for in "Adjusted Capital Stock."
- The other reserves were not restated upon initial application of the standard.

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## Notes to the Condensed Interim Financial Statements (Continued)

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### NOTE 2 – BASIS FOR PREPARATION (CONTINUED)

Comparative figures were adjusted following the same procedure described above. The amounts resulting from the restatement process to estimate comparative figures in the currency prevailing as of the comparative year-end are then restated into the currency prevailing as of the current period-end.

### NOTE 3 – ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used for the preparation of the annual financial statements for the year ended December 31, 2018.

- a) Some new standards, amendments and interpretations are effective for the years beginning after January 1, 2019 and have been applied in the preparation of these condensed interim financial statements. Below is a detail of the main standards or amendments:
- IFRS 16 "Leases" sets out the new principles for the recognition, measurement, presentation and disclosure of lease contracts. The elimination of the classification into operating and finance leases set out by IAS 17 and the adoption, as a replacement of a similar treatment to the one afforded to finance ones under such standard for all lease contracts should be highlighted. Until December 31, 2018, leases of property, plant and equipment were classified as operating or financial leases. Payments for operating leases were recorded as operating expenses during the term of the lease. Effective since January 1, 2019, these agreements are required to be disclosed as leased assets (right-of-use assets) under property, plant and equipment at the present value of the lease payments, net of depreciation calculated on a straight-line basis during the shorter of the useful life of the lease agreement or the useful life of the asset. In turn, the Company makes periodic payments and recognizes a financial liability that represents the obligation to make future lease payments. IFRS 16 does not require the lessee to recognize assets and liabilities in the cases of short-term leases or leases of low-value assets.

The Company has applied this standard retrospectively to January 1, 2019, but has not adjusted the comparative information for the year 2018, as specifically permitted by the transition standard. Instead, the Company has recognized the reclassifications and the cumulative effect of the first-time adoption of this standard as an adjustment to the opening balance as of January 1, 2019.

In adopting IFRS 16, the Company has availed of the option of not applying the standard to contracts which had not been previously determined to include a lease agreement according to IAS 17.

The Company has also opted for recognizing a right-of-use asset on the first-time adoption date for an amount equal to the lease liability recognized as the present value of the remaining lease payments, adjusted for the amount of any advanced or accrued payment in respect of that lease recognized in the balance sheet immediately before the first-time adoption date, with the first-time adoption effect on the opening balance of retained earnings being null.

The effects of the adoption of this new standard are disclosed in Note 35.

Please refer to our report dated November 6, 2019  
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## Notes to the Condensed Interim Financial Statements (Continued)

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### NOTE 3 – ACCOUNTING POLICIES (CONTINUED)

b) Effective standards as of January 1, 2019 which have not been applied in preparing these condensed interim financial statements. Below is a detail of the rationale and major impact:

- IFRS 9 "Financial Instruments" is effective for periods beginning on or after January 1, 2018. The Company has applied IFRS 9 except for paragraph 5.5 regarding the new expected credit loss model for impairment recognition, since the National Securities Commission of Argentina (C.N.V.), through General Resolution 714-E/2017, exclusively exempted credit card issuing companies from the application of this regulation in particular, until the establishment of a future application schedule, in line with the guidelines set forth by the Argentine Central Bank (BCRA). In accordance with C.N.V. Resolution 714-E/2017, the Company has applied the regulations contained in IAS 39 for the recognition of credit losses in these condensed interim financial statements. Notwithstanding this, in calculating the impairment of its receivables from trade, the Company has performed a quantitative analysis of the impact of the expected loss model set out in IFRS 9 on its equity and profit & loss accounts.

Below is a detail of such calculation:

	In Constant Currency as of September 30, 2019		In Nominal Currency	
	Impact on Assets / Equity (Net of Tax)	Impact on Profit (Loss) (Net of Tax)	Impact on Assets / Equity (Net of Tax)	Impact on Profit (Loss) (Net of Tax)
	Debtor / (Creditor)	Profit / (Loss)	Debtor / (Creditor)	Profit / (Loss)
12.31.2018 and for the year then ended	(1,216,668)	(584,107)	(883,597)	(572,451)
03.31.2019 and for the period then ended	(1,160,353)	56,315	(941,953)	(58,356)
06.30.2019 and for the period then ended	(1,298,175)	(81,507)	(1,154,020)	(270,423)
09.30.2019 and for the period then ended	(1,372,920)	(156,252)	(1,372,920)	(489,323)

### NOTE 4 – ESTIMATES

The preparation of the condensed interim financial statements requires that the Company make judgments, estimates and assumptions that affect the application of the accounting policies and the amounts of assets and liabilities disclosed, as well as income and expenses. Actual amounts may differ from such estimates.

In preparing these condensed interim financial statements, the significant judgments made by the Company in applying the accounting policies and the key sources of estimates were the same as those applied to the financial statements for the year ended December 31, 2018.

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### NOTE 5 – CAPITAL STOCK

The share capital is represented by non-endorsable registered ordinary shares, with a face value of AR\$ 10,000 per share.

CAPITAL STATUS				
Shares			Subscribed	Paid-in
Number	Type	Voting Rights per Share		
			In Thousands of AR\$	
2,824	Ordinary shares with a face value of AR\$ 10,000	1	28,240	28,240
2,824			28,240	28,240

As of September 30, 2019 and as of December 31, 2018, capital status was as follows:

Capital	Face Value	Approved by		Date of Registration with the Public Registry of Commerce
	In Thousands of AR\$	Body	Date	
Subscribed, Issued and Paid in	12,000	Extraordinary Shareholders' Meeting	09.04.95	12.12.95
Capital Increase due to Merger with Tarjetas del Sur S.A.	6,600	Extraordinary Shareholders' Meeting	02.16.01	05.03.01
Capital Increase due to Merger with Tarjeta Comfiar S.A.	5,400	Extraordinary Shareholders' Meeting	10.02.03	03.24.04
Capital Increase due to Merger with Tarjetas Cuyanas S.A.	4,240	Extraordinary Shareholders' Meeting	10.24.17	05.09.18
<b>Total</b>	<b>28,240</b>			

In addition, in compliance with Section 4, Part I, Chapter IV, Title II of the regulations of the National Securities Commission (C.N.V.), the following is disclosed:

	2017	2018	2019
Capital Stock at the Beginning of the Year	24,000	28,240	28,240
Capital Increase due to Merger with Tarjetas Cuyanas S.A.	4,240	-	-
Capital Stock at Year-End / Period-End	28,240	28,240	28,240

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## Notes to the Condensed Interim Financial Statements (Continued)

For the nine-month periods ended September 30, 2019 and 2018

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### NOTE 6 – SEGMENT INFORMATION

#### Segment Information as of 09.30.2019

	Córdoba	Central Region	Northwest of Argentina	Patagonia	Northeast of Argentina	Inside the Province of Buenos Aires	Gold	Greater Buenos Aires I	Greater Buenos Aires II	Cuyo	Non-allocable	Effects of Restatement	Total
Revenues from Services	997,053	1,012,611	2,010,472	878,313	1,314,171	350,367	594,318	453,203	820,103	729,070	643,044	1,523,573	11,326,298
Costs of Services	(83,623)	(76,231)	(146,820)	(61,982)	(105,783)	(33,560)	(52,649)	(50,105)	(84,490)	(62,572)	(330,828)	(172,096)	(1,260,739)
<b>Net Revenues from Services</b>	<b>913,430</b>	<b>936,380</b>	<b>1,863,652</b>	<b>816,331</b>	<b>1,208,388</b>	<b>316,807</b>	<b>541,669</b>	<b>403,098</b>	<b>735,613</b>	<b>666,498</b>	<b>312,216</b>	<b>1,351,477</b>	<b>10,065,559</b>
Revenues from Financing	1,191,976	1,315,390	2,763,101	1,324,189	1,844,486	426,461	778,096	646,331	1,042,589	962,425	-	2,083,954	14,378,998
Costs of Financing	(580,331)	(640,417)	(1,345,257)	(644,702)	(898,016)	(207,629)	(378,828)	(314,676)	(507,600)	(468,571)	-	(988,945)	(6,974,972)
Loss on Net Monetary Position	-	-	-	-	-	-	-	-	-	-	-	(3,189,652)	(3,189,652)
<b>Net Revenues from Financing</b>	<b>611,645</b>	<b>674,973</b>	<b>1,417,844</b>	<b>679,487</b>	<b>946,470</b>	<b>218,832</b>	<b>399,268</b>	<b>331,655</b>	<b>534,989</b>	<b>493,854</b>	-	<b>(2,094,643)</b>	<b>4,214,374</b>
Net Income from Short-term Investments	151,745	167,456	351,758	168,576	234,813	54,291	99,056	82,281	132,727	122,522	-	226,549	1,791,774
Provision for Loan Losses	(278,030)	(307,363)	(754,974)	(278,325)	(499,500)	(131,076)	(273,328)	(306,900)	(503,242)	(358,647)	-	(664,474)	(4,355,859)
Depreciation	(4,949)	(6,758)	(12,755)	(7,228)	(5,736)	(2,407)	(5,441)	(7,548)	(4,443)	(2,917)	(213,000)	(206,435)	(479,617)
Amortization	-	-	-	-	-	-	-	-	-	-	(121,001)	(134,069)	(255,070)
Other Operating Expenses	(754,081)	(798,405)	(1,599,170)	(707,424)	(1,104,753)	(328,254)	(547,761)	(497,578)	(790,996)	(687,493)	(1,178,420)	(1,430,816)	(10,425,151)
Income from Investments Accounted for Using the Equity Method	-	-	-	-	-	-	-	-	-	-	(1,847)	(175)	(2,022)
Income Tax	-	-	-	-	-	-	-	-	-	-	14,425	(236,971)	(222,546)
<b>Profit (Loss) for the Period</b>	<b>639,760</b>	<b>666,283</b>	<b>1,266,355</b>	<b>671,417</b>	<b>779,682</b>	<b>128,193</b>	<b>213,463</b>	<b>5,008</b>	<b>104,648</b>	<b>233,817</b>	<b>(1,187,627)</b>	<b>(3,189,557)</b>	<b>331,442</b>

Please refer to our report dated November 6, 2019

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N°21.00004.3

# Tarjeta Naranja S.A.

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## Notes to the Condensed Interim Financial Statements (Continued)

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### NOTE 6 – SEGMENT INFORMATION (CONTINUED)

#### Segment Information as of 09.30.2018

	Córdoba	Central Region	Northwest of Argentina	Patagonia	Northeast of Argentina	Inside the Province of Buenos Aires	Gold	Greater Buenos Aires I	Greater Buenos Aires II	Cuyo	Non-allocable	Effects of Restatement	Total
Revenues from Services	723,321	686,870	1,264,141	571,841	924,800	240,627	438,244	313,919	582,751	955,343	436,902	5,615,035	12,753,794
Costs of Services	(70,091)	(71,745)	(133,600)	(52,062)	(106,186)	(32,867)	(53,874)	(54,031)	(91,756)	(171,148)	(217,319)	(824,301)	(1,878,980)
Net Revenues from Services	653,230	615,125	1,130,541	519,779	818,614	207,760	384,370	259,888	490,995	784,195	219,583	4,790,734	10,874,814
Revenues from Financing	831,255	894,235	1,736,870	959,302	1,350,229	292,543	591,342	377,336	681,885	1,381,614	71	7,095,822	16,192,504
Costs of Financing	(275,575)	(296,453)	(575,801)	(318,024)	(447,623)	(96,983)	(196,039)	(125,093)	(226,056)	(504,058)	(24)	(2,301,056)	(5,362,785)
Loss on Net Monetary Position	-	-	-	-	-	-	-	-	-	-	-	(3,792,151)	(3,792,151)
Net Revenues from Financing	555,680	597,782	1,161,069	641,278	902,606	195,560	395,303	252,243	455,829	877,556	47	1,002,615	7,037,568
Net Income from Short-term Investments	44,310	47,667	92,583	51,135	71,974	15,594	31,521	20,114	36,348	40	3	308,981	720,270
Provision for Loan Losses	(183,763)	(165,367)	(314,510)	(164,339)	(272,929)	(80,123)	(175,009)	(172,521)	(297,088)	(369,500)	-	(1,711,345)	(3,906,494)
Depreciation	(5,582)	(4,673)	(6,456)	(4,035)	(4,241)	(1,903)	(3,266)	(4,354)	(4,001)	(21,831)	(27,216)	(158,283)	(245,841)
Amortization	-	-	-	-	-	-	-	-	-	(19,626)	(92,124)	(147,608)	(259,358)
Other Operating Expenses	(535,731)	(534,441)	(998,921)	(497,843)	(801,014)	(244,057)	(419,059)	(393,229)	(633,141)	(985,831)	(1,053,393)	(5,543,176)	(12,639,836)
Income from Investments	-	-	-	-	-	-	-	-	-	-	402	301	703
Accounted for Using the Equity Method	-	-	-	-	-	-	-	-	-	-	(899,748)	(886,951)	(1,786,699)
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit (Loss) for the Period</b>	<b>528,144</b>	<b>556,093</b>	<b>1,064,306</b>	<b>545,975</b>	<b>715,010</b>	<b>92,831</b>	<b>213,860</b>	<b>(37,859)</b>	<b>48,942</b>	<b>265,003</b>	<b>(1,852,446)</b>	<b>(2,344,732)</b>	<b>(204,873)</b>

Please refer to our report dated November 6, 2019

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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## Notes to the Condensed Interim Financial Statements (Continued)

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### NOTE 6 – SEGMENT INFORMATION (CONTINUED)

#### Segment Information as of 09.30.2019

	Córdoba	Central Region	Northwest of Argentina	Patagonia	Northeast of Argentina	Inside the Province of Buenos Aires	Gold	Greater Buenos Aires I	Greater Buenos Aires II	Cuyo	Non-allocable	Effects of Restatement	Total
<b>ASSETS</b>													
Cash and Cash Equivalents	766,480	675,257	1,403,590	659,210	823,967	182,451	337,004	279,212	446,921	473,162	-	-	6,047,254
Receivables from Trade	5,245,806	4,621,475	9,606,206	4,511,651	5,639,253	1,248,700	2,306,465	1,910,932	3,058,736	3,238,331	-	-	41,387,555
Other Assets	-	-	-	-	-	-	-	-	-	-	3,885,731	(514,715)	3,371,016
Property, Plant and Equipment and Intangible Assets	25,131	26,391	32,186	20,466	20,309	8,552	26,566	22,719	12,759	10,889	1,789,357	2,059,801	4,055,116
<b>Total Assets</b>	<b>6,037,417</b>	<b>5,323,123</b>	<b>11,041,982</b>	<b>5,191,327</b>	<b>6,483,529</b>	<b>1,439,703</b>	<b>2,670,025</b>	<b>2,212,863</b>	<b>3,518,416</b>	<b>3,722,382</b>	<b>5,675,088</b>	<b>1,545,086</b>	<b>54,860,941</b>
<b>LIABILITIES</b>													
Trade and Other Payables	3,289,754	2,938,205	5,989,767	2,790,835	3,191,014	667,761	1,312,403	725,860	1,295,839	1,886,654	231	-	24,088,323
Borrowings	1,778,236	1,566,599	3,256,334	1,529,371	1,911,608	423,288	781,851	647,772	1,036,858	1,097,737	-	-	14,029,654
Employee Benefit Obligations	41,824	43,764	86,881	31,691	64,029	24,792	33,416	29,104	54,328	43,980	212,137	-	665,946
Other Liabilities	-	-	-	-	-	-	-	-	-	-	1,691,665	-	1,691,665
<b>Total Liabilities</b>	<b>5,109,814</b>	<b>4,548,568</b>	<b>9,332,982</b>	<b>4,351,897</b>	<b>5,166,651</b>	<b>1,115,841</b>	<b>2,127,670</b>	<b>1,402,736</b>	<b>2,387,025</b>	<b>3,028,371</b>	<b>1,904,033</b>	<b>-</b>	<b>40,475,588</b>

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### NOTE 6 – SEGMENT INFORMATION (CONTINUED)

Segment Information as of 12.31.2018

	In Thousands of AR\$										Total			
	Córdoba	Central Region	Northwest of Argentina	Patagonia	Northeast of Argentina	Inside the Province of Buenos Aires	Gold	Greater Buenos Aires I	Greater Buenos Aires II	Cuyo		Nevada	Non-allocable	"End-to-end" Restatement (*)
<b>ASSETS</b>														
Cash and Cash Equivalents	643,491	573,828	1,169,098	542,138	688,532	150,838	291,486	221,291	365,755	408,225	-	-	1,905,361	6,960,043
Receivables from Trade	5,579,764	4,975,713	10,137,355	4,700,924	5,970,320	1,307,928	2,527,504	1,918,830	3,171,498	3,539,752	298	-	16,521,676	60,351,562
Other Assets	-	-	-	-	-	-	-	-	-	-	-	1,475,816	(387,719)	1,088,097
Property, Plant and Equipment	35,077	39,347	55,744	39,070	37,630	16,109	47,817	33,659	23,787	15,649	95	490,213	2,494,096	3,328,293
<b>Total Assets</b>	<b>6,258,332</b>	<b>5,588,888</b>	<b>11,362,197</b>	<b>5,282,132</b>	<b>6,696,482</b>	<b>1,474,875</b>	<b>2,866,807</b>	<b>2,173,780</b>	<b>3,561,040</b>	<b>3,963,626</b>	<b>393</b>	<b>1,966,029</b>	<b>20,533,414</b>	<b>71,727,995</b>
<b>LIABILITIES</b>														
Trade and Other Payables	3,633,923	3,041,589	5,701,089	2,724,883	3,271,868	671,071	1,396,974	689,749	1,231,173	216,719	261,687	-	8,609,811	31,450,536
Borrowings	1,907,164	1,700,699	3,464,947	1,606,776	2,040,656	447,050	863,901	655,856	1,084,018	1,209,889	2,133,031	-	6,451,119	23,565,106
Employee Benefit Obligations	45,010	45,215	92,485	34,733	68,234	26,513	36,378	30,006	57,752	45,215	104,474	207,373	299,068	1,092,456
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	1,126,982	439,004	1,565,986
<b>Total Liabilities</b>	<b>5,586,097</b>	<b>4,787,503</b>	<b>9,258,521</b>	<b>4,366,392</b>	<b>5,380,758</b>	<b>1,144,634</b>	<b>2,297,253</b>	<b>1,375,611</b>	<b>2,372,943</b>	<b>1,471,823</b>	<b>2,499,192</b>	<b>1,334,355</b>	<b>15,799,002</b>	<b>57,674,084</b>

(\*) Mechanism by which the previous year's balances in constant currency are restated into the constant currency of the current reporting period.

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### NOTE 7 – REVENUES FROM SERVICES

	09.30.2019	09.30.2018
	<u>In Thousands of AR\$</u>	
Account Maintenance Fee	5,251,901	5,740,276
Fees	2,829,212	3,140,674
Revenues from Third-Party Portfolio Managed	52,451	137,467
Card Renewal Fees	747,381	889,269
Other Revenues from Services	2,445,353	2,846,108
<b>Total</b>	<b>11,326,298</b>	<b>12,753,794</b>

### NOTE 8 – COSTS OF SERVICES

	09.30.2019	09.30.2018
	<u>In Thousands of AR\$</u>	
Printing and Distribution Expenses	(310,507)	(455,068)
Expenses from Call Center Services	(210,500)	(222,587)
Openings of Accounts	(74,254)	(93,229)
Special Promotions	(53,126)	(153,433)
Other Costs of Services	(440,797)	(447,413)
Expenses for Telephone Sale Channel	(171,555)	(507,250)
<b>Total</b>	<b>(1,260,739)</b>	<b>(1,878,980)</b>

### NOTE 9 – REVENUES FROM FINANCING

	09.30.2019	09.30.2018
	<u>In Thousands of AR\$</u>	
Merchants (“Comercios Amigos”) Interest	3,710,785	2,978,245
Interest on Financing through Credit Cards	6,944,782	7,441,531
Interest on Personal Loans	806,547	3,525,774
Compensatory Interest	1,932,412	1,561,474
Penalty Interest	948,926	655,758
Revenues from Lawsuits	14,443	29,267
Foreign Exchange Gain	21,103	455
<b>Total</b>	<b>14,378,998</b>	<b>16,192,504</b>

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### NOTE 10 – COSTS OF FINANCING

	09.30.2019	09.30.2018
	In Thousands of AR\$	
Interest on Notes (" <i>Obligaciones Negociables</i> ")	(6,497,466)	(4,534,221)
Bank Interest	(393,911)	(777,582)
Tax on Bank Debits and Credits	(54,505)	(44,052)
Other Costs of Financing	(4,872)	(6,930)
Leases	(24,218)	-
<b>Total</b>	<b>(6,974,972)</b>	<b>(5,362,785)</b>

### NOTE 11 – NET INCOME FROM SHORT-TERM INVESTMENTS

	09.30.2019	09.30.2018
	In Thousands of AR\$	
Interest on Time Deposits	231,812	-
Interest on Government Securities	161,458	51,484
Income from Notes (" <i>Obligaciones Negociables</i> ")	16,098	-
Income from Mutual Funds	1,382,406	668,786
<b>Total</b>	<b>1,791,774</b>	<b>720,270</b>

### NOTE 12 – PROVISION FOR LOAN LOSSES

	09.30.2019	09.30.2018
	In Thousands of AR\$	
Provision for Loan Losses	(4,518,023)	(4,232,452)
Recovery of Loan Losses	162,164	325,958
<b>Total</b>	<b>(4,355,859)</b>	<b>(3,906,494)</b>

### NOTE 13 – EMPLOYEE BENEFITS EXPENSES

	09.30.2019	09.30.2018
	In Thousands of AR\$	
Compensation and Social Security Charges	(2,922,217)	(4,028,418)
Bonuses for the Personnel	(391,116)	(472,851)
Travel Expenses and Per Diem	(56,755)	(89,330)
Other Employee Expenses	(258,343)	(289,841)
<b>Total</b>	<b>(3,628,431)</b>	<b>(4,880,440)</b>

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### NOTE 14 – TAXES AND CHARGES

	09.30.2019	09.30.2018
	In Thousands of AR\$	
Turnover Tax	(1,817,539)	(1,980,146)
Tax on Bank Debits and Credits	(470,311)	(577,512)
Trade and Industry Tax	(521,873)	(611,966)
Other Taxes, Rates and Contributions	(36,092)	(41,547)
<b>Total</b>	<b>(2,845,815)</b>	<b>(3,211,171)</b>

### NOTE 15 – MARKETING EXPENSES

	09.30.2019	09.30.2018
	In Thousands of AR\$	
National Advertising	(385,645)	(467,684)
Advertising at Stores	(1,014)	(14,027)
Regional Advertising	(43,036)	(55,974)
<b>Total</b>	<b>(429,695)</b>	<b>(537,685)</b>

### NOTE 16 – DEPRECIATION AND AMORTIZATION

	09.30.2019	09.30.2018
	In Thousands of AR\$	
Depreciation of Property, Plant and Equipment (Note 25)	(479,617)	(245,841)
Amortization of Intangible Assets (Note 26)	(255,070)	(259,358)
<b>Total</b>	<b>(734,687)</b>	<b>(505,199)</b>

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### NOTE 17 – OTHER OPERATING EXPENSES

	09.30.2019	09.30.2018
	In Thousands of AR\$	
Rentals	(54,584)	(292,709)
Regular Mail Services	(34,972)	(50,245)
Donations	(5,732)	(6,375)
Electricity, Natural Gas and Communications	(272,546)	(189,759)
Bank and Financial Expenses	(136,450)	(88,827)
Collection Expenses	(997,291)	(910,905)
Expenses for Commercial Reports and Procedures for the Collection of Amounts in Arrears	(508,159)	(466,787)
Directors and Supervisory Committee Members' Fees	(2,114)	(34,278)
Third Parties' Fees	(517,003)	(963,631)
Insurance and Security Services	(343,367)	(376,544)
Stationery and Office Supplies	(51,950)	(74,425)
Maintenance of Equipment and Buildings	(145,173)	(119,252)
Cleaning Expenses	(72,923)	(95,893)
Other Expenses	(378,946)	(340,910)
<b>Total</b>	<b>(3,521,210)</b>	<b>(4,010,540)</b>

### NOTE 18 – INCOME FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	09.30.2019	09.30.2018
	In Thousands of AR\$	
Income from Investment in Cobranzas Regionales S.A.	(2,022)	703
<b>Total</b>	<b>(2,022)</b>	<b>703</b>

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### NOTE 19 – INCOME TAX

The following table shows the changes in current and deferred tax assets and liabilities:

	Deferred Tax Assets	Income Tax Payable		Income Tax Accrued during the Year / Period
	In Thousands of AR\$			
Balance at the Beginning of 2018	865,227	(1)	(3,310,883)	(3,339,534)
Adjustment to Income Tax 2017 (3)	34,086		(50,329)	(16,243)
Payment of Income Tax 2017 (4)	-		3,361,212	-
Income Tax Accrued during the Year (2)	(202,029)		(1,457,094)	(1,659,123)
Effect of Restatement on Income Tax Expense	-		-	(461,345)
<b>Balance at December 31, 2018</b>	<b>697,284</b>		<b>(1,457,094)</b>	<b>(2,136,711)</b>
Income Tax Accrued during the Period (5)	425,997		(992,931)	(566,934)
Adjustment to Income Tax 2019 (6)	87,051		97,236	184,287
Payment of Income Tax ( 7)	-		973,843	-
Effect of Restatement on Income Tax Expense	-		386,015	160,101
<b>Balance at September 30, 2019</b>	<b>1,210,332</b>		<b>(992,931)</b>	<b>(222,546)</b>

- (1) It corresponds to the income tax amount that, pursuant to the estimations made by the Company's Management as of February 7, 2018, should have been paid in May 2018 according to the taxable income accrued during the year ended December 31, 2017.
- (2) It corresponds to the income tax amount that, pursuant to the estimations made by the Company's Management as of March 11, 2019, should have been paid in May 2019 according to the taxable income accrued during the year ended December 31, 2018.
- (3) It corresponds to a correction of the income tax provision estimated at the end of 2017.
- (4) It corresponds to income tax for 2017 paid by the Company.
- (5) It corresponds to the income tax amount that, pursuant to the estimations made by the Company's Management as of the date of these financial statements, should be paid in May 2020 according to the taxable income accrued during the period ended December 31, 2019.
- (6) It corresponds to a correction of the income tax provision estimated at the end of 2018.
- (7) It corresponds to income tax for 2018 paid by the Company.

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### NOTE 19 – INCOME TAX (CONTINUED)

As of September 30, 2019 and December 31, 2018, net assets derived from the information included in the previous table amount to AR\$ 1,210,332 and AR\$ 697,284, respectively. Their composition as of those dates is detailed below:

	Balance at December 31, 2018	Net Tax Asset Generated During the Period	Balance at September 30, 2019
In Thousands of AR\$			
Receivables from Trade	1,576,219	433,282	2,009,501
Property, Plant and Equipment and Intangible Assets	(928,231)	(535,034)	(1,463,265)
Lease Payment	(39,896)	(5,322)	(45,218)
Trade and Other Payables	77	-	77
Employee Benefit Obligations	21,761	(675)	21,086
Foreign-exchange Quotation Difference	293	(1,972)	(1,679)
Provision for Contingencies	29,127	(7,784)	21,343
Inflation Adjustment for Tax Purposes	-	714,021	714,021
Others	37,934	(83,468)	(45,534)
<b>Totals</b>	<b>697,284</b>	<b>513,048</b>	<b>1,210,332</b>

The income tax amount payable estimated by Management, net of prepayments, as of September 30, 2019 and December 31, 2018 is as follows:

Current:

	09.30.2019	12.31.2018
Income Tax Provision – Current	(992,931)	(1,456,808)
Prepayments	512,456	1,404,296
<b>Current Income Tax Payable</b>	<b>(480,475)</b>	<b>(52,512)</b>

The following table shows the reconciliation of income tax charged to loss as of September 30, 2019 and September 30, 2018 to that which would result from applying the tax rate in force to book income:

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### NOTE 19 – INCOME TAX (CONTINUED)

	09.30.2019	09.30.2018
	In Thousands of AR\$	
Profit for the Period before Income Tax	553,988	1,581,826
Tax Rate in Force	30%	30%
Loss for the Period at the Tax Rate	<b>(166,196)</b>	<b>(474,548)</b>
<b>Permanent Differences at the Tax Rate:</b>		
- Income from Interest in Other Companies	(607)	211
- Non-taxable Income (1)	22,500	30,992
- Donations and Other Non-deductible Expenses	(547)	(875)
- Others	913	(13,053)
- Inflation Adjustment for Tax Purposes	1,154,485	-
Difference between the Tax Return and the Income Tax Provision	184,287	5,687
Release as per Law No. 27430	-	(4,307)
Effect of Restatement on Income Tax Expense	(1,417,381)	(1,330,806)
<b>Total Income Tax Charge for the Period</b>	<b>(222,546)</b>	<b>(1,786,699)</b>

(1) It corresponds to the income from transactions carried out in Tierra del Fuego, net of indirect charges.

The following table shows the reconciliation of income tax charged to loss to tax assessed for the period for tax purposes:

	09.30.2019	09.30.2018
	In Thousands of AR\$	
<b>Total Income Tax Charge Recorded for the Period</b>	<b>(222,546)</b>	<b>(1,786,699)</b>
<b>- Temporary Differences at the Tax Rate</b>		
- Additions:		
Provision for Loan Losses	(640,341)	(797,290)
Provision for Contingencies	7,784	(3,057)
Provision for Bonuses Payable	675	1,815
Depreciation of Property, Plant and Equipment and Amortization of Intangible Assets	535,034	(1,136)
Lease Payment	5,322	7,533
Foreign-exchange Quotation Difference	1,972	25
Portfolio Assignment	207,059	477,511
Others	83,468	(3,025)
Financial Charges	-	6,248
Inflation Adjustment for Tax Purposes	(714,021)	-
Difference between the Tax Return and the Income Tax Provision	(97,236)	38,003
Effect of Restatement on Current Income Tax Payable	(160,101)	405,205
<b>Total Tax for the Period Determined for Tax Purposes</b>	<b>(992,931)</b>	<b>(1,654,867)</b>
Income Tax Prepayments	512,456	1,140,494
<b>Income Tax Payable</b>	<b>(480,475)</b>	<b>(514,373)</b>

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### NOTE 19 – INCOME TAX (CONTINUED)

Law No. 27468 amended the transition rules set out by Law No. 27430 concerning the application of the inflation adjustment for tax purposes established in Section 95 of the Argentine Income Tax Law, making it enforceable for fiscal years commencing on and after January 1, 2018. Law No. 27468 further provides that, for the first, second and third fiscal years from its effective date, the adjustment will be applicable to the extent the changes in the CPI, calculated since the beginning through the end of each of such fiscal years, are higher than fifty-five per cent (55%), thirty per cent (30%), and fifteen per cent (15%), respectively. One third of the inflation adjustment so calculated, whether positive or negative, as the case may be, will be carried in that fiscal year, while the remaining two thirds will be distributed in equal parts in the two immediately subsequent fiscal years.

As of the date of these condensed interim financial statements, the Company's management believes the guidelines set out in the Argentine Income Tax Law triggering the application of the inflation adjustment for tax purposes will be met at year-end; accordingly, it has assessed its income tax liability for the interim period considering such adjustment. As required by such law, the effect of the deferral of two thirds of the inflation gain or loss was recognized as a deferred tax asset.

### NOTE 20 – CASH AND CASH EQUIVALENTS

	09.30.2019	12.31.2018
	<u>In Thousands of AR\$</u>	
Cash in Banks – Checking Account	2,063,804	425,442
Cash and Petty Cash	537,947	1,280,548
Mutual Funds	3,162,166	4,477,613
Government Securities	-	74,366
Time Deposits	-	535,157
Deposits Abroad (Note 44)	252	729
Collections to be Deposited	283,085	166,188
<b>Total</b>	<b>6,047,254</b>	<b>6,960,043</b>

### NOTE 21 – INVESTMENTS

	09.30.2019	12.31.2018
	<u>In Thousands of AR\$</u>	
Government Securities	1,653,734	-
<b>Total</b>	<b>1,653,734</b>	<b>-</b>

Investment Date	Currency	Investment	Face Value	Maturity Date	Market Value	Book Value as of 09.30.2019(*)	Fair Value as of 09.30.2019(**)
08/06/2019	AR\$	LECAP	698,630	02/29/2020	0.7040	825,185	491,836
08/06/2019	AR\$	LECAP	729,264	03/13/2020	0.6155	828,549	448,862
<b>Total</b>						<b>1,653,734</b>	<b>940,698</b>

(\*) It corresponds to principal and interest accrued as of the indicated dates in Argentine Pesos.

(\*\*) Source: InvertirOnline

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### NOTE 22 – RECEIVABLES FROM TRADE

	09.30.2019	12.31.2018
	In Thousands of AR\$	
<b>Current</b>		
Credit Card Debtors	45,953,837	61,005,020
Provision for Loan Losses – Credit Card	(5,983,561)	(5,427,335)
Personal Loans Debtors	905,566	3,242,861
Provision for Loan Losses – Personal Loans	(159,635)	(142,449)
<b>Total</b>	<b>40,716,207</b>	<b>58,678,097</b>
<b>Non-current</b>		
Credit Card Debtors	496,645	1,055,834
Personal Loans Debtors	174,703	617,631
<b>Total</b>	<b>671,348</b>	<b>1,673,465</b>

### Changes in the Account Provision for Loan Losses

Balances at the Beginning of the Period / Year	5,569,784	4,838,864
Increases for the Period (1)	4,246,499	5,790,077
Applications and Uses	(264,380)	(982,439)
Portfolio Sale	(1,237,050)	(1,593,637)
Effects of Restatement	(2,171,657)	(2,483,081)
<b>Balances at Period-End / Year-End</b>	<b>6,143,196</b>	<b>5,569,784</b>

(1) The provision for loan losses amounting to AR\$ 4,518,023, disclosed in the Statement of Profit or Loss and in Note 12, includes AR\$ \$271,524 for direct charges.

Receivables from Trade valued at amortized cost do not differ significantly from their fair value.

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Additionally, as of September 30, 2019 and December 31, 2018, the Company recorded AR\$ 936,282 and AR\$ 1,715,767, respectively, in respect of receivables from trade that are considered uncollectible, considering as such those meeting the requirements set by the Argentine Central Bank in the revised text "Minimum Provisions for Loan Losses". Under such regulations, receivables from customers fully included in provisions shall be eliminated from assets as from the seventh month subsequent to that in which these circumstances are verified and recorded in memorandum accounts while the entity continues pursuing procedures for collection of its receivables.

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### NOTE 23 – OTHER RECEIVABLES

	<u>09.30.2019</u>	<u>12.31.2018</u>
	<u>In Thousands of AR\$</u>	
<b>Current</b>		
Deposits for Checking Account Attachments (Note 43)	1,803	2,483
Prepaid Expenses	7,891	12,210
Commissions Receivable	35,483	76,148
Advance Payments to Suppliers	54,536	46,712
Sundry Receivables	367,314	227,448
<b>Total</b>	<b>467,027</b>	<b>365,001</b>
<b>Non-current</b>		
Sundry Receivables	27,668	14,188
Security Deposits (Note 43)	6,391	6,876
Prepaid Expenses	1,093	1,831
<b>Total</b>	<b>35,152</b>	<b>22,895</b>

Other Receivables valued at amortized cost do not differ significantly from their fair value.

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### NOTE 24 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Issuing Company	Interest Percentage	Book Value as of 09.30.2019	Book Value as of 12.31.2018	Issuer Information				Balances at 09.30.2019		
				Principal Line of Business	Class of Shares	Number of Shares (1)	Face Value of Shares	Capital	Equity	Profit / Loss
Cobranzas Regionales S.A.	5%	4,771	2,917	Integral Advisory Services for Credit Risk Analysis	Ordinary registered shares	910,000	100	91,000	99,834	(60,490)
<b>Totals</b>		<b>4,771</b>	<b>2,917</b>							

(1) Values are stated in units.

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### NOTE 25 – PROPERTY, PLANT AND EQUIPMENT

#### Property, Plant and Equipment at 09.30.2019

Items	ORIGINAL VALUE						DEPRECIATION				NET BOOK AMOUNT 09.30.2019	
	Opening Book Amount	Disposals	Adjustments due to Changes in Accounting Policies (1)	Additions	Transfers	Closing Book Amount	Opening Book Amount	Disposals	Depreciation Charge	Closing Book Amount		
	In Thousands of AR\$											
Land	166,947	-	-	-	-	166,947	-	-	-	-	-	166,947
Buildings	1,256,080	-	-	321	-	1,256,401	(155,824)	-	(18,131)	(173,955)	-	1,082,446
Right-of-use Assets	-	-	936,644	-	-	936,644	-	-	(234,161)	(234,161)	-	702,483
Cost of Adapting Stores	893,211	(283,016)	-	45,271	-	655,466	(571,626)	283,016	(74,016)	(362,626)	-	292,840
Furniture and Fixtures	372,406	(41,937)	-	15,271	7,596	353,336	(189,467)	41,937	(22,585)	(170,115)	-	183,221
Hardware	842,735	(220,556)	-	70,149	64,754	757,082	(478,150)	220,556	(99,186)	(356,780)	-	400,302
Facilities and Improvements	529,005	(102,769)	-	4,599	4,000	434,835	(279,557)	102,769	(31,538)	(208,326)	-	226,509
Assets at Warehouse	99,863	-	-	20,312	(76,350)	43,825	-	-	-	-	-	43,825
<b>Totals as of 09.30.2019</b>	<b>4,160,247</b>	<b>(648,278)</b>	<b>936,644</b>	<b>155,923</b>	<b>-</b>	<b>4,604,536</b>	<b>(1,674,624)</b>	<b>648,278</b>	<b>(479,617)</b>	<b>(1,505,963)</b>	<b>-</b>	<b>3,098,573</b>

(1) See Note 3 (a).

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### Note 25 – Property, Plant and Equipment (Continued)

#### Property, Plant and Equipment at 12.31.2018

Items	ORIGINAL VALUE					DEPRECIATION				NET BOOK AMOUNT 12.31.2018
	Opening Book Amount	Disposals	Additions	Transfers	Closing Book Amount	Opening Book Amount	Disposals	Depreciation Charge	Closing Book Amount	
Land	166,947	-	-	-	166,947	-	-	-	-	166,947
Buildings	1,230,540	-	25,540	-	1,256,080	-	-	(24,357)	(155,824)	1,100,256
Cost of Adapting Stores	779,917	(52,604)	-	165,898	893,211	-	-	(103,244)	(571,626)	321,585
Furniture and Fixtures	372,574	(27,261)	16,499	10,594	372,406	-	-	(38,202)	(189,467)	182,939
Hardware	844,949	(171,812)	-	169,598	842,735	-	-	(119,967)	(478,150)	364,585
Facilities and Improvements	528,088	(54,281)	38,552	16,646	529,005	-	-	(58,453)	(279,557)	249,448
Assets at Warehouse	55,110	(34,999)	442,488	(362,736)	99,863	-	-	-	-	99,863
<b>Totals as of 12.31.2018</b>	<b>3,978,125</b>	<b>(340,957)</b>	<b>523,079</b>	<b>-</b>	<b>4,160,247</b>	<b>(1,607,037)</b>	<b>276,636</b>	<b>(344,223)</b>	<b>(1,674,624)</b>	<b>2,485,623</b>

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### NOTE 26 – INTANGIBLE ASSETS

#### Intangible Assets at 09.30.2019

Items	ORIGINAL VALUE			AMORTIZATION			NET BOOK AMOUNT
	Opening Book Amount	Additions	Closing Book Amount	Opening Book Amount	Amortization Charge	Closing Book Amount	09.30.2019
Patents and Software	2,139,011	368,943	2,507,954	(1,334,785)	(255,070)	(1,589,855)	918,099
Other Intangible Assets	38,444	-	38,444	-	-	-	38,444
<b>Totals as of 09.30.2019</b>	<b>2,177,455</b>	<b>368,943</b>	<b>2,546,398</b>	<b>(1,334,785)</b>	<b>(255,070)</b>	<b>(1,589,855)</b>	<b>956,543</b>

#### Intangible Assets at 12.31.2018

Items	ORIGINAL VALUE			AMORTIZATION NET BOOK AMOUNT			NET BOOK AMOUNT		
	Opening Book Amount	Disposals	Additions	Closing Book Amount	Opening Book Amount	Disposals	Amortization Charge	Closing Book Amount	12.31.2018
Patents and Software	1,986,983	(378,364)	530,392	2,139,011	(1,332,847)	370,816	(372,754)	(1,334,785)	804,226
Other Intangible Assets	38,444	-	-	38,444	-	-	-	-	38,444
<b>Totals as of 12.31.2018</b>	<b>2,025,427</b>	<b>(378,364)</b>	<b>530,392</b>	<b>2,177,455</b>	<b>(1,332,847)</b>	<b>370,816</b>	<b>(372,754)</b>	<b>(1,334,785)</b>	<b>842,670</b>

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### NOTE 27 – TRADE AND OTHER PAYABLES

	09.30.2019	12.31.2018
	In Thousands of AR\$	
Merchants (" <i>Comercios Amigos</i> ")	23,474,324	29,539,407
Suppliers	339,147	674,929
Collections on Account of Third Parties Payable	274,852	1,236,200
<b>Total</b>	<b>24,088,323</b>	<b>31,450,536</b>

### NOTE 28 – BORROWINGS

	09.30.2019	12.31.2018
	In Thousands of AR\$	
<b>Current</b>		
Notes (" <i>Obligaciones Negociables</i> ")	8,342,449	8,993,822
Bank and Financial Loans	292,313	1,095,870
Leases (Note 35)	258,931	42,993
Credit Lines	-	1,601,397
<b>Total</b>	<b>8,893,693</b>	<b>11,734,082</b>
<b>Non-current</b>		
Notes (" <i>Obligaciones Negociables</i> ")	4,683,470	11,631,871
Leases (Note 35)	452,491	199,153
<b>Total</b>	<b>5,135,961</b>	<b>11,831,024</b>

### NOTE 29 – EMPLOYEE BENEFIT OBLIGATIONS

	09.30.2019	12.31.2018
	In Thousands of AR\$	
Salaries Payable	153,709	184,511
Social Security Charges	99,137	211,434
Provisions	243,993	419,712
Bonuses for the Personnel	116,094	188,415
Rewards for the Personnel	53,013	88,384
<b>Total</b>	<b>665,946</b>	<b>1,092,456</b>

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### NOTE 30 – CURRENT TAX LIABILITIES

	09.30.2019	12.31.2018
	In Thousands of AR\$	
Trade and Industry Tax Payable	46,857	67,296
Tax Withholdings and Additional Tax Withholdings Made from Third parties	358,479	453,857
Value-added Tax Payable	531,936	695,090
Turnover Tax Payable	134,989	139,569
<b>Total</b>	<b>1,072,261</b>	<b>1,355,812</b>

### NOTE 31 – OTHER LIABILITIES

	09.30.2019	12.31.2018
	In Thousands of AR\$	
<b>Current</b>		
Fees Payable to Directors and Supervisory Committee	27,805	40,986
Other Miscellaneous Liabilities	10,327	13,268
<b>Total</b>	<b>38,132</b>	<b>54,254</b>
<b>Non-current</b>		
Other Miscellaneous Liabilities	8,036	13,910
<b>Total</b>	<b>8,036</b>	<b>13,910</b>

### NOTE 32 – PROVISIONS

This account includes the estimated amounts to face risks of probable occurrence, which, if they occur, will give rise to a loss for the Company.

#### (1) Legal Claims:

The Company is subject to several claims, lawsuits and other legal proceedings, including customers' claims, where a third party is claiming payments for alleged damages, refunds for losses or compensation. The potential debt for the Company with respect to such claims, lawsuits and other legal proceedings cannot be certainly estimated. Management periodically reviews the progress of each of the significant issues and calculates the potential financial exposure.

A provision is booked when a potential loss derived from a claim or legal proceeding is deemed likely and the amount can be fairly estimated.

Provisions for contingent losses reflect a fair estimation of the losses to be incurred based on the information made available by Management as of the date of the preparation of the condensed interim financial statements and considering the lawsuits to which Tarjeta Naranja is a party. These estimations are mainly prepared with the assistance provided by the legal advisors.

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### NOTE 32 – PROVISIONS (CONTINUED)

#### (2) Tax Claims:

As of the date of these financial statements, the Company is in the following situations with respect to certain Provincial Tax Boards:

The Company has a dispute with the Tax Revenue Agency of the Province of Río Negro. In due time, the tax agency made an adjustment of AR\$ 895 for turnover tax for the tax periods from January 2010 to June 2012 from the Company. The Company timely challenged the adjustment made. The amount claimed adjusted as of September 30, 2019 and December 31, 2018 totals AR\$ 2,693 and AR\$ 3,486, respectively.

Furthermore, the Company has a dispute with the General Tax Board of the Province of La Pampa. In due time, the tax agency made an adjustment of AR\$ 2,438 for turnover tax for the tax periods from January 2013 to May 2018 from the Company. The Company timely challenged the adjustment made. The total amount of the claim adjusted as of September 30, 2019 totals AR\$ 6,331.

On the other hand, the Company was served notice of an official assessment from the General Tax Board of the Province of Tucumán, in its capacity as Turnover Tax Withholding Agent, in connection with years commencing on January 2013 through December 2015. The Company timely challenged the adjustment made, with the challenged amounts having been acknowledged, in part, on February 6, 2019. The Company filed a claim for the remaining portion with the provincial Tax Court. The amounts claimed adjusted as of September 30, 2019 and December 31, 2018 total AR\$ 6,210 and AR\$ 16,495, respectively.

The Company also has outstanding claims from certain Municipal Tax Bureaus throughout the country; most of them in connection with Publicity and Advertising, and in respect to which it has filed the respective defenses. As of September 30, 2019 and December 31, 2018, total municipal claims against the Company amounted to AR\$ 24,548 and AR\$ 30,164, respectively.

The provisions booked in liabilities related to the cases described above had been adjusted based on the opinion of the legal advisors, the judicial precedents referred to above and the favorable evolution thereof.

However, Tarjeta Naranja S.A.'s Board of Directors, based on tax advisors' opinions, considers the taxes involved have been appropriately calculated according to legal regulations currently in force, and those tax authorities' claims have no legal or technical grounds. Therefore, the Company is currently exercising — and will exercise in the future — its constitutional rights in order to clarify and settle said issues.

On December 1, 2017, Tarjeta Naranja S.A. filed an action against the Argentine tax authorities (AFIP as per its initials in Spanish) for the recovery of the Income Tax for the years 2014 and 2016 in the amount of AR\$ 580,164, in nominal terms. The action was grounded on the failure to apply the inflation adjustment mechanisms set forth in Title VI of the Income Tax Law, leading to absorb a substantial portion of taxable income and surpass any reasonable taxation threshold. On May 17, 2018, an identical action was filed in respect of the predecessor company Tarjetas Cuyanas S.A. for the years 2014 and 2016, in the amount of AR\$ 145,478, in nominal terms. On September 27, 2019 and September 17, 2019, the Company filed the respective actions for the periods 2017 and 2018 in the amount of AR\$ 326,498 and AR\$ 973,843, respectively. All actions for recovery are still pending resolution by AFIP.

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### NOTE 32 – PROVISIONS (CONTINUED)

The breakdown and changes of contingent liabilities as of September 30, 2019 are as follows:

	Balance at the Beginning of the Year	Additions (1)	Disposals (1)	Payments	Effects of Restatement	Balance at Period-end
Tax Matters	19,269	1,953	(77)	(882)	(985)	19,278
Consumer Protection	6,136	49,017	(10,825)	(5,727)	(20,110)	18,491
Labor Matters	53,598	35,761	(21,895)	(15,050)	(7,301)	45,113
Damages	10,024	9,608	(6,861)	(2,005)	(1,447)	9,319
Others	471	1,027	(699)	(63)	(176)	560
<b>Total</b>	<b>89,498</b>	<b>97,366</b>	<b>(40,357)</b>	<b>(23,727)</b>	<b>(30,019)</b>	<b>92,761</b>

(1) Additions and Disposals for the period are recorded and reported in Note 17 "Other Operating Expenses", in "Other Expenses".

In addition, the breakdown and changes of contingent liabilities as of December 31, 2018 are as follows:

	Balance at the Beginning of the Year	Additions	Disposals	Payments	Effects of Restatement	Balance at Year-end
Tax Matters	24,419	10,794	(6,116)	(1,176)	(8,652)	19,269
Consumer Protection	12,639	6,761	(1,274)	(7,005)	(4,985)	6,136
Labor Matters	56,723	73,097	(22,850)	(26,765)	(26,607)	53,598
Damages	4,044	14,353	(4,175)	(1,211)	(2,987)	10,024
Others	749	2,074	(1,972)	(123)	(257)	471
<b>Total</b>	<b>98,574</b>	<b>107,079</b>	<b>(36,387)</b>	<b>(36,280)</b>	<b>(43,488)</b>	<b>89,498</b>

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### NOTE 33 - FINANCIAL LIABILITIES BY CONTRACTUAL DUE DATE

The table below breaks down financial liabilities by contractual due date as of September 30, 2019:

	September 30, 2019					Total
	In Thousands of AR\$					
	Less than 3 Months	From 3 to 12 Months	From 1 to 2 Years	From 2 to 5 Years	Over 5 Years	
<b>Financial Liabilities</b>						
Trade and Other Payables	15,884,275	8,204,048	-	-	-	24,088,323
Borrowings	4,026,268	9,861,984	5,600,370	2,165,993	53,346	21,707,961
Other Liabilities	8,263	29,869	2,754	5,282	-	46,168
<b>Total Financial Liabilities</b>	<b>19,918,806</b>	<b>18,095,901</b>	<b>5,603,124</b>	<b>2,171,275</b>	<b>53,346</b>	<b>45,842,452</b>

The table below breaks down financial liabilities by contractual due date as of December 31, 2018:

	December 31, 2018					Total
	In Thousands of AR\$					
	Less than 3 Months	From 3 to 12 Months	From 1 to 2 Years	From 2 to 5 Years	Over 5 Years	
<b>Financial Liabilities</b>						
Trade and Other Payables	29,027,432	2,423,104	-	-	-	31,450,536
Borrowings	3,949,031	15,726,995	12,501,861	6,280,006	123,044	38,580,937
Other Liabilities	10,704	29,640	-	13,910	-	54,254
<b>Total Financial Liabilities</b>	<b>32,987,167</b>	<b>18,179,739</b>	<b>12,501,861</b>	<b>6,293,916</b>	<b>123,044</b>	<b>70,085,727</b>

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### NOTE 34 – BORROWINGS

#### Proceeds from Bank and Financial Loans

With the purpose of financing its business transactions, the Company took out the following borrowings, the main characteristics of which with regard to the obligations outstanding as of September 30, 2019 are summarized as follows:

Institution	Currency of the Loan	Date of Disbursement	Maturity Date	Term	Loan Amount	Outstanding Principal Amount at 09.30.2019	Principal Payments	Interest Payments	Interest Rate
Banco Ciudad de Buenos Aires S.A.	Pesos (AR\$)	11/07/2018	11/07/2019	12 months	200,000	200,000	One payment at maturity	Monthly	UVA + 10.5%

#### Credit Lines

As of September 30, 2019, the Company had no credit line arrangements.

#### Memorandum Accounts

As of September 30, 2019, the Company had no commitment agreements.

As of September 30, 2018, the Company had booked in memorandum accounts unused balances of credit lines borrowed in the amount of AR\$ 100,000, in connection with a commitment agreement with Banco Patagonia S.A. effective since March 23, 2018 through March 22, 2019.

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### NOTE 35 – LEASES

The Company has entered into several buildings lease agreements in respect of which it has recognized the following assets:

Items	Original Value		Depreciation	Net Book Amount
	Opening Book Amount	Additions	Charge for the Period	At 09.30.2019
Buildings under Financial Leases	840,229	-	(13,496)	826,733
Right-of-use Assets	-	936,644	(234,161)	702,483

On the other hand, the Company has recorded the following lease liabilities:

Items	Opening Book Amount	Adjustments due to Changes in Accounting Policies	Interest to be Accrued	Accrued Interest	Payments	Effect of Restatement	Value at 09.30.2019
Lease Liabilities	242,146	1,004,082	(67,438)	124,740	(316,841)	(275,267)	711,422

The following are the future lease payments and the related present value as of September 30, 2019:

	Future Lease Payments	Present Value of Lease Payments
	09.30.2019	
Less than One Year	390,228	258,931
From 1 to 5 Years	747,145	441,379
Over 5 Years	12,544	11,112
Minus Future Financing Charges	(438,495)	-
<b>Present Value of Lease Payments</b>	<b>711,422</b>	<b>711,422</b>
	<b>09.30.2019</b>	
Included in the Financial Statements as:		
Current Leases	258,931	
Non-current Leases	452,491	
<b>Total</b>	<b>711,422</b>	

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### NOTE 36 – NOTES (“OBLIGACIONES NEGOCIABLES”)

As of September 30, 2019, the Company has the Global Program approved by Resolutions No. 15220, No. 15361, No. 15785, No. 16319, No. 16571, No. 16822, No. 17676 and No. 19508 of the C.N.V. outstanding.

The Company's Shareholders' Meeting held on July 14, 2005 authorized the creation of a Global Program for the Issuance of Notes for a maximum outstanding amount of US\$ 50,000 to be placed by means of a public offering. On October 26, 2005, the C.N.V. authorized the creation of the global program and the public offering of each series of notes issued under such Program through Resolution No. 15220 of that date.

The Shareholders' Meeting held on March 3, 2006, in turn, authorized to increase the amount of said Global Program for the Issuance of Notes by US\$ 100,000, thus resulting in a total maximum amount of US\$ 150,000. Such increase was authorized by the C.N.V. through Resolution No. 15361 dated March 23, 2006.

On October 31, 2007, the Company's Shareholders' Meeting approved to increase said Program's amount up to a maximum outstanding amount of US\$ 350,000 or its equivalent amount in any other currency. Such increase was authorized by the C.N.V. through Resolution No. 15785 dated November 16, 2007. On March 26, 2010, the Shareholders' Meeting approved the extension of the term during which such program would be effective. On April 27, 2010, the C.N.V. authorized such extension through Resolution No. 16319.

Later, the Company's Shareholders' Meeting held on April 1, 2011 approved to increase said Program's amount up to a maximum outstanding amount of US\$ 450,000 or its equivalent amount in any other currency. Such increase was authorized by the C.N.V. through Resolution No. 16571 dated May 24, 2011.

On March 8, 2012, the Company's Shareholders' Meeting approved to increase said Program's amount up to a maximum outstanding amount of US\$ 650,000 or its equivalent amount in any other currency. Such increase was authorized by the C.N.V. through Resolution No. 16822 dated May 23, 2012.

Furthermore, on March 19, 2015, the Shareholders' Meeting approved the extension of the term during which such Program would be outstanding for five years. Then, on May 21, 2015, the C.N.V. authorized such extension through Resolution No. 17676.

Finally, on April 4, 2018, the Company's Shareholders' Meeting decided to approve to increase said Program's amount up to a maximum of US\$ 1,000,000 outstanding at any time, or its equivalent amount in other currencies. Such increase was approved by the C.N.V. through Resolution No. 19508 dated May 10, 2018.

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## Notes to the Condensed Interim Financial Statements (Continued)

For the nine-month periods ended September 30, 2019 and 2018

Expressed in thousands of constant Argentine Pesos at period-end

(Free Translation from the Original in Spanish for Publication in Argentina)

### NOTE 36 – NOTES (“OBLIGACIONES NEGOCIABLES”) (CONTINUED)

Below is a breakdown of the main characteristics of Notes and their balance at September 30, 2019 and December 31, 2018:

Date of Placement	Currency	Class Number	Amount in Thousands	Type	Term	Maturity Date	Interest Rate / Price	Face Value (*)	
								09.30.19	12.31.18
04/13/2016	AR\$ (1)	XXXIII Series II	366,908	Simple notes, not convertible into shares	1,095 days	04/13/2019	Minimum 37.00 % Badlar + 5.40 %	-	366,908
05/05/2016	AR\$ (2)	XXIV Series II	234,309	Simple notes, not convertible into shares	1,095 days	05/05/2019	Minimum 37.00 % Rate / Badlar + 4.98%	-	234,309
06/29/2016	AR\$ (3)	XXXIV Series II	475,397	Simple notes, not convertible into shares	1,461 days	06/29/2020	Minimum 32.00 % Badlar + 4.67 %	475,397	475,397
07/26/2016	AR\$ (4)	XXV	400,000	Simple notes, not convertible into shares	1,461 days	07/26/2020	Minimum 30.00 % Badlar + 3.94%	400,000	400,000
09/27/2016	AR\$ (5)	XXXV Series II	774,389	Simple notes, not convertible into shares	1,461 days	09/27/2020	Minimum 26.00 % Badlar + 3.99 %	774,389	774,389
10/24/2016	AR\$ (6)	XXVI Series II	350,237	Simple notes, not convertible into shares	1,461 days	10/24/2020	Minimum 26.00 % Badlar + 4.00%	350,237	350,237
12/07/2016	AR\$ (7)	XXXVI Series II	636,409	Simple notes, not convertible into shares	1,095 days	12/07/2019	Minimum 25.25% Badlar + 4.00 %	560,605	636,409
02/10/2017	AR\$ (8)	XXVII Series II	500,000	Simple notes, not convertible into shares	1,095 days	02/10/2020	Minimum 23.50% Rate / Badlar + 3.50%	500,000	500,000
04/11/2017	AR\$ (9)	XXXVII	3,845,700	Simple notes, not convertible into shares	1,826 days	04/11/2022	Minimum 15.00% Rate / Badlar + 3.50 %	3,845,700	3,845,700
06/09/2017	AR\$ (10)	XXVIII Series I	128,175	Simple notes, not convertible into shares	730 days	06/09/2019	Minimum 25.00 % Rate / Badlar + 3.05%	-	128,175
06/09/2017	AR\$ (10)	XXVIII Series II	371,825	Simple notes, not convertible into shares	1,461 days	06/09/2021	Minimum 25.00% Rate / Badlar + 3.70%	371,825	371,825

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3

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## Notes to the Condensed Interim Financial Statements (Continued)

For the nine-month periods ended September 30, 2019 and 2018

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### NOTE 36 – NOTES (“OBLIGACIONES NEGOCIABLES”) (CONTINUED)

Date of Placement	Currency	Class Number	Amount in Thousands	Type	Term	Maturity Date	Interest Rate / Price	Face Value (*)	
								09.30.19	12.31.18
11/13/2017	AR\$ (11)	XXXVIII	503,333	Simple notes, not convertible into shares	546 days	05/13/2019	Minimum 29.50% Rate / TM20 + 4.00%	-	503,333
02/14/2018	AR\$ (12)	XXXIX	754,539	Simple notes, not convertible into shares	546 days	08/14/2019	Minimum 26.75% Rate / TM 20 + 3.40%	-	754,539
04/10/2018	AR\$ (13)	XL Series I	597,500	Simple notes, not convertible into shares	548 days	10/10/2019	25.98% Fixed Rate	477,850	597,500
04/10/2018	AR\$ (13)	XL Series II	1,402,500	Simple notes, not convertible into shares	914 days	10/10/2020	Minimum 27.00% Rate / Badlar + 3.69%	1,402,500	1,402,500
11/15/2018	AR\$ (14)	XLI Series I	854,102	Simple notes, not convertible into shares	365 days	11/15/2019	54.00% Fixed Rate	758,702	854,102
11/15/2018	AR\$ (14)	XLI Series II	343,555	Simple notes, not convertible into shares	547 days	05/15/2020	Badlar + 10.00%	343,555	343,555
12/17/2018	AR\$ (15)	XLII	1,266,303	Simple notes, not convertible into shares	287 days	09/30/2019	58.00% Fixed Rate	-	1,266,303
02/19/2019	AR\$ (16)	XLIII	1,583,895	Simple notes, not convertible into shares	547 days	08/18/2020	Badlar + 7.00%	1,583,895	-

(\*) It corresponds to the principal amount outstanding as of the indicated dates in Argentine Pesos.

- (1) On April 13, 2016, the Company issued and placed its Class XXXIII Notes for a total amount of AR\$ 500,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 133,092 and Series II for a total amount of AR\$ 366,908. As of the date of these financial statements, the Company settled the principal in respect of both Series.
- (2) On May 5, 2016, the Company issued and placed TC Class XXIV Notes for a total amount of AR\$ 300,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 65,691 and Series II for a total amount of AR\$ 234,309. As of the date of these financial statements, the Company settled the principal in respect of both Series.
- (3) On June 29, 2016, the Company issued and placed its Class XXXIV Notes for a total amount of AR\$ 600,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 124,603 and Series II for a total amount of AR\$ 475,397. Principal of Series I was already settled and principal of Series II will be settled upon maturity. Interest shall be payable quarterly. Minimum interest rate shall be 32% nominal annual for the first two interest periods. In the case the interest rate to be applied after the auction market period is held is lower than Series II's minimum interest rate, interest for the first two interest periods shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report.
- (4) On July 26, 2016, the Company issued and placed TC Class XXV Notes for a total amount of AR\$ 400,000. This issuance was carried out in only one Series. Principal will be settled upon maturity.
- (5) On September 27, 2016, the Company issued and placed its Class XXXV Notes for a total amount of AR\$ 1,000,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 225,611 and Series II for a total amount of AR\$ 774,389. Principal of Series I was already settled and principal of Series II will be settled upon maturity. Interest shall be payable quarterly in both Series. For Series I, minimum interest rate shall be 26% nominal annual for the first interest period. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest for the first interest period shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report. For Series II, minimum interest rate shall be 26% nominal annual for the first two interest periods. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest for the first two interest periods shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report.

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- (6) On October 24, 2016, the Company issued and placed TC Class XXVI Notes for a total amount of AR\$ 500,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 149,763 and Series II for a total amount of AR\$ 350,237. Principal of Series I was already settled and principal of Series II will be settled upon maturity.
- (7) On December 7, 2016, the Company issued and placed its Class XXXVI Notes for a total amount of AR\$ 846,980. This issuance was carried out in two series: Series I for a total amount of AR\$ 210,571 and Series II for a total amount of AR\$ 636,409. Principal of Series I was already settled and principal of Series II will be settled upon maturity. Interest shall be payable quarterly in both Series. For Series I, minimum interest rate shall be 25.25% nominal annual for the first interest period. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest for the first interest period shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report. For Series II, minimum interest rate shall be 25.25% nominal annual for the first two interest periods. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest for the first two interest periods shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report. In September 2019, the Company repurchased Class XXXVI Series II Notes for an aggregate principal amount of AR\$ 75,804.
- (8) On February 10, 2017, the Company issued and placed TC Class XXVII Notes for a total amount of AR\$ 500,000. This issuance was carried out under Series II, with Series I having been declared void. Principal will be settled upon maturity.
- (9) On April 11, 2017, the Company issued and placed Peso-linked Class XXXVII Notes for a total amount of US\$250,000, equivalent to AR\$ 3,845,700, as converted at an Initial Exchange Rate. Principal will be settled in three annual installments, with due dates on April 11, 2020, April 11, 2021 and April 11, 2022. Interest shall be payable quarterly. Minimum interest rate shall be 15.00% nominal annual. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest shall be accrued according to the latter, pursuant to the Price Supplement and Disclosure report.
- (10) On June 9, 2017, the Company issued and placed TC Class XXVIII Notes for a total amount of AR\$ 500,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 128,175 and Series II for a total amount of AR\$ 371,825. Principal of Series I was already settled. Principal of Series II will be settled upon maturity.
- (11) On November 13, 2017, the Company issued and placed its Class XXXVIII Notes for a total amount of AR\$ 503,333. This issuance was carried out in only one Series. At the date of these financial statements, it has been settled.
- (12) On February 14, 2018, the Company issued and placed its Class XXXIX Notes for a total amount of AR\$ 754,539. This issuance was carried out in only one Series. Interest shall be payable quarterly. The minimum interest rate shall be 26.75% nominal annual for the first interest period. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest for the first interest period shall be accrued according to the latter interest rate, pursuant to the Price Supplement and Disclosure report. At the date of these financial statements, it has been settled.
- (13) On April 10, 2018, the Company issued and placed Class XL Notes for a total amount of AR\$ 2,000,000. This issuance was carried out in two series: Series I for a total amount of AR\$ 597,500 and Series II for a total amount of AR\$ 1,402,500. Principal of both Series will be settled upon maturity. Series I shall accrue interest upon maturity and Series II shall accrue interest quarterly. For Series II, minimum interest rate shall be 27% nominal annual for the first two interest periods. In the case the interest rate to be applied after the auction market period is held is lower than minimum interest rate, interest for the first two interest periods shall be accrued according to the latter interest rate. In September 2019, the Company repurchased Class XL Series I Notes for an aggregate principal amount of AR\$ 119,650.
- (14) On November 15, 2018, the Company issued and placed Class XLI Notes for a total amount of AR\$ 1,197,657. This issuance was carried out in two series: Series I for a total amount of AR\$ 854,102 and Series II for a total amount of AR\$ 343,555. Principal of both Series will be settled upon maturity. Interest on Series I and Series II will be settled on a quarterly basis. In September 2019, the Company repurchased Class XLI Series I Notes for an aggregate principal amount of AR\$ 95,400.
- (15) On December 17, 2018, the Company issued and placed Class XLII Notes for a total amount of AR\$ 1,266,303. This issuance was carried out in only one Series. At the date of these financial statements, it has been settled.
- (16) On February 19, 2019, the Company issued and placed Class XLIII Notes for a total amount of AR\$ 1,583,895. This issuance was carried out in only one Series. Principal will be settled upon maturity. Interest will be paid on a quarterly basis.

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### NOTE 36 – NOTES (“OBLIGACIONES NEGOCIABLES”) (CONTINUED)

#### Covenants Undertaken:

Furthermore, it is worth noting that in the Price Supplement of Class XXXVII Notes, the Company has undertaken the following covenants, among others, with regard to the holders of such Notes.

- (i) The Company will not incur debt, unless at the date of incurring debt (a) the Total Liabilities to Equity Ratio does not exceed 7 to 1; and (b) the Indebtedness to Equity Ratio does not exceed 4 to 1;
- (ii) The Company will not levy any lien or else allow any lien to be levied, except for the permitted liens (liens existing at the time of the issuance of Notes, their renewals and those liens set forth by the law) with regard to all the other assets, when the total amount of the liens does not exceed 5% of the Company's total assets.
- (iii) The Company will not be able to dispose of its assets, unless: (a) it receives a consideration at market value, (b) 75% of the consideration is in cash, (c) the proceeds of the sale are used within 365 days to (i) pay off debt, (ii) make investments in capital assets in a related company, a permitted business or a related business, or else (iii) reinvest or purchase additional assets.

In turn, in the Price Supplement of Class XXV (TC), XXVI (TC), XXVII (TC), XXVIII (TC), XXXIV, XXXV, XXXVI, XL, XLI and XLIII Notes, the Company has undertaken the following covenant with regard to the holders of such Notes:

- (i) The Company will not levy any lien or else allow any lien to be levied, except for the permitted liens — such liens existing at the date of the Price Supplement or those to be levied in the future with regard to all the other assets—, when the total amount of the liens does not exceed 25% of the Company's total assets.

At the date of these condensed interim financial statements, the Company has complied with the abovementioned covenants undertaken.

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### NOTE 37 – CASH AND CASH EQUIVALENTS – STATEMENT OF CASH FLOWS

	<u>09.30.2019</u>	<u>09.30.2018</u>
	<u>In Thousands of AR\$</u>	
Cash	2,885,088	1,007,133
Placements of Cash-equivalent Funds	3,162,166	2,507,436
<b>Total</b>	<b><u>6,047,254</u></b>	<b><u>3,514,569</u></b>

### NOTE 38 – ADJUSTMENTS TO CALCULATE THE NET CASH FLOWS FROM OPERATING ACTIVITIES

	<u>09.30.2019</u>	<u>09.30.2018</u>
	<u>In Thousands of AR\$</u>	
Provision for Loan Losses	4,518,023	4,232,452
Provision for Contingencies, Net of Recoveries	57,009	49,336
Provision for Employee Benefit Obligations	596,047	858,771
(Recovery) / Provision for Fees Payable to Directors and Members of the Supervisory Committee	(1,686)	44,691
Foreign Exchange Loss	(21,103)	(455)
Income (Loss) from Investments Accounted for Using the Equity Method	2,022	(703)
Decrease in Property, Plant and Equipment	-	3,599
Decrease in Intangible Assets	-	4,219
Depreciation of Property, Plant and Equipment	479,617	245,841
Amortization of Intangible Assets	255,070	259,358
<b>Total</b>	<b><u>5,884,999</u></b>	<b><u>5,697,109</u></b>

### NOTE 39 – CHANGES IN OPERATING ASSETS

	<u>09.30.2019</u>	<u>09.30.2018</u>
	<u>In Thousands of AR\$</u>	
Increase in Receivables from Trade	(2,056,175)	(18,497,210)
Increase in Other Receivables	(245,554)	(545,197)
<b>Total</b>	<b><u>(2,301,729)</u></b>	<b><u>(19,042,407)</u></b>

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### NOTE 40 – CHANGES IN OPERATING LIABILITIES

	09.30.2019	09.30.2018
	In Thousands of AR\$	
Decrease in Employee Benefit Obligations	(775,185)	(828,964)
Decrease in Trade and Other Payables	(1,297,131)	(114,704)
Increase in Tax Liabilities	99,603	501,560
Income Tax Payments	(515,130)	(2,389,365)
Increase / (Decrease) in Other Liabilities	72,201	(16,014)
Increase in Trade and Other Payables	2,626,976	3,504,252
Contingency Payments	(23,727)	(33,593)
<b>Total</b>	<b>187,607</b>	<b>623,172</b>

### NOTE 41 – ADDITIONAL INFORMATION ON THE STATEMENT OF CASH FLOWS

The following is the reconciliation of borrowings disclosed in the condensed Statements of Cash Flows at period-end:

	At the Beginning of the Year	Adjustments due to Changes in Accounting Policies (1)	Debt Securities Issued	Payments of Principal, Interest and Expenses	Accrued Interest and Expenses	Effect of Restatement	At Period-end
Notes (“Obligaciones Negociables”)	20,625,693	-	1,687,903	(9,933,659)	6,497,466	(5,851,484)	13,025,919
Borrowings	2,939,413	936,644	-	(2,733,878)	477,506	(615,950)	1,003,735
<b>Total</b>	<b>23,565,106</b>	<b>936,644</b>	<b>1,687,903</b>	<b>(12,667,537)</b>	<b>6,974,972</b>	<b>(6,467,434)</b>	<b>14,029,654</b>

(1) See Note 35

The following are the financing operations performed during the period that have not generated any cash movements.

	09.30.2019	12.31.2018
	In Thousands of AR\$	
Payment in Kind for the Issuance of Class XLIII Notes (“Obligaciones Negociables”)	354,538	-
Payment in Kind for the Issuance of Class XL Series I and Series II Notes (“Obligaciones Negociables”)	-	151,499
Dividends Paid in Kind in 2017 (Lebac - Securities I16Y8; I21J8)	-	419,150

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### NOTE 42 - BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES

Tarjeta Naranja S.A. is controlled by Tarjetas Regionales S.A., with legal domicile at Tte. Gral. Juan D. Perón 430 - 19th Floor - Autonomous City of Buenos Aires, which holds 2,823 shares, representing a 99.96% interest in the capital stock. In turn, Grupo Financiero Galicia S.A., with legal domicile at Tte. Gral. Juan D. Perón 456, 2nd Floor, Autonomous City of Buenos Aires, owns an 83% equity interest in Tarjetas Regionales S.A.

Ondara S.A. is a corporation incorporated in Argentina, with domicile established at Av. Paseo Colón 746, 4th Floor, Autonomous City of Buenos Aires, Argentina, and holds 1 share accounting for 0.4% of the Company's capital stock.

In an effort to associate our trademark to new products with embedded technology which already have a share in the digital market, in December 2018 Tarjeta Naranja S.A. entered into a trademark license agreement with Cobranzas Regionales S.A., pursuant to which such trademarks can be associated to the operation of a payment platform and external devices that read card magnetic stripes and chips, under the brand Naranja POS.

Since the development and execution of the project required an increase of AR\$ 90,000 in Cobranzas Regionales S.A.'s capital stock, according to the percentage of shares held by each shareholder, on February 18, 2019, the shareholders held their General Extraordinary Shareholders' Meeting at which time they approved said increase by issuing 900 non-endorsable, registered ordinary shares, 855 of Tarjetas Regionales S.A.'s capital stock and 45 of Tarjeta Naranja S.A.'s capital stock.

The following are Tarjeta Naranja S.A.'s balances with related companies as of September 30, 2019:

Companies under Section 33 of Law No.19550	
	Banco de Galicia y de Buenos Aires S.A.U.
	In Thousands of AR\$
ASSETS	
Cash and Cash Equivalents	1,979,570
Other Receivables	12,228
<b>Total Current Assets as of 09.30.2019</b>	<b>1,991,798</b>
<b>Total Assets as of 09.30.2019</b>	<b>1,991,798</b>
LIABILITIES	
Trade and Other Payables	276,410
Borrowings	30,541
Other Liabilities	2,750
<b>Total Current Liabilities as of 09.30.2019</b>	<b>309,701</b>
Borrowings	127,218
Other Liabilities	8,036
<b>Total Non-current Liabilities as of 09.30.2019</b>	<b>135,254</b>
<b>Total Liabilities as of 09.30.2019</b>	<b>444,955</b>

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### NOTE 42 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are Tarjeta Naranja S.A.'s balances with other related parties as of September 30, 2019:

	Other Related Parties				Total
	Cobranzas Regionales S.A.	Galicia Seguros S.A.	Key Management Personnel	Parque Azul S.R.L.	
	AR\$				
<b>ASSETS</b>					
Other Receivables	72,255	59	-	-	72,314
<b>Total Current Assets as of 09.30.2019</b>	<b>72,255</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>72,314</b>
<b>Total Assets as of 09.30.2019</b>	<b>72,255</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>72,314</b>
<b>LIABILITIES</b>					
Trade and Other Payables	63,990	-	-	12,949	76,939
Salaries Payable	-	-	2,406	-	2,406
Other Liabilities	-	-	25,859	-	25,859
<b>Total Current Liabilities as of 09.30.2019</b>	<b>63,990</b>	<b>-</b>	<b>28,265</b>	<b>12,949</b>	<b>105,204</b>
<b>Total Liabilities as of 09.30.2019</b>	<b>63,990</b>	<b>-</b>	<b>28,265</b>	<b>12,949</b>	<b>105,204</b>

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**PRICE WATERHOUSE & CO. S.R.L.**

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### NOTE 42 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are the transactions carried out by Tarjeta Naranja S.A. with related companies during the period ended September 30, 2019:

	Companies under Section 33 of Law No.19550
	Banco de Galicia y Buenos Aires S.A.U.
	In Thousands of AR\$
REVENUES	
Revenues from Services	54,865
Interest on Time Deposits	46,762
<b>Total as of 09.30.2019</b>	<b>101,627</b>
EXPENSES	
Rentals	(4,058)
Bank Interest	(108,959)
Bank Expenses	(100,476)
Professional Fees	(16,254)
<b>Totals as of 09.30.2019</b>	<b>(229,747)</b>

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### NOTE 42 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are the transactions carried out by Tarjeta Naranja S.A. with other related parties during the period ended September 30, 2019:

	Other Related Parties				
	Cobranzas Regionales S.A.	Galicia Seguros S.A.	Parque Azul S.R.L.	Key Management Personnel	Colores S.A.
	In Thousands of AR\$				
<b>REVENUES</b>					
Revenues from Services	20,822	288,552	2,345	-	-
Revenues from Financing	-	-	537	-	-
<b>Total as of 09.30.19</b>	<b>20,822</b>	<b>288,552</b>	<b>2,882</b>	-	-
<b>EXPENSES</b>					
Rentals	-	-	-	-	(1,289)
Professional Fees	(509,467)	-	-	-	-
Salaries	-	-	-	(27,950)	-
<b>Total as of 09.30.19</b>	<b>(509,467)</b>	-	-	<b>(27,950)</b>	<b>(1,289)</b>

Please refer to our report dated November 6, 2019  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3

# Tarjeta Naranja S.A.

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## Notes to the Condensed Interim Financial Statements (Continued)

For the nine-month periods ended September 30, 2019 and 2018

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(Free Translation from the Original in Spanish for Publication in Argentina)

### NOTE 42 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are Tarjeta Naranja S.A.'s balances with related companies as of December 31, 2018:

Companies under Section 33 of Law No.19550	
	Banco de Galicia y de Buenos Aires S.A.U.
	In Thousands of AR\$
ASSETS	
Cash and Cash Equivalents	740,104
Other Receivables	22,344
<b>Total Current Assets as of 12.31.2018</b>	<b>762,448</b>
<b>Total Assets as of 12.31.2018</b>	<b>762,448</b>
LIABILITIES	
Trade and Other Payables	1,238,540
Borrowings	43,082
Other Liabilities	3,787
<b>Total Current Liabilities as of 12.31.2018</b>	<b>1,285,409</b>
Borrowings	199,152
Other Liabilities	13,910
<b>Total Non-current Liabilities as of 12.31.2018</b>	<b>213,062</b>
<b>Total Liabilities as of 12.31.2018</b>	<b>1,498,471</b>

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### NOTE 42 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are Tarjeta Naranja S.A.'s balances with other related parties as of December 31, 2018:

	Other Related Parties			Total
	Cobranzas Regionales S.A.	Key Management Personnel	Parque Azul S.R.L.	
	In Thousands of AR\$			
<b>ASSETS</b>				
Other Receivables	20,595	-	-	20,595
<b>Total Current Assets as of 12.31.2018</b>	<b>20,595</b>	<b>-</b>	<b>-</b>	<b>20,595</b>
<b>Total Assets as of 12.31.2018</b>	<b>20,595</b>	<b>-</b>	<b>-</b>	<b>20,595</b>
<b>LIABILITIES</b>				
Trade and Other Payables	68,594	-	15,104	83,698
Salaries Payable	-	3,884	-	3,884
Other Liabilities	-	25,498	-	25,498
<b>Total Current Liabilities as of 12.31.2018</b>	<b>68,594</b>	<b>29,382</b>	<b>15,104</b>	<b>113,080</b>
<b>Total Liabilities as of 12.31.2018</b>	<b>68,594</b>	<b>29,382</b>	<b>15,104</b>	<b>113,080</b>

Please refer to our report dated November 6, 2019

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### NOTE 42 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are the transactions carried out by Tarjeta Naranja S.A. with related companies during the period ended September 30, 2018:

	Companies under Section 33 of Law No.19550
	Banco de Galicia y Buenos Aires S.A.U.
	In Thousands of AR\$
REVENUES	
Revenues from Services	137,809
<b>Total as of 09.30.18</b>	<b>137,809</b>
EXPENSES	
Rentals	(3,811)
Bank Interest	(93,448)
Bank Expenses	(32,778)
Professional Fees	(31,527)
<b>Total as of 09.30.18</b>	<b>(161,564)</b>

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### NOTE 42 – BALANCES AND TRANSACTIONS WITH COMPANIES AND RELATED PARTIES (CONTINUED)

The following are the transactions carried out by Tarjeta Naranja S.A. with other related parties during the period ended September 30, 2018:

	Other Related Parties						
	Cobranzas Regionales S.A.	Galicia Seguros S.A.	Parque Azul S.R.L.	Key Management Personnel	Ondara S.A.	Golden S.A.	Colores S.A.
	In Thousands of AR\$						
<b>REVENUES</b>							
Revenues from Services	1,426	348,455	3,069	-	-	-	-
Revenues from Financing	-	-	1,151	-	-	-	-
<b>Total as of 09.30.2018</b>	<b>1,426</b>	<b>348,455</b>	<b>4,220</b>	-	-	-	-
<b>EXPENSES</b>							
Rentals	-	-	-	-	-	(4,926)	(1,438)
Professional Fees	(464,707)	-	-	(41,773)	-	-	-
Directors' Fees	-	-	-	(27,417)	-	-	-
Salaries	-	-	-	-	-	-	-
<b>Total as of 09.30.2018</b>	<b>(464,707)</b>	-	-	<b>(69,190)</b>	-	<b>(4,926)</b>	<b>(1,438)</b>

Please refer to our report dated November 6, 2019

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## Notes to the Condensed Interim Financial Statements (Continued)

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### NOTE 43 - RESTRICTED ASSETS

#### Liens in Force

As of September 30, 2019 and December 31, 2018, liens for a total amount of AR\$ 1,803 and AR\$ 2,483, respectively, have been levied on funds deposited in checking accounts opened by the Company at several financial institutions. Since the appropriate defenses have been filed during such legal proceedings to safeguard the Company's interests, the seized funds have been included in these condensed interim financial statements under "Other Receivables".

#### Covenants Undertaken

The commitments undertaken by virtue of Class XXV (TC), XXVI (TC), XXVII (TC), XXVIII (TC), XXXIV, XXXV, XXXVI, XXXVII, XL, XLI and XLIII Notes ("*Obligaciones Negociables*") issued by the Company are mentioned in Note 36.

#### Security Deposits

As September 30, 2019 and December 31, 2018, the Company paid AR\$ 6,391 and AR\$ 6,876, respectively, for security related to certain buildings lease agreements. These funds have been included in these condensed interim financial statements under "Other Receivables".

#### Restriction on the Distribution of Dividends

The Company's Ordinary and Extraordinary Shareholders' Meeting held on March 16, 2006 resolved to define the following policy for the distribution of dividends: i) to keep under Retained Earnings those retained earnings corresponding to years prior to 2005 and, therefore, not to distribute them as dividends, and ii) to set as maximum limit for the distribution of dividends 25% of the liquid and realized income for each year as from 2005. These restrictions shall remain in full force as long as the Company's equity remains below AR\$ 300,000. Thus, the policy for the distribution of dividends approved by the Company's Board of Directors at its meeting held on January 4, 2006 has been ratified.

Furthermore, in the Price Supplement of Class XXXVII Notes, the Company agreed not to distribute dividends: i) that exceed 50% of the Company's net profit accrued since January 1, 2017 plus the net profit accrued during the year ended December 31, 2017, net of restricted payments made in 2016, and ii) when (a) the Total Liabilities to Equity Ratio does not exceed 7 to 1, and (b) the Indebtedness to Equity Ratio does not exceed 4 to 1.

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### NOTE 44 – INFORMATION ABOUT EXPENSES AND THEIR ALLOCATION UNDER SECTION 64 SUBSECTION B) OF LAW 19550

Items	Totals as of 09.30.2019	Administrative Expenses	Marketing Expenses	Totals as of 09.30.2018
In Thousands of AR\$				
Directors and Supervisory Committee Members' Fees	2,114	2,114	-	34,278
Bonuses for the Personnel	391,116	121,245	269,871	472,851
Compensation and Social Security Charges	2,922,217	804,034	2,118,183	4,028,418
Taxes, Rates and Contributions	2,845,815	507,676	2,338,139	3,211,171
Travel Expenses and Per Diem	56,755	23,567	33,188	89,330
Maintenance of Equipment and Buildings	145,173	145,173	-	119,252
Depreciation of Property, Plant and Equipment	479,617	335,733	143,884	245,841
Amortization of Intangible Assets	255,070	255,070	-	259,358
Rentals	54,584	-	54,584	292,709
Stationery and Office Supplies	51,950	4,598	47,352	74,425
Opening of Accounts	74,254	-	74,254	93,229
Publicity and Advertising	429,695	-	429,695	537,685
Donations	5,732	5,732	-	6,375
Electricity, Natural Gas and Communications	272,546	40,854	231,692	189,759
Third Parties' Fees	517,003	327,890	189,113	963,631
Insurance and Security Services	343,367	9,276	334,091	376,544
Bank and Financial Expenses	136,450	136,450	-	88,827
Regular Mail Services	34,972	-	34,972	50,245
Expenses for Commercial Reports and Procedures for the Collection of Amounts in Arrears	508,159	508,159	-	466,787
Collection Expenses	997,291	997,291	-	910,905
General Expenses	1,078,086	647,292	430,794	1,078,164
Expenses for Telephone Sale Channel	171,555	-	171,555	507,250
Printing and Distribution Expenses	310,507	-	310,507	455,068
Cleaning Expenses	72,923	16,637	56,286	95,893
Special Promotions	53,126	-	53,126	153,433
Expenses from Call Center Services	210,500	168,789	41,711	222,587
<b>Totals as of 09.30.2019</b>	(*) 12,420,577	5,057,580	7,362,997	
<b>Totals as of 09.30.2018</b>		5,381,038	9,642,977	(*) 15,024,015

(1) Total marketing and administrative expenses correspond with the amount of the lines "Costs of Services" and "Total Operating Expenses" in the Condensed Statement of Profit or Loss.

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## Notes to the Condensed Interim Financial Statements (Continued)

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### NOTE 45 – FOREIGN CURRENCY ASSETS AND LIABILITIES

Items	Amount and Type of Foreign Currency (in Thousands of U.S. Dollars)	Current Exchange Rate	Amount in Argentine Currency as of 09.30.2019	Amount in Argentine Currency as of 12.31.2018
<b>In Thousands of AR\$</b>				
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents				
Deposits in Argentina	33,895	55.5	1,881,167	7,517
Deposits Abroad	5	55.5	252	729
Receivables from Trade	1,235	55.5	112,370	-
<b>Total Current Assets</b>			<b>1,993,789</b>	<b>8,246</b>
<b>NON-CURRENT ASSETS</b>				
Other Receivables				
Security Deposits	25	55.5	1,387	1,267
<b>Total Non-current Assets</b>			<b>1,387</b>	<b>1,267</b>
<b>Total Assets</b>			<b>1,995,176</b>	<b>9,513</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and Other Payables				
Suppliers	0.3	59	17	-
Collections on Account of Third Parties	68	59	4,018	28,240
<b>Total Current Liabilities</b>			<b>4,035</b>	<b>28,240</b>
<b>Total Liabilities</b>			<b>4,035</b>	<b>28,240</b>

US\$: United States Dollars.

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### NOTE 46 – DOCUMENTATION FILING

On August 14, 2014, the National Securities Commission issued General Resolution No. 629, whereby it introduces changes to its regulations regarding the filing and keeping of commercial books, corporate books and the accounting records.

In compliance with Section 26 of Part VII of Chapter IV of Title II of the Regulations (N.T. 2013, as amended), it is reported that the Company has entrusted the following third-party suppliers with the deposit of certain old information:

Person in Charge of the Deposit	Location
File Management Com S.R.L. (FMC)	Ruta 5 km 4 1/2 - Camino a Alta Gracia – Province of Córdoba
Administradora de Archivos S.A. (ADEA)	Ruta 36, 31.5km (Plant 3) - Florencio Varela – Province of Buenos Aires
DataBox de File S.A.	25 de mayo 821 – Dorrego – Guaymallen - Mendoza

In addition, it is evidenced that the detail of the documentation for safekeeping is made available at the registered office.

### NOTE 47 – PORTFOLIO ASSIGNMENT

As of September 30, 2019, the Company entered into Credit Portfolio Assignment agreements, as detailed below:

Date	Trustee	Sale Price	Portfolio Assignment
03/22/2019	Comafi Fiduciario Financiero S.A. (Frankel)	26,001	346,214
03/22/2019	Banco Comafi S.A.	3,984	53,059
04/08/2019	Comafi Fiduciario Financiero S.A. (Frankel)	15,448	205,702
04/08/2019	Banco Comafi S.A.	2,684	35,744
06/14/2019	Comafi Fiduciario Financiero S.A. (Frankel)	1,713	24,437
06/14/2019	Banco Comafi S.A.	31,441	448,511
09/24/2019	Comafi Fiduciario Financiero S.A. (Frankel)	3,300	49,257
09/24/2019	Banco Comafi S.A.	29,665	442,773

The above-mentioned agreements have been executed as portfolio assignment without recourse. Accordingly, the Company has substantially transferred the risks and rewards inherent to the ownership of the financial asset.

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**Tarjeta Naranja S.A.**  
**Additional Information to the Notes to the Financial Statements**  
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**1. LEGAL SYSTEMS**

There are no significant or specific legal systems entailing contingent expiration or resurgence of benefits envisaged by those regulations.

**2. COMPANY ACTIVITIES**

Indicators of the Company's activities are described in the Summary of Activity.

**3. CLASSIFICATION OF RECEIVABLES FROM TRADE, OTHER RECEIVABLES AND DEFERRED TAX ASSETS BY MATURITY DATE**

a) Past-due Receivables from Trade as of September 30, 2019:

	<b>Receivables from Trade</b>
	<b>In Thousands of AR\$</b>
Before 09.30.18	1,432,150
Between 09.30.18 and 03.31.19	2,726,428
Between 03.31.19 and 06.30.19	1,478,149
Between 06.30.19 and 09.30.19	2,015,406
Subtotal	7,652,133
Provision for Loan Losses (1)	(4,835,236)
<b>Total Past-due Receivables</b>	<b>2,816,897</b>

(1) The difference of AR\$ 1,307,960 with respect to the total provision for loan losses for AR\$ 6,143,196 corresponds to a global provision for the (undue) performing commercial portfolio.

b) Other Receivables and Deferred Tax Assets with No Fixed Term as of September 30, 2019:

	<b>Other Receivables</b>	<b>Deferred Tax Assets</b>
	<b>In Thousands of AR\$</b>	
No Fixed Term	(1) 35,453	1,210,332

(1) Other Receivables with No Fixed Term: AR\$ 1,394 are recorded as other current receivables and AR\$ 34,059 are recorded as other non-current receivables in the Balance Sheet.

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c) Receivables from Trade and Other Receivables to Become Due as of September 30, 2019:

		Receivables from Trade	Other Receivables
		In Thousands of AR\$	
<b>Current</b>	12/31/2019	28,098,841	437,953
	03/31/2020	6,975,248	12,256
	06/30/2020	2,837,074	7,963
	09/30/2020	1,296,107	7,461
	Provision for Loan Losses (1)	(1,307,960)	-
<b>Non-current</b>		671,348	1,093

(1) The difference of AR\$ 4,835,236 with respect to the total provision for loan losses for AR\$ 6,143,196 corresponds to a provision for past-due receivables included in paragraph a).

#### 4. CLASSIFICATION OF DEBT BALANCES BY MATURITY DATE

a) Past-due Debts as of September 30, 2019:

There are no past-due debts as of September 30, 2019.

b) Debts with No Fixed Term as of September 30, 2019:

As of September 30, 2019, we have AR\$ 8 of qualification bonds received from Directors, as required by Law No. 19550.

c) Debts to Become Due as of September 30, 2019:

	Trade and Other Payables	Borrowings	Employee Benefit Obligations	Current Tax Liabilities	Income Tax Provision	Other Liabilities
	In Thousands of AR\$					
<b>Current</b>						
12/31/2019	15,884,275	3,365,504	356,376	1,072,261	-	8,264
03/31/2020	8,204,048	554,232	107,593	-	-	688
06/30/2020	-	2,157,068	115,228	-	480,475	28,492
09/30/2020	-	2,816,889	86,749	-	-	688
<b>Non-current</b>	-	5,135,961	-	-	-	8,036

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### 5. CLASSIFICATION OF RECEIVABLES FROM TRADE, OTHER RECEIVABLES AND DEFERRED TAX ASSETS BY THEIR FINANCIAL EFFECTS

- a) Receivables from Trade, Other Receivables and Deferred Tax Assets in Argentine Pesos and U.S. Dollars.

	Receivables from Trade	Other Receivables	Deferred Tax Assets
	In Thousands of AR\$		
In Argentine Pesos	47,530,751	500,792	1,210,332
Provision for Loan Losses AR\$	(6,143,196)	-	-
In Foreign Currency	-	1,387	-
Provision for Loan Losses US\$	-	-	-

- b) The balances of Receivables from Trade, Other Receivables and Deferred Tax Assets are not subject to any adjustment clause.

- c) Interest-bearing and Non-interest bearing Receivables from Trade, Other Receivables and Deferred Tax Assets.

	Receivables from Trade	Other Receivables	Deferred Tax Assets
	In Thousands of AR\$		
Interest-bearing Balances	10,087,805	-	-
Non-interest Bearing Balances	37,442,946	502,179	1,210,332

### 6. CLASSIFICATION OF DEBTS BY THEIR FINANCIAL EFFECTS

- a) Debts to Become Due in Argentine Pesos and U.S. Dollars

	Trade and Other Payables	Borrowings	Employee Benefit Obligations	Current Tax Liabilities	Income Tax Provision	Other Liabilities
	In Thousands of AR\$					
In Argentine Pesos	24,088,323	14,029,654	665,946	1,072,261	480,475	46,168
In Foreign Currency	-	-	-	-	-	-

- b) Debt balances are not subject to any adjustment clause.

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### c) Interest-bearing and Non-interest Bearing Debts:

	Trade and Other Payables	Borrowings	Employee Benefit Obligations	Current Tax Liabilities	Income Tax Provision	Other Liabilities
	In Thousands of AR\$					
Interest-bearing Balances	-	12,867,536	-	-	-	-
Non-interest Bearing Balances	24,088,323	1,162,118	665,946	1,072,261	480,475	46,168

### 7. INVESTMENT IN COMPANIES

As of September 30, 2019, the Company holds a 5% interest in Cobranzas Regionales S.A.

### 8. RECEIVABLES FROM OR LOANS GRANTED TO DIRECTORS AND SUPERVISORY COMMITTEE MEMBERS

As of September 30, 2019, there are advances to directors and supervisory committee members for AR\$ 27,668, but there are no receivables from or loans granted to supervisory committee members and supervisory committee members' or directors' relatives up to the second grade of consanguinity, except for the regular use of their credit cards.

### 9. INVENTORY

The Company does not have any inventories.

### 10. VALUATION OF INVENTORIES

The Company does not have any inventories.

### 11. TECHNICAL REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Company does not have any property, plant and equipment that have been technically revaluated.

### 12. OBSOLETE PROPERTY, PLANT AND EQUIPMENT

The Company does not have any obsolete property, plant and equipment bearing book value.

### 13. INVESTMENT IN OTHER COMPANIES

There are no investments in companies in excess of the maximum value set forth by Section 31 of the Argentine General Companies Law.

### 14. RECOVERABLE VALUES

The recoverable value of property, plant and equipment is their value in use determined by the possibility of absorbing depreciation charges with the income reported by the Company.

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### INSURANCE

The following are the insurance policies hired by the Company:

INSURANCE POLICY No.	INSURANCE COMPANY	INSURANCE TYPE	EXPIRATION DATE	INSURED AMOUNT (In Thousands)	BOOK VALUE
158954	CHUBB	Civil Liability Multi-Peril Operational	04/15/2020	US\$ 129,957	-
846039	CHUBB	Civil Liability Work	04/15/2020	US\$ 3,000	-
985235	CHUBB	Commercial Buildings Security	06/30/2020	AR\$ 210	-
2240410	CHUBB	EPEC Award Process in Public Services and/or Supplies	05/16/2020	AR\$ 3,000	-
984212	CHUBB	House Surety	06/22/2020	AR\$ 350	-
160018590	ZURICH	Excess Liability	04/15/2020	US\$ 1,000	-
1004104	CHUBB	Lease Surety	12/12/2019	AR\$ 251	-
1004103	CHUBB	Lease Surety	12/12/2019	AR\$ 705	-
2242053	CHUBB	Lease Surety - Commercial Buildings	05/31/2020	AR\$ 245	-
2249342	CHUBB	Surety - Preliminary Injunctions	08/10/2020	AR\$ 1,065	-
210118215	ZURICH	Surety	10/12/2019	AR\$ 30	-
4963900	RSA - SURA	Motorbike Insurance	04/15/2020	AR\$ 6,000	-
7977	GALICIA SEGUROS S.A.	Surety for the Government of the Province of Santiago del Estero	Annual Renewal	AR\$ 32	-
10408	GALICIA SEGUROS S.A.	Surety for the Municipality of Salta	Annual Renewal	AR\$ 342	-
659130	SANCOR SEGUROS	Group Life Insurance Required by Law	03/01/2020	US\$ 680	-
100626	GALICIA SEGUROS S.A.	Life Insurance for Non-Bargaining Employees	07/01/2020	AR\$ 300,906	-
500605	GALICIA SEGUROS S.A.	Group Life Insurance Required by Law	10/01/2019	AR\$ 220,275	-
821033	CAUCIONES S.A.	Surety	10/01/2019	AR\$ 1,004	-
2288908	CHUBB	Award Process in Services and/or Supplies	10/17/2019	AR\$ 180	-
2296302	CHUBB	Commercial Lease	09/17/2020	AR\$ 271	-
2268154	CHUBB	Commercial Lease	12/01/2019	AR\$ 77	-
2268155	CHUBB	Commercial Lease	12/01/2019	-	-
2285485	CHUBB	Commercial Lease	06/12/2020	-	-
355431	SANCOR	Theft	04/15/2020	AR\$ 44	-
81810023	ZURICH	Homeowners Insurance (Bariloche)	12/18/2019	AR\$ 3,300	-
81802194	ZURICH	Homeowners Insurance (Rosario)	11/15/2019	AR\$ 15,000	-
81799100	ZURICH	Homeowners Insurance (Cordoba)	11/09/2019	AR\$ 5,000	-
81764061	ZURICH	Homeowners Insurance (Mendoza)	10/29/2019	AR\$ 3,000	-
81833176	ZURICH	Homeowners Insurance (Mendoza) 25 DE MAYO 1246	09/10/2020	AR\$ 5,450	-
81825890	ZURICH	Homeowners Insurance (Complejo Cardinales I)	02/01/2020	AR\$ 7,350	-
81825891	ZURICH	Homeowners Insurance (Complejo Cardinales II)	02/01/2020	AR\$ 7,350	-
81840435	ZURICH	Homeowners Insurance (El Chañaral San Rafael Mendoza)	04/10/2020	AR\$ 4,200	-

Please refer to our report dated November 6, 2019  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3

# **Tarjeta Naranja S.A.**

## **Additional Information to the Notes to the Condensed Interim Financial Statements (Continued)**

As of September 30, 2019

Expressed in thousands of Argentine Pesos

(Free Translation from the Original in Spanish for Publication in Argentina)

### **PROVISIONS**

Current provisions exceed 2% of equity. Under IFRS, for the calculation of the provision for loan losses, the Company analyzes the historical losses of its portfolio in order to estimate the losses related to receivables from trade incurred as of the date of the financial statements, but that have not been individually identified, according to the guidelines set out in IAS 39. In addition, the historical ratios are adjusted, if appropriate, to include recent information that reflects the economic conditions as of the closing date of the financial statements, trends of behavior of customers in each portfolio segment and any other information that could affect the estimation of the provision for loan losses related to receivables from trade. Several factors may affect Management's estimation of the provision for loan losses, including the volatility of the likelihood of loss, migrations and estimates of the severity of losses.

### **15. CONTINGENCIES**

There are no significant contingent situations as of September 30, 2019, which have not been given accounting recognition.

### **16. DIVIDENDS ON PREFERRED SHARES**

There are no preferred shares.

### **17. RESTRICTIONS ON THE DISTRIBUTION OF RETAINED EARNINGS**

Restrictions on the distribution of retained earnings are detailed in Note 43 to the condensed interim financial statements as of September 30, 2019.

Please refer to our report dated November 6, 2019  
**PRICE WATERHOUSE & CO. S.R.L.**

(Partner)

C.P.C.E.Cba. N° 21.00004.3

# Tarjeta Naranja S.A.

## Summary of Activity

As of September 30, 2019

Expressed in thousands of constant Argentine Pesos

(Free Translation from the Original in Spanish for Publication in Argentina)

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\$ 331,442, 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

Please refer to our report dated November 6, 2019  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C. N° 21.00004.3

# Tarjeta Naranja S.A.

## Summary of Activity (Continued)

As of September 30, 2019

Expressed in thousands of constant Argentine Pesos  
(Free Translation from the Original in Spanish for Publication in Argentina)

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.

Please refer to our report dated November 6, 2019  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3

# Tarjeta Naranja S.A.

## Summary of Activity (Continued)

As of September 30, 2019

Expressed in thousands of constant Argentine Pesos  
(Free Translation from the Original in Spanish for Publication in Argentina)

### 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\$) <sup>(1)</sup>	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) <sup>(1)</sup>	133,572	121,033
Monthly Average Amount (in Thousands of AR\$) <sup>(1)</sup>	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.

Please refer to our report dated November 6, 2019  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.Cba. N° 21.00004.3

# Tarjeta Naranja S.A.

## Summary of Activity (Continued)

As of September 30, 2019

Expressed in thousands of constant Argentine Pesos  
(Free Translation from the Original in Spanish for Publication in Argentina)

### 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
<b>Total</b>	<b>8,661</b>	<b>9,047</b>

### COMPARATIVE CHART OF BALANCE SHEET

	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

	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)

Please refer to our report dated November 6, 2019  
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(Partner)

C.P.C.E.C. N° 21/00004.3

# Tarjeta Naranja S.A.

## Summary of Activity (Continued)

As of September 30, 2019

Expressed in thousands of constant Argentine Pesos  
(Free Translation from the Original in Spanish for Publication in Argentina)

### COMPARATIVE STRUCTURE OF THE STATEMENT OF CASH FLOWS

	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
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	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)
<b>CASH AND CASH EQUIVALENTS AT PERIOD-END</b>	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 for the Period / (Equity 09/19+ Equity 12/18) / 2

(2) Profit for the Period / (Assets 09/19+ Assets 12/18) / 2

Please refer to our report dated November 6, 2019  
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C. N° 21.00004.3



## REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholds, President and Directors of  
**TARJETA NARANJA S.A.**  
La Tablada 451  
CÓRDOBA – ARGENTINA  
C.U.I.T. 30-68537634-9

### Introduction

We have reviewed the accompanying Condensed Interim Financial Statement of Tarjeta Naranja S.A. (the “Company”), which include the Condensed Interim Balance Sheet as of September 30, 2019, the Condensed Interim Statements of Profit or Loss and the Condensed Interim Statement of Other Comprehensive Income for the nine and three month periods ended September 30, 2019 and the Condensed Interim Statements of Changes in Equity and Condensed Interim Statement of Cash Flows for the nine month period then ended, as well a summary of significant accounting policies and other explanatory information included in the notes and schedules supplementing them.

The amounts and other information corresponding to fiscal year 2018 and the related interim periods are an integral part of the financial statements mentioned above; therefore, shall be considered in connection with those financial statements.

### Company’s Board of Directors responsibility

The Company’s Board of Directors is responsible for the preparation and presentation of these Condensed Interim Financial Statements in accordance with the accounting framework established by the National Securities Commission (CNV). As mentioned in note 2 to the accompanying Condensed Interim Financial Statements, that accounting framework is based on the application of the International Financial Reporting Standards (IFRS), and, in particular, of the International Accounting Standard 34 “Intermediate Financial Information” (IAS 34) as approved by the International Accounting Standards Board (IASB). Such standards were adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE), and by the CNV, and were used in the preparation of these financial statements, with the only temporary exception of section 5.5 “Impairment” of IFRS No 9 “Financial Instruments”.

### Scope of our Review

Our review was limited to applying of the review procedures established in the International Standard on Review Engagements (ISRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, adopted as review standard in Argentina, through Technical Pronouncement No. 33, as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of the Company’s staff responsible for the preparation of the information included in the condensed interim financial statements, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted according to International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all the significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion causes.

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Tarjeta Naranja S.A.  
November 6, 2019

## Conclusion

Based on our review, nothing has called our attention that causes us to believe that the accompanying Condensed Interim Financial Statements referred to in the first paragraph of this report are not prepared, in all material respects, in accordance with the accounting framework established by the National Securities Commission (CNV).

## Difference between the accounting information framework of the CNV and the IFRS

Without modifying our conclusion, we draw attention to Note 2 to the accompanying Condensed Interim Financial Statements, which describes the difference between the accounting information framework of the CNV and the IFRS, taking account the application of section 5.5 "Impairment" of IFRS 9 "Financial Instruments" was temporarily excluded by the CNV from the accounting framework applicable to financial entities.

Córdoba, November 6, 2019

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Andrés Suarez  
Public Accountant