

mash

2017 Annual Review





The annual report, financial statements and related material presented in this annual review are translations based on originals in Finnish.

Please refer to the originals in Finnish for audited figures and information. Mash Group Plc reserves the right to correct or amend information presented in this annual review without notice.

INVESTORS@MASH.COM

We **enjoy** tough challenges

We are entrepreneurs at heart.
We are curious and eager to learn.
We build our future success.

mash[®]

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Mash in 2017



We believe a positive attitude is contagious and we are on mission to share that attitude. We fight for a world where 'yes' wins 'no'.

We are passionate about wowing our customers. Profound understanding of different needs enable us to design just the perfect service for each customer.

We leverage our advanced proprietary algorithms, machine learning capabilities and automated platform to deliver superior solutions to thousands of customers every day. We work hard for a future powered by technology, making every transaction seamless, flexible and worry-free. We have been at the forefront of fintech innovation since 2007, and today Mash is one of Europe's leading fintech companies.

We work together

We work together with
perseverance and a smile.
Success is defined by
how we help each other.

A large, stylized graphic of the word 'mash' in a light pink color, serving as a background for the logo text. The letters are thick and rounded, with the 'a' and 's' having a distinct arch-like shape.

mash[®]

From the CEO

Dear Shareholders, Customers, Colleagues, and Partners

I begin this letter with a sense of gratitude and pride about Mash that has only grown stronger since I joined the team on May 1st, 2017.

This was a remarkable and transformational year for Mash that not only positioned us for sustainable growth but also saw us advance our business significantly. We made investments in people (adding over 40 new hires), investing in our technology platform, improving our product and working more closely with our partners and affiliates.

The Board supported the view to invest in differentiating our services and laying the foundation for sustainable medium- to long-term value creation. While we report a net loss of 2.1M EUR in 2017, we strengthened our equity position in 2017 with an additional EUR 10M, our strongest position in our history.

Key financial highlights include:

- The number of new customers in 2017 grew by 114% compared to 2016
- Fourth quarter lending volumes compared to Q4 2016 grew by 91%, led by outsized growth in Poland with +350%, Sweden with +194% and Finland back on a solid growth track with +56%.
- Lending volume for the whole year compared to 2016 grew 38%, driven by H2 activities
- Recurring revenue increased by 26% compared to 2016, and EBIT was 1.9M EUR
- Our loan book increased by 61% in 2017, generating growing revenues for 2018 and beyond.
- Investments into loan book, market growth and systems grew our balance sheet by 63% to EUR 98 million
- Equity increased by 34% to EUR 38 million, contributing to the Group's excellent solidity and liquidity.
- Today, our average monthly volumes are 2.5X compared to Q1 2017 and 3X compared to Q1 2016.

Thank you,

James Hickson
GROUP CHIEF EXECUTIVE OFFICER, MASH

These are solid results and an excellent reflection of what we achieved in 2017, the outlook for 2018 is excellent. We have more to do and prove, but we are well on our way.

Perhaps an even better measure of our success was the progress we made with our strategic positioning. We significantly strengthened our executive leadership team, hiring a deep bench of new talent across finance, operations, sales, marketing and business development. We revised our core values and realigned the organization internally. We completed a detailed review of our product fit, resulting in a shift away from fee-based pricing to interest-based pricing. We focused relentlessly on our existing partnerships – with brokers, affiliates and data providers. We expanded our market opportunity with strategic partnerships including a European agreement with Verifone to provide our pay later solution to hundreds of thousands of merchants across Europe and a partnership with Shopify. We completed a detailed review of new markets and established a presence in Spain. Finally, we repositioned our brand away from a product lead brand (Euroloan) to Mash, a consumer lead fintech brand for which we secured a pan-European trademark.

We still have much more work to do. We have bigger and bolder goals yet to accomplish. The story of Mash is still being written, but 2017 was a transformative year in our company's history. None of this would be possible without our employees, partners and shareholders. In particular, I want to thank our employees and partners who worked tirelessly to impress our customers and without whom success is simply not possible. We greatly appreciate your support and look forward to continuing to build on our strong foundation in the years ahead.

Finally, I would also like to thank the Board, including former CEO Samuli Korpinen, who were key to the successful transition of not just myself, but also the rest of the new management team. I am honoured to lead a company committed to delivering exceptional customer and merchant experiences. It is a privilege to work with an organization united by a common set of values and a shared belief that we can win.



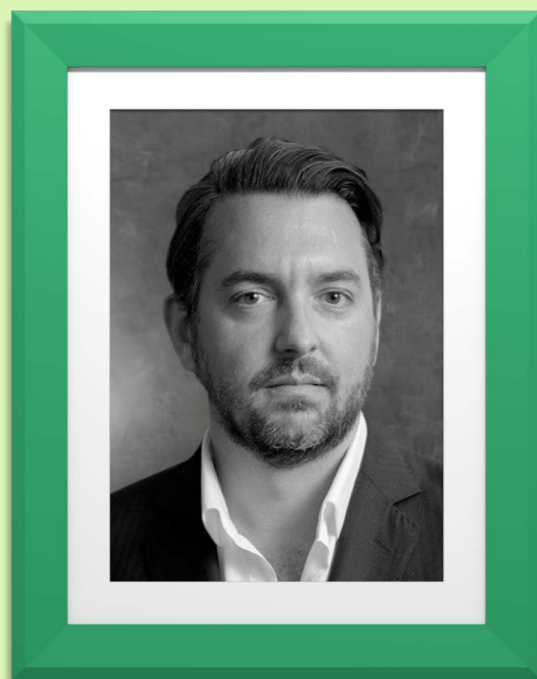
Key figures

	2017	2016	GROWTH
Balance Sheet (million EUR)	97.9	60.1	63%
Recurring Revenue (million EUR)	13.2	10.5	26%
EBIT (million EUR)	1.9	7.9	-
Equity (million EUR)	38.0	28.4	34%
Equity ratio	39%	47%	-
Lending volumes	73	53	38%
Lending volumes Q4	26.4	13.9	91%
New customers	38.500	18.000	114%



Executive leadership

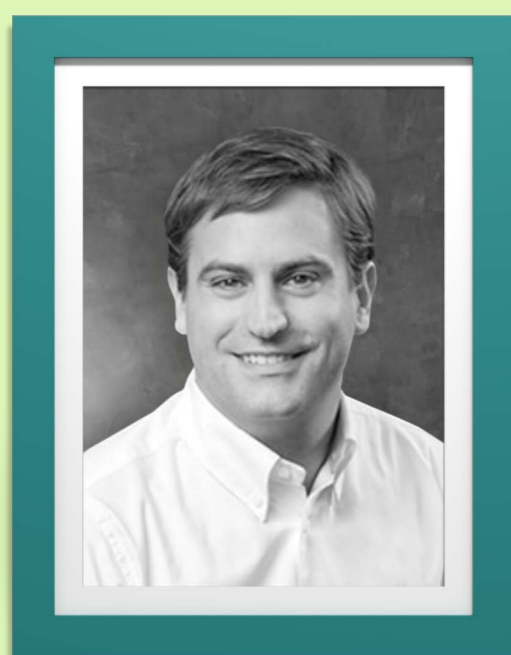
Group Management at Mash, led by CEO James Hickson, comprises a team of highly experienced and skilled executive managers combining entrepreneurial and managerial skills. New capacities were brought-in and structure re-designed to enable the execution of the ambitious Group growth strategy.



James Hickson
CHIEF EXECUTIVE OFFICER
MASH GROUP PLC

Morgan Stanley

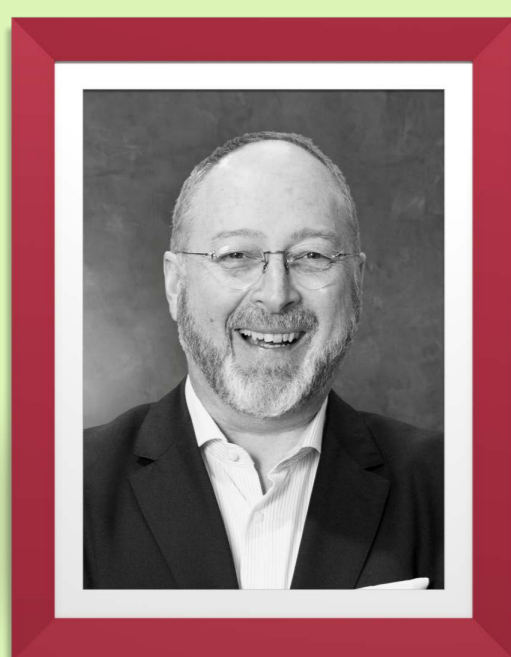
James is Group Chief Executive Officer driving strategy and revenue focus across the group. James brings 15 years' experience from Morgan Stanley, where he held successive international assignments in London, Saudi Arabia, Hungary and New York. In his last role he led Morgan Stanley's fintech strategy advisory internal leadership and external clients on market trends and go-forward business opportunities.



Tomas Marty
CHIEF SALES OFFICER
MASH GROUP PLC

bst Tu banco en positivo | accenture | Kreditech

Tomas is Chief Sales Officer of Mash Finance Plc. Tomas brings 12 years of experience from Banking in Argentina, as well as experience from consulting firm Accenture. During these last 4 years Tomas has been part of the Kreditech Group, where he held successive internationalization development as Regional Manager for LATAM, later on as Managing Director for the Spanish market.



Jean-Marc Fandel
CHIEF OPERATIONS OFFICER
MASH GROUP PLC

SIX

Jean-Marc is Chief Executive Officer of Mash Luxembourg S.A. and Chief Operations Officer of the Mash Group, piloting execution and strategic projects, as well as the Group's control functions. Jean-Marc has been active in the payments sector and IT services for banking for 12 years, as Chief Executive Officer of CETREL (Luxembourg) and Managing Director of Six Payment Services (Zurich). Prior to that, Jean-Marc worked in air transport and travel and tourism, having held senior executive positions in finance, marketing & sales and IT. Jean-Marc is an ILA/INSEAD Certified Director, graduated with a PhD in Economics from HEC Lausanne and alumni of the Harvard Business School.

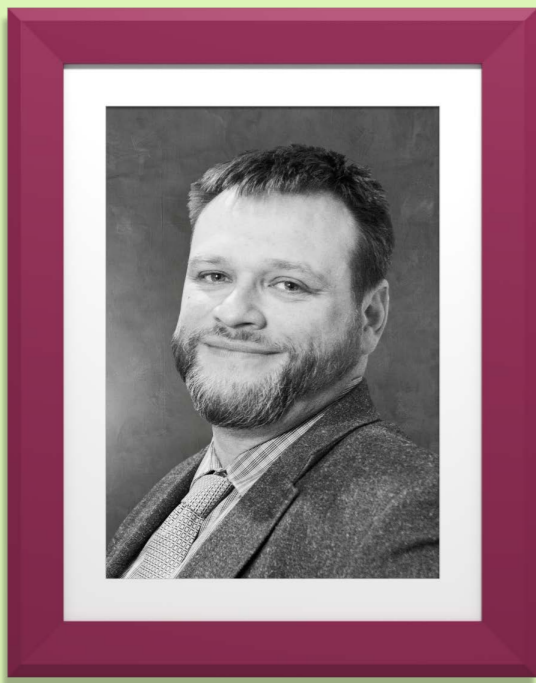


Gaëtan Van Wynsberghe
CHIEF FINANCIAL OFFICER
MASH GROUP PLC

Deloitte. Nordea


 JOHN DEERE

Gaëtan is the Chief Financial Officer of the Mash Group. He has over 15 years of professional experience in banking regulated entities and external audit. Before he joined Mash in May 2017, Gaëtan worked at John Deere for 6 years as CFO of John Deere Financial in Europe and CIS, leading the financial management and treasury activities. Gaëtan also worked at Nordea Bank in Luxembourg, being the Deputy CFO and at Deloitte in external audit.



Joachim von Schantz
CHIEF INFORMATION OFFICER
MASH GROUP PLC



Joachim is Chief Information Officer of the Mash Group and Chief Executive Officer of No Tie responsible for developing and running the digital services. Joachim's expertise include security, software development, production sites, quality, process, internal IT and PMO. Over the last 30 years, Joachim held key positions in large scale projects for the European Union, OECD and for the private sector, e.g. Mega Science Projects, Online Gambling, Fair and Trade Shows, international high profile summits. Joachim graduated in M.Sc (Quantum Mechanics), CIMP, PSPO, CSPO and CSM, IPMA-B.



Juho Wallenius
CHIEF MARKETING OFFICER
MASH GROUP PLC



Juho is the Chief Marketing Officer of Mash Group. He is responsible for marketing, brand, customer experience and external communications. Before joining Mash in May 2017, Juho was the CEO of digital marketing group Luxus Worldwide and has held several senior management and director positions at the TBWA network and other agencies. Juho has experience of working with several global B2B and B2C brands including Pepsi, Nissan, Dell EMC and Microsoft.



Jerome Dave
INTERNATIONAL DEVELOPMENT
MASH GROUP PLC



Jérôme is responsible for Mash international expansion including new market opening. Jérôme has over 20 years' experience in the financial services industry. Before joining Mash in February 2017, Jérôme held several key financial and operational positions in large high-tech corporates such as PayPal and Rakuten. Jerome was successively the Controller of PayPal Europe, Middle East and Africa, the Deputy Chief Financial Officer of Rakuten Europe, the Chief Operating Officer of Rakuten Payment Services and the Chief Administrative Officer of Rakuten Europe Bank.



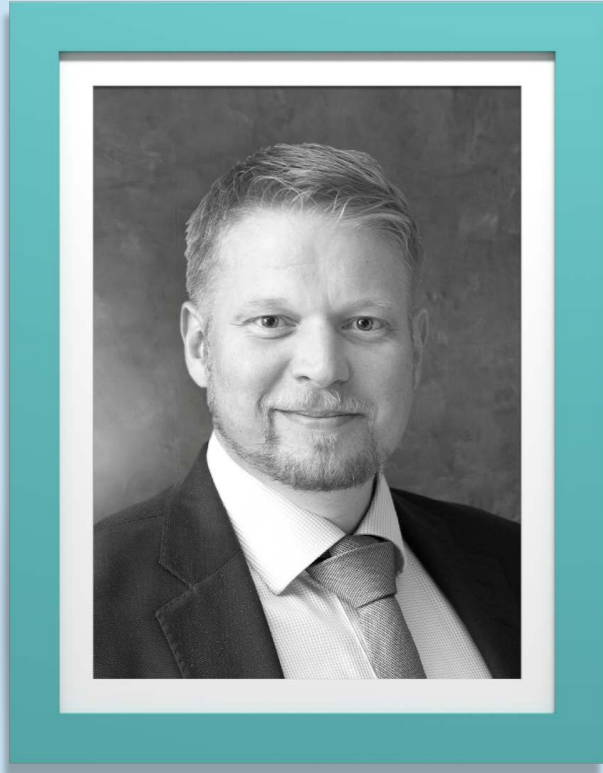
Laura Aarnio
FINLAND CHIEF FINANCIAL OFFICER
MASH GROUP PLC



Laura Aarnio is CFO of Finland and Group Controller. She has over 15 years of experience in different financial management positions both in private equity owned and stock exchange quoted companies. Before Mash Laura worked for six years at Fonecta as Finance Director, Financial Manager and as head of the finance team of Fonecta's parent company European Directories. Earlier Laura worked as Accounting Director and Financial Manager at Lassila & Tikanoja Plc for ten years.

Board of directors

The Board of Directors of Mash Group Plc on 31 December 2017:



Mr. Tommi Lindfors
M.SC. (ECON.)
CHAIRMAN OF THE BOARD

Tommi is a co-founder and Chairman of the Board of Mash Group Plc, formerly the CEO of Mash Group Plc and Mash Finance Plc. He has experience in international financial services, real estate investment and entrepreneurship.

Previously he worked at ABB; within ABB Group, ABB Credit, and ABB Financial Services; and in OP-bank Group. Tommi is the Chairman of the Board of Group companies Mash Finance Plc and Crédito Cobro Ltd and is a leading expert in business development and investment.



Mr. Samuli Korpinen
M.SC. (ECON.), MBA
BOARD DIRECTOR

Samuli is a Board member and the previous CEO of Mash Group Plc and Mash Finance Plc. He has vast experience from investment banking as well as consumer finance and has been with the Group for more than 6 years.

Previously he worked at Nordea Bank with the Markets unit as a senior manager. Before Nordea Samuli worked for Evli Bank's capital markets. He also holds several Board seats within the Group and is active with business development and with investors.



Mr. Jonas Lindholm
M.SC.
BOARD DIRECTOR

Jonas is a Board Member leading the strategic development of the Group. He was previously CFO and CEO of Mash Group, and has over 25 years of experience working with strategy and finance for large international companies, and in a number of board positions. He is Chairman of the Board Committees. Before joining Mash, he worked as Vice President at Pöyry, leading high profile projects for the strategic and financial management of international financial, energy, industrial, infrastructure and public sector clients. Previously, he worked for KPMG as Director and Head of Business Area Risk Advisory Services, at Oxford IPC Worldwide as Partner and Vice President, Europe, and in several leading positions within ABB Financial Services and ABB Group.



Mr. Risto Illukka

**M.SC. (TECH)
BOARD DIRECTOR**

Risto is a board member who mainly focuses on credit risk for the Group. Risto has been previously head of production development, head of production and CEO of Mash Finance Plc, which the Group deposit collection company is. Risto has been working almost 10 years in the Group, and has a wide knowledge of consumer finance.

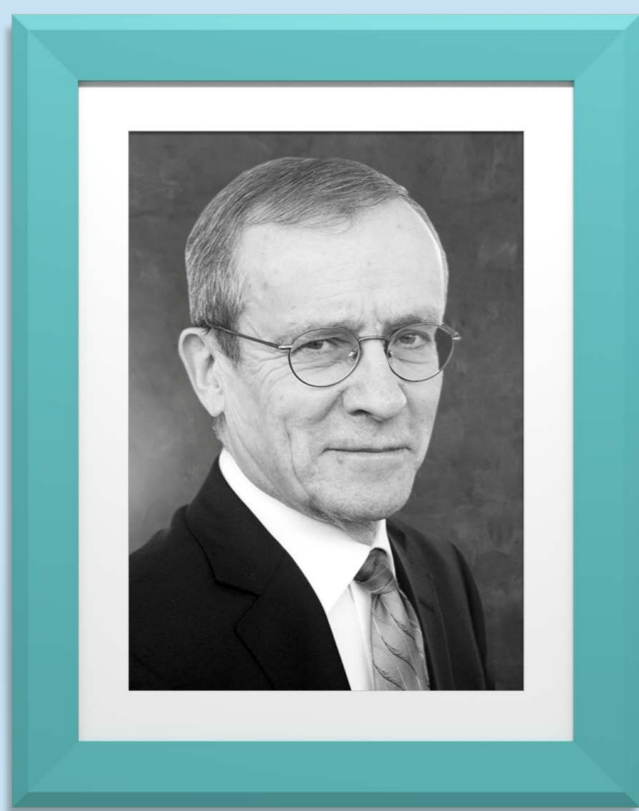
Before joining Mash he has worked at IFS (Industrial and Financial System) as a consultant. Risto also has a long entrepreneur history, being the CEO and the owner of Zandora Oy, since 2004.



Mr. John Matthews

**M.SC. AND B.SC.
BOARD DIRECTOR**

John is a Senior Vice President at specialist fintech global private equity house, and Mash shareholder, Finstar Financial Group. His role is to assist with Capital Markets activities, especially fund raising and analysing various acquisition and investment opportunities. John is a Regulated Person under the UK Financial Conduct Authority and he sits on the Boards of Finstar portfolio companies Viventor (Spain), V7 (UK) and Mash (Finland). John joined Finstar from Deutsche Bank in 2016 where he was a Managing Director in the Investment Banking division. Before that, he was Head of Key Clients UK in the Private Wealth Management unit. Previously John has worked at various financial services companies including ABN AMRO and Close Brothers Group. He holds an M.Sc. degree from University of London Royal Holloway College and a B.Sc. degree from University College Dublin.



Mr. Heikki Palosuo

**LL.M., M.B.A
BOARD DIRECTOR**

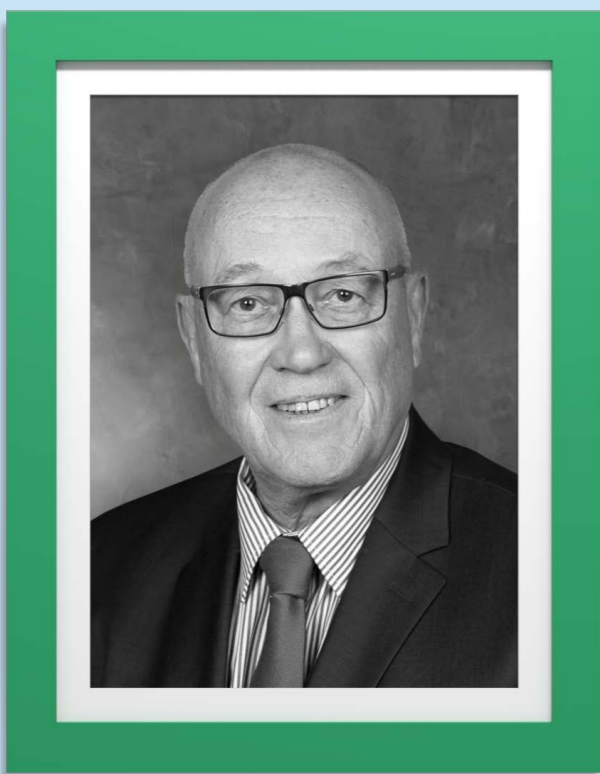
Heikki has over 35 years of experience in banking and finance. He has managed or taken part in the establishment of different banking entities in Scandinavia and the US. Heikki held various positions at Skopbank in 1980–1996, including in-house lawyer, head of letters of credit, SVP corporate finance, New York branch manager and Executive VP. In 1996–2001, Heikki worked for Danske Bank, Finland, holding the positions of Helsinki branch manager, country manager Finland and head of corporate finance. Since 2001, Heikki has worked on versatile financial advisory assignments, M&A and debt and equity capital market transactions as Senior Advisor at Corporate Advisor Group Oy, and as chairman and owner of Northeast Investments and Capital Ltd. Heikki is an experienced private equity and venture capital investor, has served and serves as a Board member or Chairman for various companies and is a member of Directors' Institute of Finland and Board Partners, Helsinki.



Mrs. Riitta Salonen

**M.SC. (ECON.)
BOARD DIRECTOR**

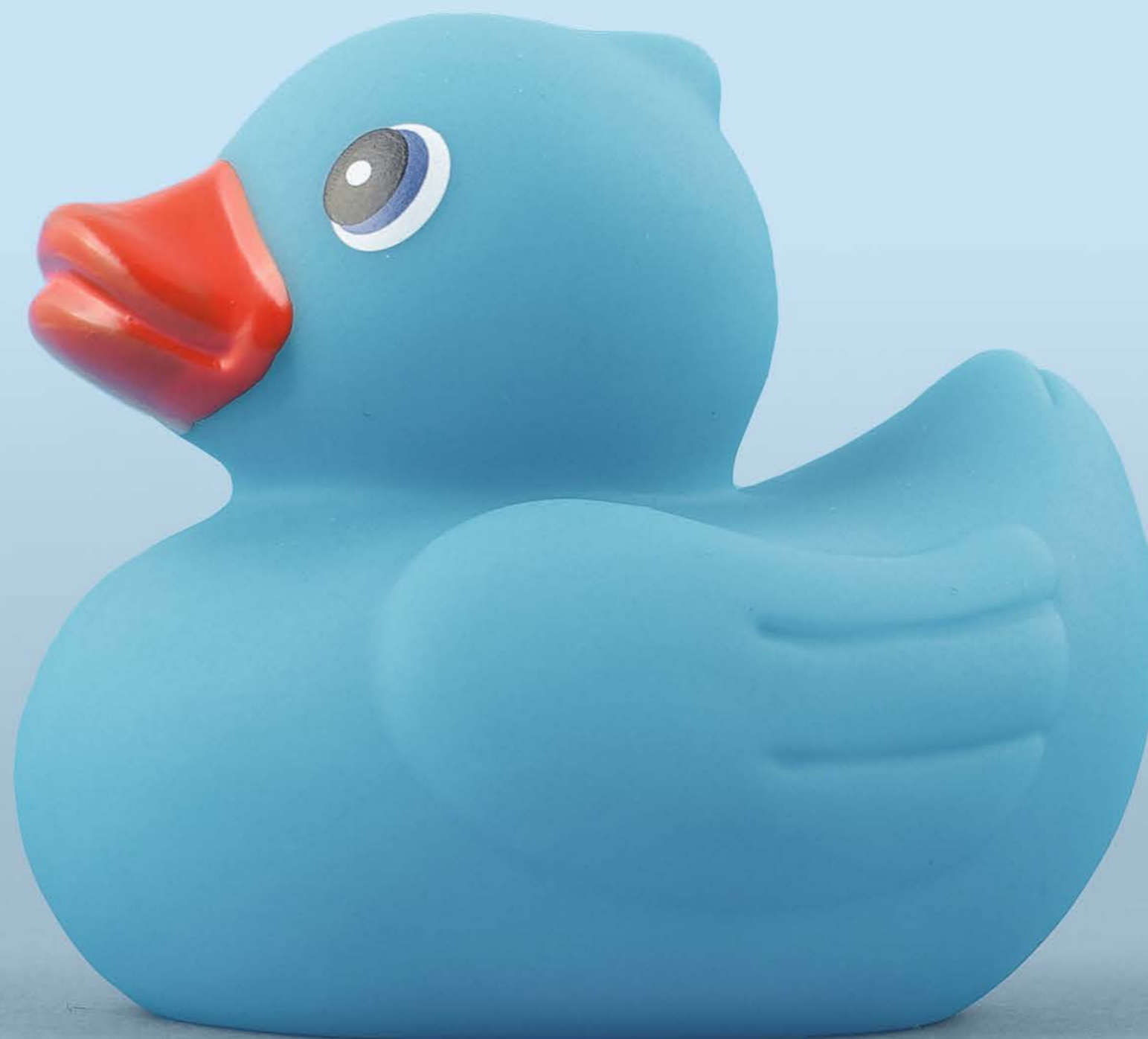
Riitta has had a remarkable career at what is now Danske Bank. She started her career as a partner in Inter Consulting Ky (1971-1980) and has since worked at Postipankki (Deputy General Manager, Capital Markets), Leonia Corporate Bank and Sampo Bank (Senior Vice President and Head of Capital Markets) and Danske Bank (Senior Vice President and Head of Debt Capital Markets Finland). Riitta Salonen has been a board Member in various firms and organisations including International Primary Market Association, currently International Capital Association (ICMA). She is a leading professional with an exceptionally broad knowledge of the capital market and corporate finance products, such as the origination and syndication of bonds, syndicated loans, equity issues, swaps, asset securitization, corporate finance advisory, privatization and IPOs and banks' own funding. She also has an excellent contact network with clients in the Nordic area and with various investment banks.



Mr. Kari Kukka

**M.A. (SOC. SC./ECON.)
BOARD DIRECTOR**

Kari has almost 40 years' extensive experience in international banking and investor relations. He has worked in several Finnish banks, Postipankki, Bank of Helsinki Ltd and OKOBANK. He also worked for several years at Chase Manhattan Bank in Helsinki and London. In Chase's Helsinki office, Kari was also a Member of the Board. His latest post was Head of Funding and Investor Relations at Nordic Investment Bank for about 10 years. After that, he founded Finacon Oy, where he consulted some of the major Finnish borrowers in their funding and investor relations issues as well as advising major foreign companies on their Nordic business. In recognition of his career, he received the Euroweek Bond Award 2009, given for services to the capital markets, the first award in this category. Kari has held several positions of trust, to mention a few: Finnish Export Credit Ltd, Member of the Supervisory Board, Arbuthnot Latham Bank in London, Member of the Board, OKOBANK Sweden, Member of the Board.



We **trust** and respect each other

We embrace diversity.
We are empowered to speak
up and we listen to understand.

mash[®]

Our story and mission

Tech is easy, customer centricity and good service are hard. We believe the really meaningful mission of fintech is to offer everyone choice; the same level of personally tailored, fast and fair-priced financial services traditionally available only to a few.

Mash was founded during a time when financial uncertainty grew all over the world. Finally, late 2008, the world went into a full-blown financial crisis. A growing number of people and businesses had increasingly troubled relationships with their banks, creditors and financial institutions. They were studied, segmented, scored and categorized and finally told 'no'. Mash's mission became to change that.

We know there will always be people who tell others something is impossible, that you're not big enough, strong enough, smart enough or rich enough. There will always be those who can tell you why something will not work. But, we believe a 'no' is always easy and safe, while a 'yes' takes courage, trust, confidence and skill. Positivity is contagious and believing in 'yes' is a total attitude towards life and running a business. It's about seeing your glass half full and believing in yourself and in others. It's about believing that tomorrow can be better. That's why we fight for a world where you hear a 'yes' more often than a 'no'.

Mash is here to say yes.



We master complexity

We embrace change.
We use data to make great decisions
and prioritize to deliver effectively.

mash[®]

Improving payments and credit experiences online and offline

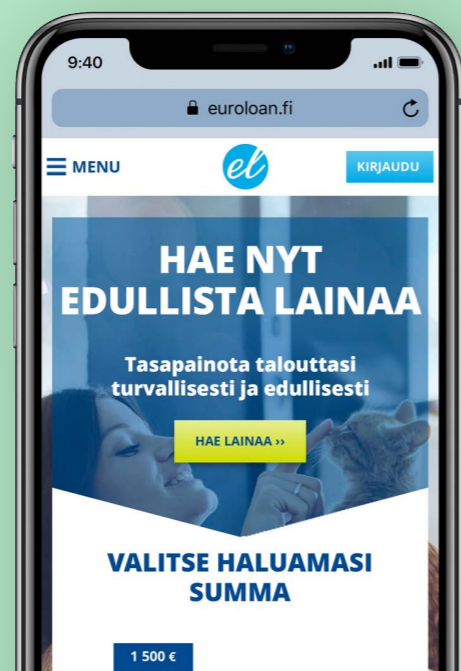
1. In-store pay later solutions through our partnership with Verifone



2. Ecommerce pay later solutions through our flexible open API



3. Unsecured consumer loans, up to EUR 10,000



4. Credit cards



"Mash is easy, fast and flexible."

EMILIA
ENTREPRENEUR
ECO BEAUTY WELLNESS

"I don't have to pay everything at the same time. I can pay them in the future."

KRISTIINA
CONSUMER

"...it's really easy. If the person just has an ID, we can do an instant Mash!"

TOMI
ENTREPRENEUR
BANG & OLUFSEN

"Who carries cash in their wallet? That time has passed."

TUULA
CONSUMER

Our values at work

Our values are something we live by every day at work.

WE ENJOY TOUGH CHALLENGES

We are entrepreneurs at heart.
We are curious and eager to learn.
We build our future success.

WE WORK TOGETHER

We work together with perseverance and a smile.
Success is defined by how we help each other.

WE TRUST AND RESPECT EACH OTHER

We embrace diversity.
We are empowered to speak up and we listen to understand.

WE MASTER COMPLEXITY

We use data to make great decisions and
prioritize to deliver effectively.

WE DISRUPT FOR OUR CUSTOMERS

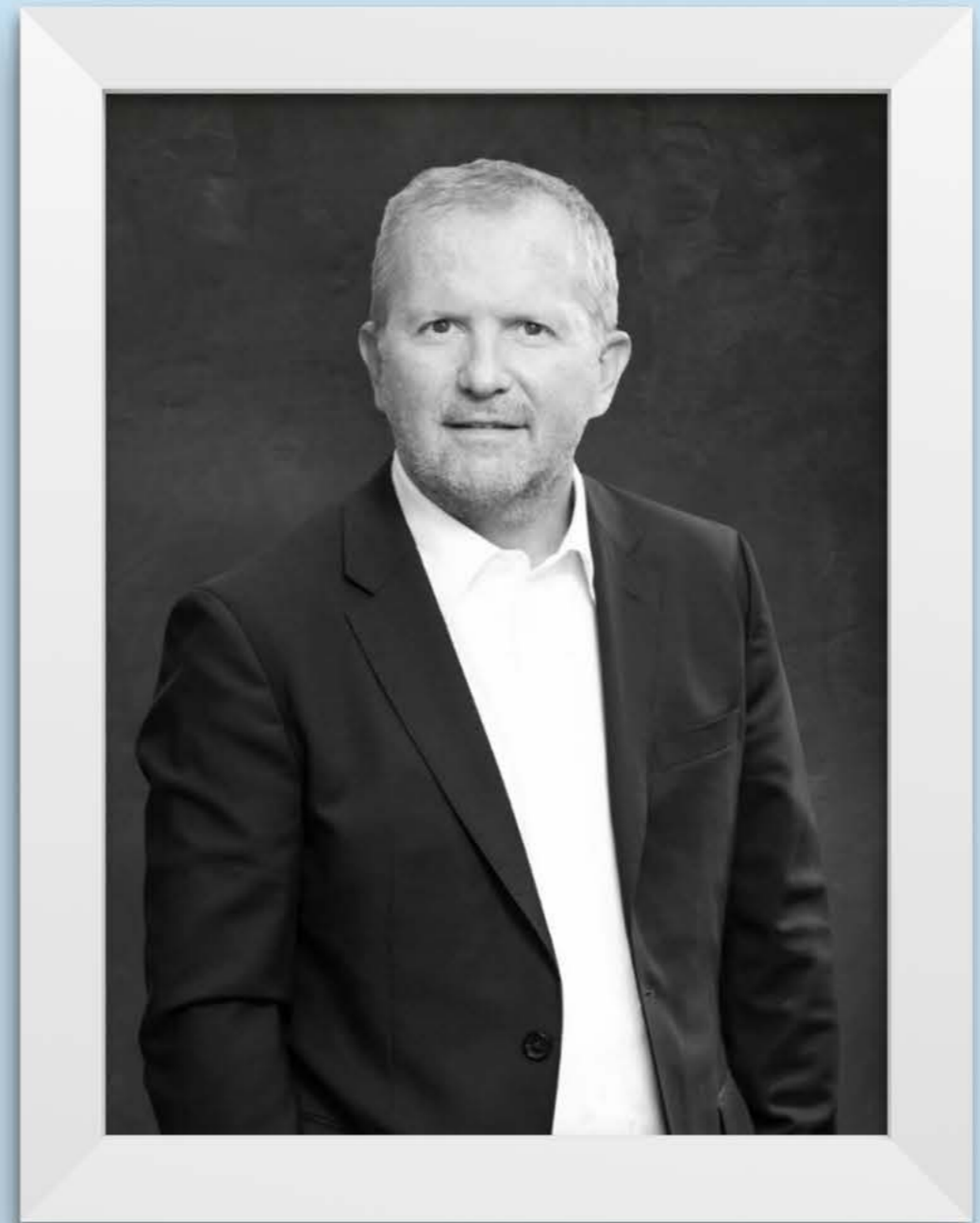
We leverage technology, partners and superior
service to deliver next-generation experiences.



“In my 25+ years in the Financial sector, this is the first time audit, compliance and risk are seen as a competitive advantage. That focus ensures controls are built into our products and processes, not bolted on afterwards. I see this a key differentiator for Mash.”

Arnaud

HEAD OF GROUP INTERNAL AUDIT
LUXEMBOURG



“At Mash, we leverage data to drive deep insights and inform our decision making. Data is at the very heart of what we do – from discovering new product opportunities, to managing our risk. Over the past year, we have really focused on innovation and finding new ways to represent data and identify insights. I am excited to be a critical part of our journey.”

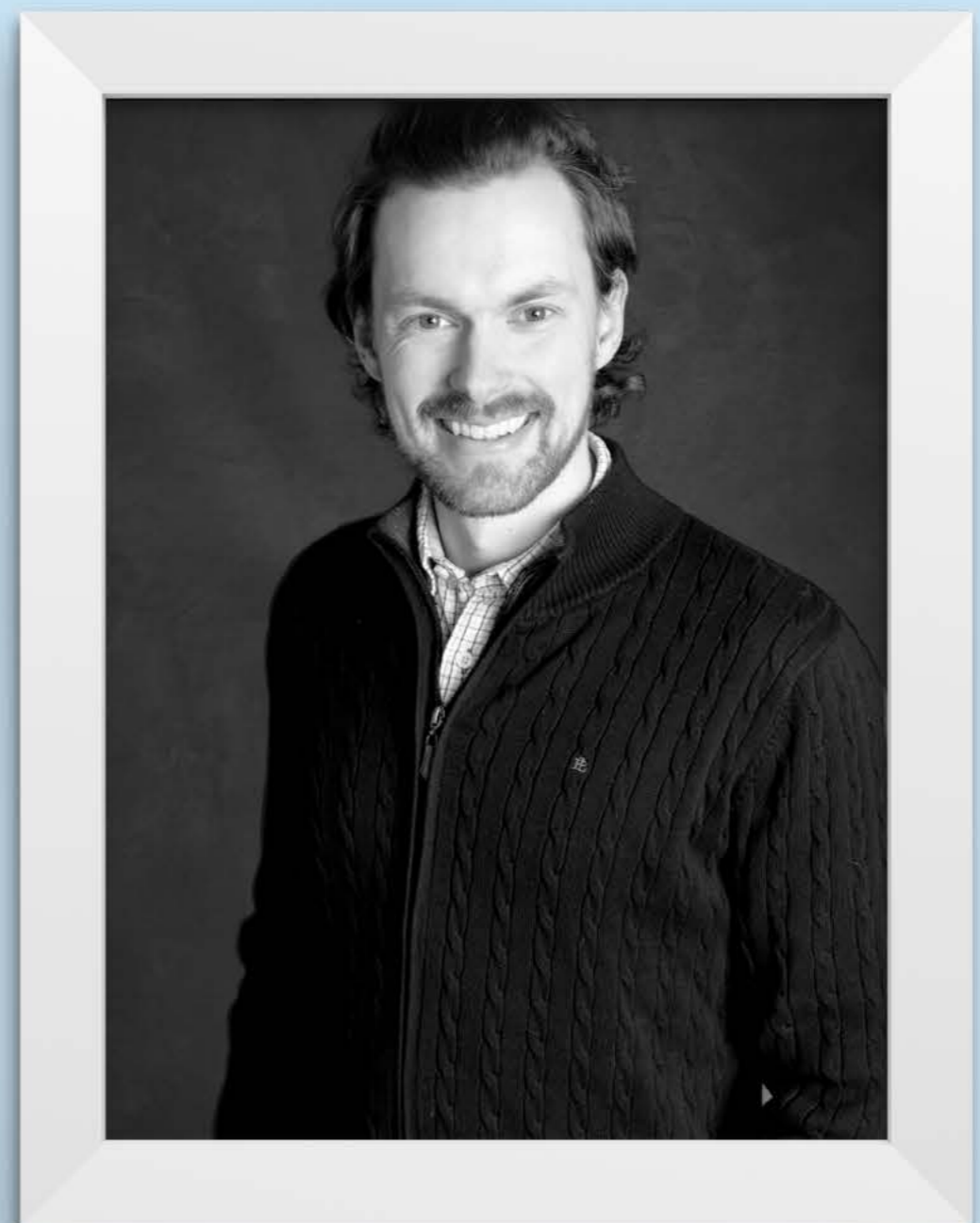
Jenna

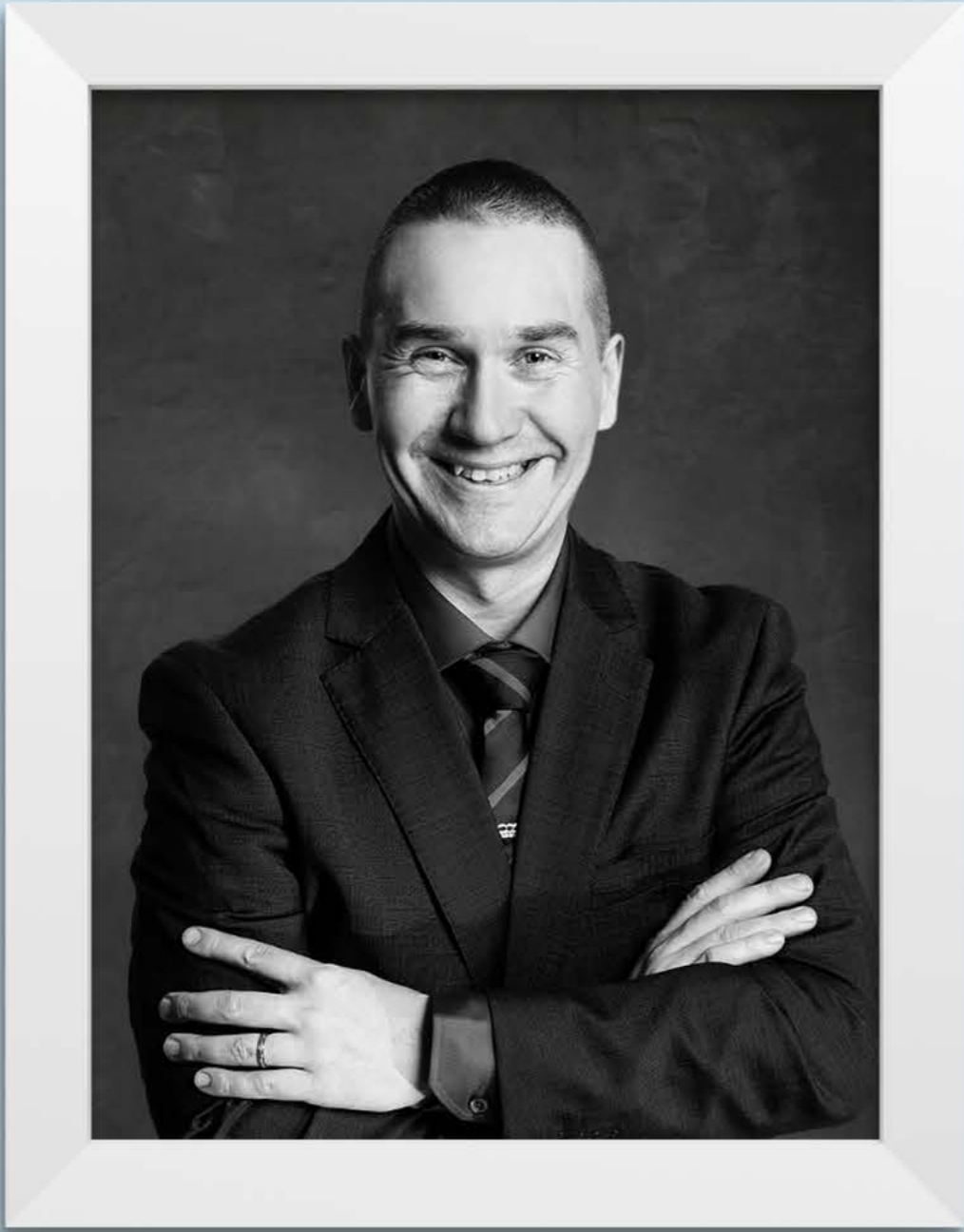
DATA ANALYST
FINLAND

“Mash believes in helping people grow and advance their careers. Having spent two years working in our customer service call centre, I am now supporting the growth of our B2B business. It’s great to have the voice of the customer in my head when I talk to merchants about growing their business!”

Marcus

SALES
HELSINKI





“As a nimble fintech company we move quickly on new opportunities; we have the ability to make things happen at warp speed. I am amazed at the volume and quality of our achievements in the nine months we have been here. Honestly, this is an inspiring place to work.”

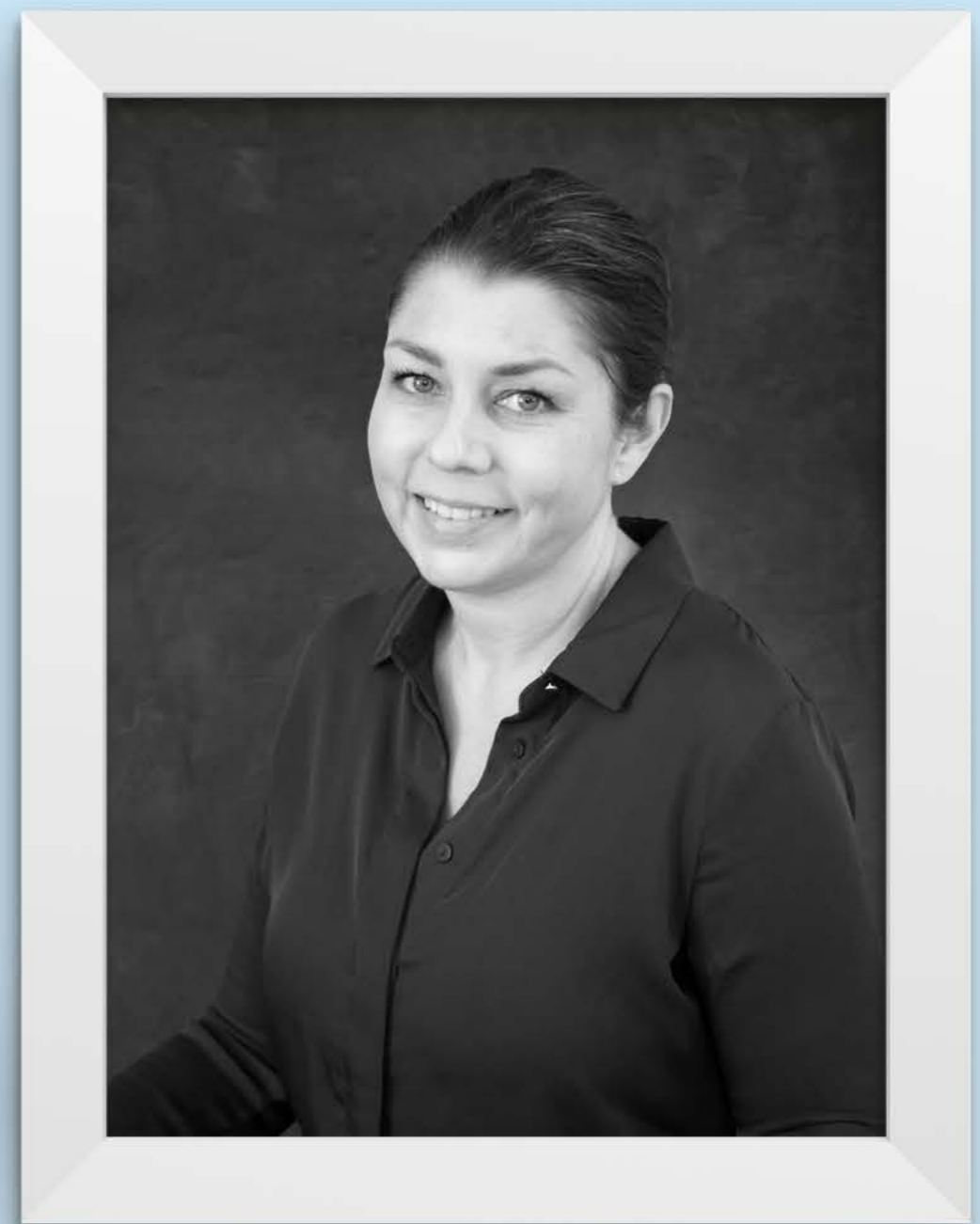
Mika

**GROUP PROJECT MANAGEMENT
HELSINKI**

“This year we grew our lending to record volumes. As head of operations, I played my part by making sure we identified our customers’ needs and that we exceeded their expectations; a happy customer = a happy business”.

Maria

**OPERATIONS
SWEDEN**



“As a marketer I am empowered to think bigger and more creatively. This creates enormous freedom for me to differentiate our services and our brand. As a result, our adverts in Poland have proved to be some of the most engaging in the industry!”

Grzegorz

**MARKETING MANAGER
POLAND**



We **disrupt** for our customers

We leverage technology, partners
and superior service to deliver next
generation experiences.

mash[®]

Board of directors' annual report

The Financial report has been prepared in accordance with the Finnish Accounting Standards (FAS).

Performance in 2017 was consistent with the outlook provided by the Board of Directors at the start of the year. The operating environment remained relatively stable in Finland, Sweden and Luxembourg and there were some changes in the Polish consumer finance market during 2017.

The growth in recurring turnover and total balance sheet size for the financial year envisioned in the outlook was achieved. In the 2016 Annual Review, the Chairman was confident that the Group could continue to win market share by investing in new markets and capitalize on the group's capabilities. Mash aimed to achieve profitable growth within the current product categories in its home markets, while investments in new products, customer acquisition and building new international operations could affect near-term profitability in 2017.

Investing into long-term growth

The Group aimed to grow notably in both the B2C and B2B field in all markets during 2017 and beyond with a focus on efficient onboarding and origination through multiple channels (Omni-channel services). Services include invoicing, credit and payment solutions for points of sale, online shopping platforms, real-time online and mobile consumer finance as well as credit cards.

The Group continued its strategic change toward an international customer-centric fintech company. The Board of Directors made key new hires, with a new Group CEO and a new Group executive management team. The new executive management accelerated the speed of business growth considerably, with notable successes in strengthening partnerships, customer acquisition, launch of new business and overall volume growth.

To achieve sustainable growth, significant investments were required during the year into system and market development. The Group concentrated on book building, i.e. investing in new customers, securing a significant number of new customers by the end of the year, with rapid growth continuing beyond year-end. A new pricing model was developed, which shifted the emphasis from fee-based revenue toward interest revenue with longer maturities. This shift increases revenue per customer over time, with lower revenues from immediate fees. This change had a reducing effect on revenues for 2017, while increasing revenues for the following years. The new service and pricing structure was received very positively by customers, increasing the number of new customers, while at the same time reducing customer acquisition costs and improving customer retention. Customer selection and scoring criteria continued to develop, reducing the expected relative credit losses, while credit volumes have grown significantly. Overall, the long-term effect on the quality of the Group's assets is expected to be very positive. These investments and strategic changes have a cost and they have resulted in a planned consolidated loss for the financial period. To enable growth, equity was strengthened by EUR 11.7 million during the year through share issues. However, the Board of Directors is confident that investing into growth is required to implement Mash long-term strategy, achieve continuous profitability and sustainability in the future and add shareholder value.

Significant events during 2017

ADDITIONAL FUNDING FACILITY

The Group doubled the size of its structured financing facility with funds managed by affiliates of Fortress Investment Group LLC (NYSE:FIG), from EUR 60 million to EUR 120 million to enable the Group to scale its business significantly across Europe. According to the Chairman, this was the largest deal of this type made by a Finnish unlisted financial company.

KEY NEW HIRES

James Hickson (B.Sc., M.B.A.), former Wall St. fintech leader, was appointed as new Group CEO. The move was part of the Group's drive to grow the business and market share significantly across Europe. Hickson, an accomplished financial technology industry executive with 16 years of experience in financial markets and financial services most recently led a fintech technology business development practice at Morgan Stanley. With international experience in New York, London, Saudi Arabia, and Eastern Europe, he has been at the forefront of a changing financial services landscape, and is well-positioned to lead the company through its next phase of growth.

The Group executive committee was strongly reinforced in 2017 with new hires including a new Group COO, Group CFO, Group CMO, Group CSO and a CFO for the Group Parent Company.

MASH SET A NEW CROWDFUNDING RECORD FOR FINTECH COMPANIES IN FINLAND

The share issue of Mash Group PLC on Privanet Group PLC's crowdfunding platform was oversubscribed a week early, setting a new fintech crowdfunding record with a total of EUR 5.6 million. Mash issued new shares on Privanet Group PLC's crowdfunding platform Around. The maximum limit of EUR 4.995 million for the issue was reached on June 8, eight days early. The subscription was at termination at 5,599,031 EUR, i.e. 377% of the minimum target of EUR 1.5 million and 112% of the maximum limit. This constituted a new record for crowdfunding

in Finland. Supported by the overwhelming demand for the Group's shares both from existing and new investors, the Board called for early closure of the issue after the maximum amount was reached. The issue was a part of The Group's longer-term drive to secure sufficient equity to realize strategic growth targets. The additional equity helped the Group accelerate the deployment of the new EUR 120 million funding facility announced in May 2017, to expand the business, grow internationally and make investments that drive long term profitability.

HIGHEST REVENUE QUARTER IN MASH'S 10-YEAR HISTORY, TWICE IN A ROW

The third quarter of 2017 generated the highest revenue for Mash Group in its history. Poland and Sweden set new record revenues, up 108% in Sweden and 259% in Poland, compared to Q3 2016. This was achieved in Poland through a highly optimized media mix including a successful TV campaign that drove increased brand awareness, coupled with a partnership with Poland's largest broker. In Sweden, our revolving product proved to be an attractive alternative to traditional single loan products. In Finland, with all players investing heavily to capture market share, revenues were down 17%. Investments were made into better positioning of services, improving pricing, offering longer maturities and enhancing marketing to both consumers and brokers that enabled record growth in the fourth quarter in all jurisdictions.

The fourth quarter of 2017 was the second record-beating quarter in a row for Mash Group, with a revenue growth of 409% in Poland, 93% in Sweden and 28% growth in Finland compared to Q4 2016. Revenue growth (recurring income) in total for Q4 2017 was 85%, compared to Q4 2016.

MASH AND FINLAYSON PARTNERED TO DELIVER THE WORLD'S FIRST CIRCULAR ECONOMY SOLUTION FOR HOME TEXTILES

Buying and owning home textiles revolutionized by the new Finlayson service - pay monthly, use or recycle - powered by Mash, Mash's new pay by invoice service. The service enables customers to return used products, to be resold or recycled into new products by Finlayson and obtain a sizable discount when replacing old textiles with new ones. The service improves the utilization rate for the textiles in an economic and environmentally friendly way. The purchases can be paid by invoice or in interest-free monthly instalments up to 36 months, powered by Mash.

MASH AND SHOPIFY BRING PAY-BY-INVOICE POTENTIAL TO MORE THAN HALF A MILLION ONLINE STORES

Mash and Shopify signed an agreement, which enables Mash's Pay-by-Invoice and Instalment services to over half a million online stores using Shopify's ecommerce platform, as the only solution that works on Shopify's ecommerce platform and Verifone's point-of-sale terminals. Mash partnership agreement with Verifone aims to deliver point-of-sale "pay-by-invoice" solutions to customers in Finland and Sweden, with a wider European plan actively under development. The addition of such significant channel partners affords Mash a step change for the future of Mash's business.

MASH OPENED A NEW MARKET IN SPAIN AS PART OF ITS EUROPEAN GROWTH STRATEGY

Initiating services in the Spanish market is a key step in the expansion strategy of the fintech group. The Spanish market in particular offers a significant opportunity for growth with the Group's advanced payment and credit solutions. With a number of partners to accelerate market entry, the Group expected to be live at the end of Q1 2018. The Group announced its aim to open up seven new markets in Europe by 2020.

BOND ISSUANCES AND REPAYMENTS

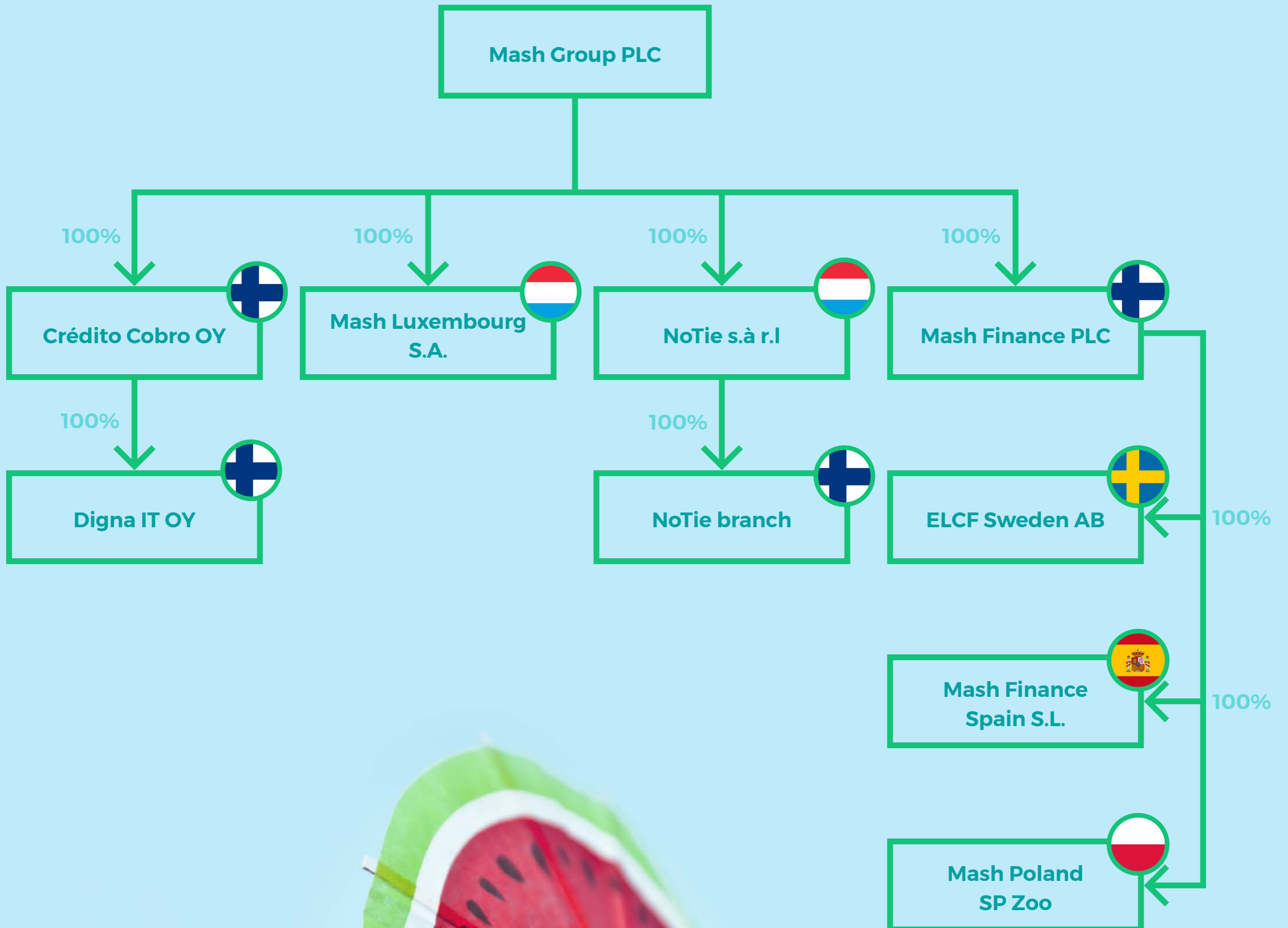
The Group repaid a EUR 15 million bond in November, and issued then three new bonds, in total EUR 90 million, to keep up with the rapid growth in its markets. In all, nine new bonds were issued in 2017. The Group typically maintains a higher level of flexibility in its funding by subscribing a majority of the bonds onto its own balance sheet and offers them to investors over time.

NEW BRAND

The Group celebrated its 10th anniversary in November 2017, as the first group company was founded in 2007. In conjunction with the celebration, Euroloan launched a new brand: Mash. The new brand reflects the new business model and continues to focus on fintech: Building on Euroloan's foundation. We use our advanced proprietary algorithms, machine learning capabilities and automated platform to provide superior finance and payments solutions to thousands of customers every day. We work hard for a future powered by technology, making every transaction seamless, flexible and worry-free. Finance Simplified, life amplified.

Group structure

The Group's structure remained largely the same as the previous year. The Group's Swedish subsidiaries were merged into one, while a new subsidiary was formed in the Spanish market. The total number of companies including the parent company thus remains at nine. Mash Group PLC is headquartered in Helsinki, with offices in Stockholm, Warsaw, Luxembourg and Madrid.



Markets and business environment

Consumers have moved away from banknotes and coins, first to payment cards and then increasingly to use mobile applications for payments, changing the landscape not only between traditional and digital banking but within digital banking itself. The movement away from traditional human-to-human interaction is both a consumer driven trend and a trend driven by financial services providers. Increasingly bank branches are cashless and have the role of negotiating, advising and selling services rather than performing transactions, which can now be executed 24/7 at the consumer's preferred device. Consumer lending is facing the same trend, which not only brings bank cost savings but also brings them previously unseen challenges. The changing way of communicating and interacting has made the industry more transparent.

Finland

The Finnish economy grew faster in 2017 compared to 2016, with GDP growing 3.1% (1.9% 2016). In 2018 GDP is expected to grow by 2.5%.

CONSUMER LOANS

Consumer credit extended by non-financial corporations continued to increase in 2017. In annual terms, the growth rate of the consumer credit stock was 5.8% in 2017, compared to 3.9% in 2016. Consumer credit with longer maturities (over 5 years) had the highest growth rate.

At the end of 2017, household consumer credit comprised EUR 15.3 billion, and other loans EUR 16.7 billion. New drawdowns of loans to non-financial corporations (excl. overdrafts and credit card credit) amounted to EUR 3.2 billion.

Payments by card and credit transfers, in particular, are the preferred electronic payment instruments in Finland. Most payments are made by cards. Cards with NFC functionality (Near Field Communication i.e. contactless payments cards) are increasingly popular. There were around 9.8 million cards in circulation at the end of 2016, and 5.2 million of those have NFC functionality, which means almost 40% growth from year 2015. The number of NFC transactions increased more than 5 times from 2015 while the value of NFC transactions increased almost 6 times, from EUR 0.23 billion to EUR 1.36 billion.

Poland

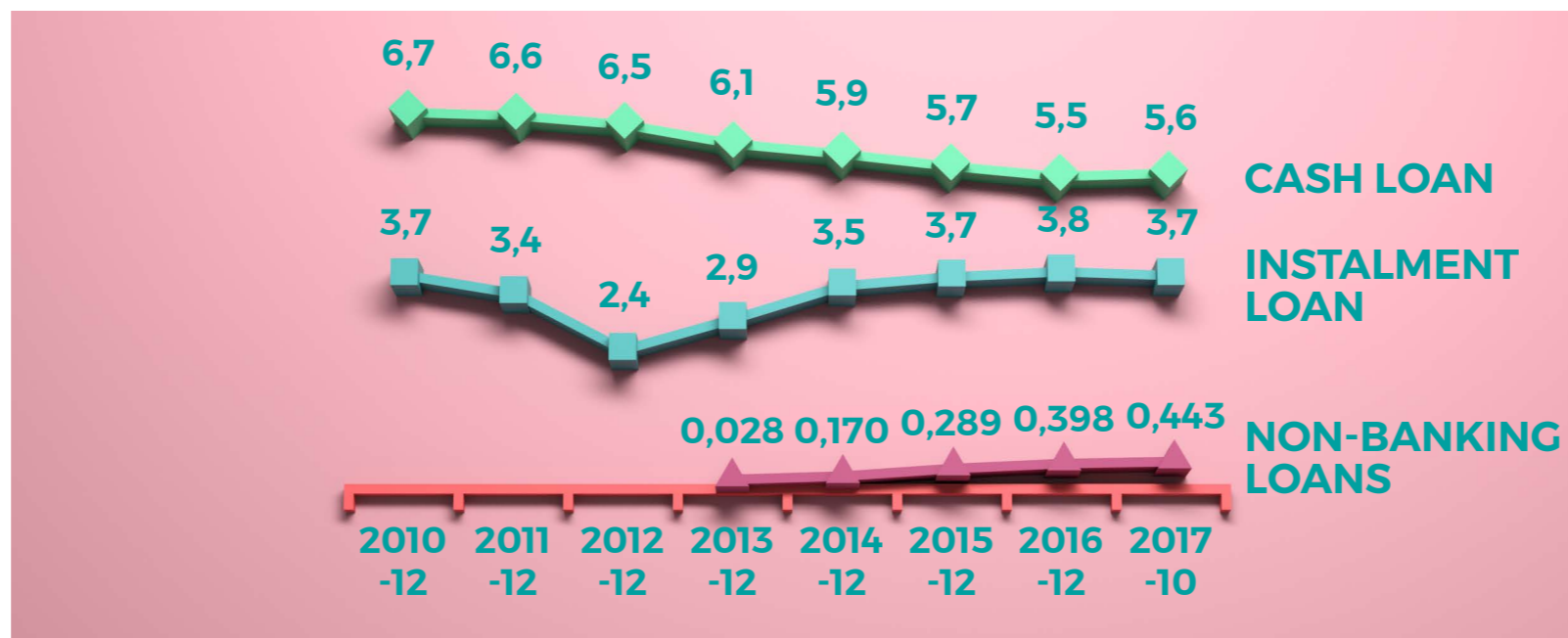
GDP growth in Poland started to decrease in 2016 – the growth was 2.6% compared to + 3.6% in 2015 and + 3.3% in 2014. This trend ended in 2017 with GDP growth of 4.9%.

CONSUMER LOANS

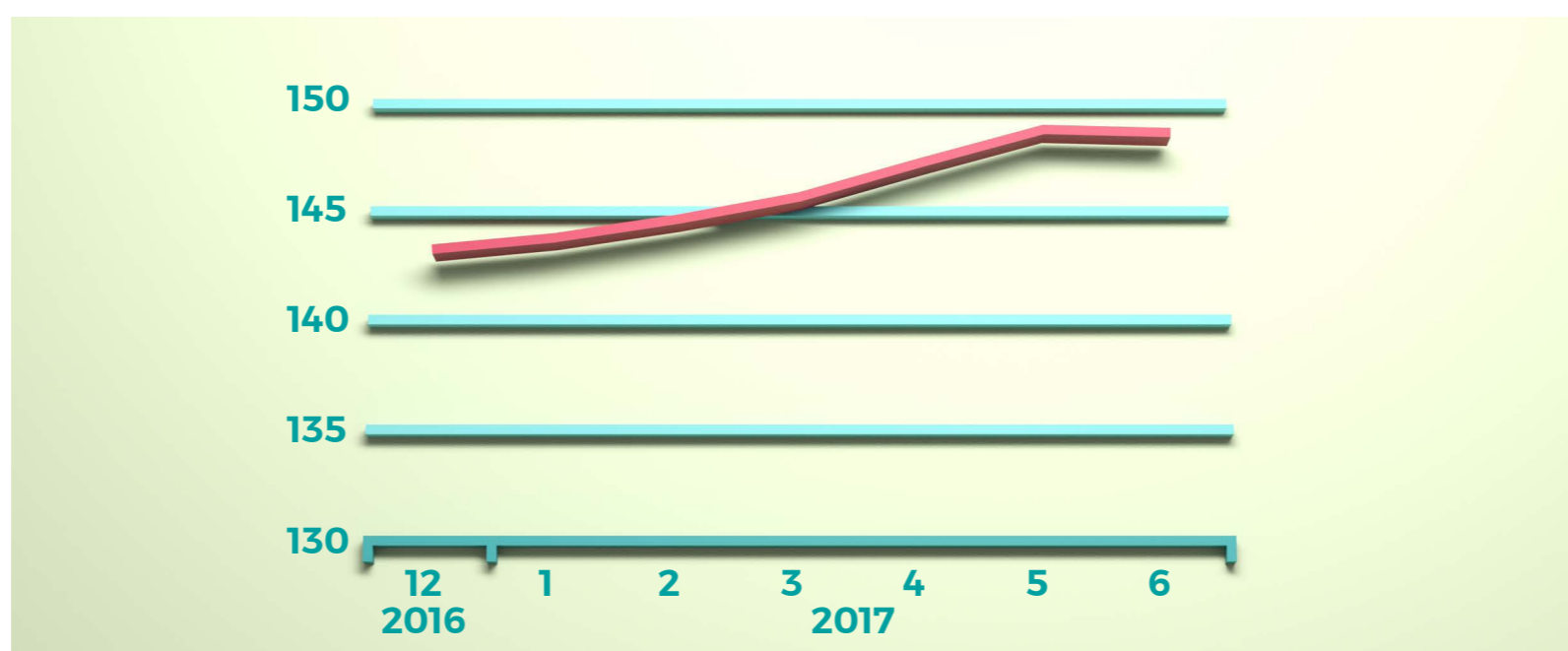
Consumer lending still remains the most important source of growth for the Polish banking sector. The biggest growth was, however, observed in non-banking loans in Q3.

The number of consumers having at least one loan in Poland¹:

THE NUMBER OF CASH LOAN, INSTALMENT LOAN AND NON-BANKING LOAN HOLDERS IN MILLIONS



THE CONSUMER CREDIT OUTSTANDING DEBT IN BILLIONS ZLOTYS IN BANKS AND SKOK CREDIT UNIONS



The number of customers with a cash loan increased by 1.8% from 2016 to 2017. The number of product and service-related credit instalment loans decreased by 2.7%, while non-banking loans increased by 11% for the same period.

At the end of June of 2017 the total outstanding balance of consumer loans was PLN 148 billion, a 3.4% increase from the end of 2016².

LAW CHANGES REGARDING SHORT TERM LOANS

New legislation limiting the maximum cost of a loan, planned for introduction in 2017 by the Polish Ministry of Justice, was put on hold, with no information on when the process would continue.

¹ Source: BIK S.A. CEO presentation (based on data from Polish Credit Bureau – BIK S.A.)

² Source: Credit Trends by BIK S.A. 1st H 2017

Sweden

GDP growth in Sweden was 2.4% for the full year. The growth increased toward the end of the year, with 0.9% growth in Q4 2017, mainly due to increased exports.

Key demographic trends in Sweden include an increasing population, a large share of single households and greater concentration of the population in and around the largest urban centers such as Stockholm, Gothenburg and Malmö.

Over all in 2017, the Swedish economy remained strong, having benefited from a growing population, GDP growth, decreasing

unemployment and an increased consumer confidence, which, according to the National Institute of Economic Research, was at a level not witnessed for many years. The strong economy was reflected in the willingness of Swedish consumers to take out mortgages and borrow for other purposes. In non-card lending, the largest categories were traditionally student loans and other personal lending.

Household consumer loans increased by 7.3%, while the increase for loans with other collateral was 5.5%. In total, households consumer credit and loans with other collateral amounted to SEK 207billion and SEK 485billion in 2017, respectively³.



³ Sources: Euromonitor International, Consumer lending in Sweden, Statistiska Centralbyrån SCB, Finansmarknadsstatistik December 2017

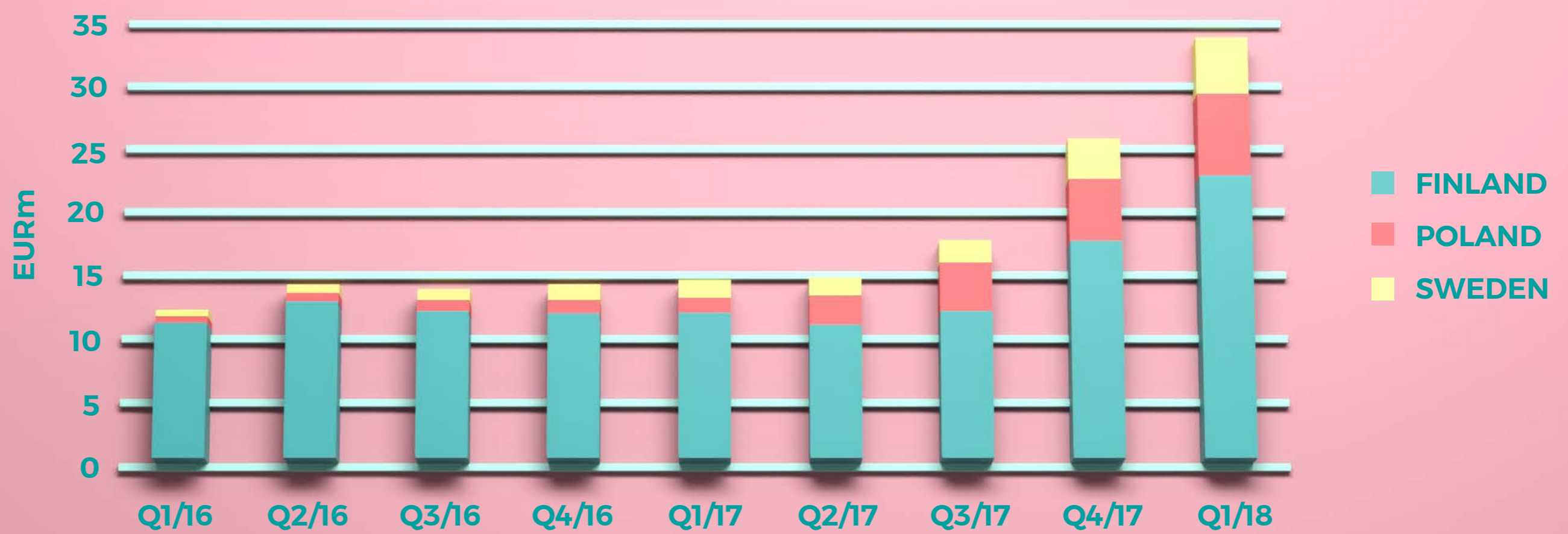
Group Market Development

Group business growth was significant in all markets during the second half of 2017. A focused effort was made toward new customer acquisition, with spectacular results. Between May and December, the monthly average lending volume to new customers increased by 488%, the biggest consecutive increase in the Group's history.

The fourth quarter was the best ever in the Group's history, a testament to the success of the new product and channel strategy of

the Group and the new management team. Lending volumes in Q4 2017 compared to Q4 2016 grew by 91% (56% in Finland, 194% in Sweden and 350% in Poland). Compared to the previous quarter (Q3 2017), fourth quarter volume increased by 49% in Finland, 80% in Sweden and 30% in Poland. In Poland, most of the growth in 2017 was driven by a summer campaign during the second and third quarters. The growth has continued into Q1 2018 with new daily, weekly and monthly records in January, February and March. Lending volumes in Q1 2018 were 30% higher than in Q4 2017.

GROUP QUARTERLY LENDING VOLUME DEVELOPMENT 2016 - 2018



Data protection and customer privacy

The European Union General Data Protection Regulation (GDPR) is probably the most important change in data privacy in the last 20 years. The aim of the GDPR is to protect all EU citizens from privacy and data breaches in an increasingly data-driven world. Mash has been preparing extensively to be ready for GDPR, which will become fully enforceable throughout the European Union in May 2018. Group policies and processes have been reviewed and guarantee ensure the Group meets the new data privacy requirements in our customers' best interest.

Financial position

The Group's financial position has improved during 2017, despite heavy investments and a revenue model with delayed income due to an emphasis on interest income.

Recurring revenue increased by 26% from EUR 10.5 million to EUR 13.2 million, driven mostly by growth in the Polish (+250%) and Swedish (+100%) markets. All markets grew in the second half of the year, with record lending volume achieved for both the third and fourth quarters. Total income decreased by 18% from the previous year as no non-recurring revenue was recorded during the year.

The Group's consolidated earnings before interest and tax (EBIT) was EUR 1.9 million (2016: 7.9 million).

Consolidated profit/loss for the financial period was EUR -2.0 million (2016: 4.2 million).

The Group consolidated financial position remained strong in 2017. Equity was EUR 38.0 m (2016: 28.4 million) and debt was EUR 59.9 million (2016: 31.7 million). The Group's equity ratio was 39% (2016: 47%). Cash totaled EUR 8.6 million at the end of 2017 (2016: 3.0 million).

Operating cash flow was EUR -1.1 million (2016: 6.0 million). Investment cash flow was EUR -33.8 million (2016: -10.9 million) and financing cash flow EUR 40.4 million (2016: 5.1 million). Investment cash flow of EUR -33.8 million consisted of investments in tangible and intangible assets related mainly to the development of digital lending, IT systems and customer acquisition for EUR -12.2 million (2016: -5.5 million) and of the changes in loan receivables totaling EUR -21.6 million (2016: -5.3 million).

KEY INDICATORS	2013	2014	2015	2016	2017
Recurring revenue, m€	7.4	9.9	12.1	10.5	13.2
Total income m€	10.0	9.9	13.4	16.1	13.2
Earnings before interest and tax (EBIT) m€	1.8	2.5	6.6	7.9	1.9
Return on capital employed (ROCE) %	7%	7%	15%	10%	-2%
Return on equity (ROE) %	3%	0%	9%	15%	-6%
Equity ratio %	32%	39%	50%	47%	39%

Board of Directors and CEO

The Shareholders' Annual General Meeting held on May 23th 2017 re-elected Tommi Lindfors, Riitta Salonen, Heikki Palosuo, Jonas Lindholm, Kari Kukka and John Matthews as Board Directors of the Group's parent company Mash Group Plc. Risto Illukka and Samuli Korpinen were elected as new Board Directors. Tommi Lindfors was elected to continue as the Chairman. PricewaterhouseCoopers was re-appointed as external auditor. Martin Grandell continues as the principal auditor.

Samuli Korpinen was the Group CEO until 30th April 2017. James Hickson started as Group CEO 1st May 2017.

Employees

Mash Group Plc and its subsidiaries had 89 employees at the end of the year (2016: 51). Personnel expenses were EUR 2.2 million (2016: EUR1.1 million) as the group made a decision to invest for growth.

EMPLOYEE SAFETY

The occupational safety function consists of an occupational safety officer (employer representative) and an occupational safety trustee (employee representative). Occupational safety representatives are bound by professional confidentiality. The main responsibilities include evaluating working environments and providing relevant information to employees and the employer. Representatives also make occupational safety and health programs and conduct workplace assessments.

The officer and trustee work closely with occupational health care professionals. At Mash the occupational safety function conducts yearly employee surveys and engages in different activities in order to enhance employee wellbeing at the workplace.

VALUES AT WORK

Our values are something we live by every day at work.

WE ENJOY TOUGH CHALLENGES

We are entrepreneurs at heart. We are curious and eager to learn. We build our future success.

WE WORK TOGETHER

We work together with perseverance and a smile. Success is defined by how we help each other.

WE TRUST AND RESPECT EACH OTHER

We embrace diversity. We are empowered to speak up and we listen to understand.

WE MASTER COMPLEXITY

We use data to make great decisions and prioritize to deliver effectively.

WE DISRUPT FOR OUR CUSTOMERS

We leverage technology, partners and superior service to deliver next-generation experiences.

As a responsible employer, we are committed to make sure our values are driving Mash in every instant. Please refer to the section CORPORATE RESPONSIBILITY for more details on how Mash is a responsible partner of choice.

Significant Events 2018

January 17th 2018 the board decided upon an issue of a maximum of 2,250,000 A shares. In deviation of the shareholders' pre-emptive rights, this share issue is directed to the public and other parties identified by the board as possible investors in the company's ongoing capital raising process. After market enquiries and research the board takes the view that only a directed share issue will guarantee the desired amount of subscriptions. The company is also engaged in discussions with potential strategic partners and it is possible that these will result in subscriptions. The subscription price has been set at 13,50 EUR/share and the subscription period ends June 30th 2018. As of April 6th 2018, 1,473,745 shares were subscribed and together with the equity raise in 2017, Group equity has increased by EUR 28.4 millions.

An extraordinary shareholders' meeting for the Group parent company convened on Feb 7th 2018 decided to change the name of the company to Mash Group Plc (formerly Euroloan Group Plc). In addition, the extra shareholders' meeting authorized the board to issue a maximum of 10,000 new C-series shares.

The authorization is valid until Feb 2nd 2023. Based on the authorization the board decided to start an issue of 1000 new C shares Feb 16th 2018.

Mash announced on February 7th 2018 a new pan-European partnership with Verifone to provide a "pay later" solution for use in retail stores across Europe. The service will offer consumers an easy option to pay later for purchases while enabling merchants to immediately collect payment and grow their business.

On March 2nd 2018 certain terms were adjusted to enable more funds to be drawn from the credit facility provided by certain funds and affiliates of Fortress Investment Group LLC ("Fortress") and fuel the continuous growth of Mash. Following the amendment, Fortress decided to participate in the aforementioned equity round.

During Q1 2018 the Group has acquired a 9% ownership of a key funding partner, Privanet Group Oyj (Nasdaq: Priva).

The first quarter lending volumes are on track to be the best ever in the Group's history.



Shares

CHANGES IN SHAREHOLDING, OWNERSHIP AND GROUP STRUCTURE

At the end of the financial year, Mash Group Plc had three outstanding share series: A-,B-and C-shares.

During 2017, the company executed an A share issue with 370,000 new shares that was fully subscribed. In year 2017 the company also executed a C share issue with 1,000 C shares based on authorization by the Annual General meeting in April 26th 2016 and a decision by the board of directors of August 16st 2017. This share issue was also fully subscribed.

The number of outstanding shares in the end of the year 2017 was as follows: A-shares 16,535,654, B-shares 153 and C-shares 1,073. Mash Group Plc acquired 22 C-shares from the shareholders during 2017. At the Annual Shareholders' Meeting, each A-share is entitled to one vote, B- and C-shares have no voting rights. D shares have not been issued.

SHARE PRICE DEVELOPMENT

The parent company is a public limited company, but not listed. Hence, third party share transaction terms are not public information. The total share transaction volume for all share classes in 2017 was EUR 35 million and the indicative (the company does not receive information of trades on its shares in real time) median quarterly A-share price has developed according to the graph below:

MEDIAN PRICE OF A-SHARE PER QUARTER (EUROS PER SHARE)



The quarterly median prices are subject to change due to some individual trades being reported months or possibly even years after the actual transaction took place.

Market value based on the Q4 2017 indicative median share price is EUR 223.2 million.

Share capital development and authorisations of the board of directors

The share capital remained at the same level in 2017 as in 2016, at EUR 80,000. The board has authorizations from 2015 and 2016 to issue A shares, which are valid until March 11th 2020 and March 31st 2021 respectively.

In April 23rd 2017 the board decided upon a A share issue that was fully subscribed with 370,000 new shares.

2,409,205 A-shares were allocated to conditional share options of personnel and board directors as of December 31st 2017. At the end of 2017, the Board was authorized to issue 6,562,901 A-shares and share options.

The shareholders' meeting May 23st 2017 authorized the board of directors to decide on issue of 1,000 B and 1,000 C shares. The authorizations are valid until March 3rd 2022. Based on the authorization the board decided on a C share issue with 1000 C shares on August 16th 2017 that was fully subscribed.

MAJOR SHAREHOLDERS AS AT 31ST DECEMBER 2017

SHAREHOLDER	SHARES (PCS)	SHARE OF OWNERSHIP
Bonares Oy (In which Tommi Lindfors exercises controlling power)	5 073 260	30.68%
Zandora Oy (In which Risto Illukka exercises controlling power)	711 965	4.31%
Eficaz Capital Oy	600 000	3.63%
Oxford IPC Ltd Oy (In which Jonas Lindholm exercises controlling power)	364 946	2.21%
Scorchio Invest Oy (In which Samuli Korpinen exercises controlling power) and Samuli Korpinen personally	363 612	2.20%
Nysna Holdings Limited	357 895	2.16%
Oy Oja Invest Ltd	353 843	2.14%
Gymnosof Oy	316 487	1.91%
Berling Capital Oy	308 000	1.86%
Northeast Investments and Capital Oy (In which Heikki Palosuo exercises controlling power)	250 000	1.51%
10 largest shareholders total	8 700 008	52.61%
Other Shareholders total	7 835 646	47.39%

The number of shareholders was 1,292 on December 31st 2017. Total shares owned by Board Members and Group executive management was 6,876,568 (42% of ownership).

Risk Management

The Board of Directors of Mash Group Plc has formed from its members a Risk Committee responsible for overseeing the Group's strategic, operative and financial risks within the framework of its risk management policy. The committee approves risk limits, guidelines and proposals concerning risk-taking and oversees actions to mitigate these risks. The Group's most significant strategic and business risks include operative, financial, liquidity, credit, market, currency and interest risks. A separate, more elaborate risk description can be found on the Group's website and in the 2017 Annual Review.

Dividend proposal by the board of directors

The terms of the finance facility (sale of consumer receivables) has covenants, which require the Group to maintain profitability and strong solidity during 2016-2019. The Board notes that the agreement does not restrict the rights of the shareholders to decide on paying dividends, however deciding to pay dividends would have a significant negative impact on the solidity and liquidity of the Group, as the terms of the contract would be breached.

As equity requires further strengthening during 2018, any dividend distribution would have a negative impact on the capital base and hinder the projected growth rate considerably. Therefore, the Board of Directors proposes that there will be no dividend paid for the financial year of 2017.

Outlook for 2018

The Board of Directors estimates that the operating environment will continue to change gradually in all its markets, with some new regulation affecting lending expected during 2018 or later. The Group has prepared well for the upcoming General Data Protection Regulation (GDPR) which will have some effect on the Group's business, policies and processes. The other regulatory changes are expected to have a marginal effects. Mash aims to achieve profitable growth within the current product categories in its home markets, and develop its new markets. The outlook regarding turnover and total balance sheet for the financial year is that there will be significant growth compared to the previous year.

HELSINKI, 29 MARCH 2018
BOARD OF DIRECTORS OF MASH GROUP PLC

Consolidated financial statements

Income statement (EUR)

	1.1.-31.12.2017	1.1.-31.12.2016
TURNOVER	13,184,886	16,117,070
Other operating income	13,674	4,882
Materials and supplies		
External services	-396,833	-661,191
TOTAL	-396,833	-661,191
Personnel costs		
Salaries and benefits	-1,496,866	-723,482
Social security costs		
Pension costs	-351,360	-311,495
Other social security costs	-302,465	-64,959
TOTAL	-2,150,691	-1,099,935
Depreciation and impairment		
Planned depreciation	-2,072,540	-1,059,741
Depreciation of goodwill on consolidation and decrease in Group reserve	-364,519	-351,125
TOTAL	-2,437,059	-1,410,867
Other operating costs	-6,353,713	-5,014,305
OPERATING PROFIT (LOSS)	1,860,264	7,935,655
Financial income and expenses		
Other interest and financial income		
From others	367,313	83,048
TOTAL	367,313	83,048
Interest and other financial expenses		
To others	-4,318,331	-2,441,262
TOTAL	-4,318,331	-2,441,262
TOTAL	-3,951,018	-2,358,214
PROFIT BEFORE APPROPRIATIONS AND TAXES	-2,090,755	5,577,441
Income taxes	-1,444	-1,332,006
PROFIT (LOSS) FOR THE FINANCIAL YEAR	-2,092,199	4,245,434

Balance sheet (EUR)	31/12/2017	31/12/2016
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development expenditure	14,519,938	9,669,292
Intangible rights	40,500	16,667
Consolidated goodwill	5,710,146	6,074,665
Other longterm expenditure	8,020,245	2,816,098
TOTAL	28,290,829	18,576,721
Tangible assets		
Machinery and equipment	14,766	8,584
Other tangible assets	2,500	2,500
TOTAL	17,266	11,084
NON-CURRENT ASSETS, TOTAL	28,308,094	18,587,806
CURRENT ASSETS		
Other current assets	0	2,345
TOTAL	0	2,345
Receivables		
Short-term		
Sales receivables	141,079	718,033
Loan receivables	55,947,665	34,438,090
Other receivables	986,142	1,389,592
Accrued income	3,940,530	1,972,689
TOTAL	61,015,416	38,518,404
CASH IN HAND AND AT BANK	8,555,895	2,968,947
CURRENT ASSETS, TOTAL	69,571,311	41,489,696
ASSETS, TOTAL	97,879,406	60,077,502

	31/12/2017	31/12/2016
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000	80,000
Translation difference	96,287	-192,468
Invested unrestricted equity reserve	33,179,019	21,463,289
Retained profit (loss)	6,730,119	2,754,817
Profit (loss) for the financial year	-2,092,199	4,245,434
EQUITY, TOTAL	37,993,227	28,351,072
LIABILITIES		
Long-term		
Bonds	24,050,000	3,550,000
Loans from financial institutions	0	34,750
Other liabilities	2,500,000	700,000
TOTAL	26,550,000	4,284,750
Short-term		
Bonds	11,910,000	15,300,000
Loans from financial institutions	34,750	34,750
Accounts payable	2,128,021	1,348,353
Advances received	0	57
Other liabilities	17,691,496	8,907,714
Prepayments and accrued income	1,571,912	1,850,805
TOTAL	33,336,179	27,441,679
LIABILITIES, TOTAL	59,886,179	31,726,429
EQUITY AND LIABILITIES, TOTAL	97,879,406	60,077,502

Cash flow statement (EUR)

	1.1.-31.12.2017	1.1.-31.12.2016
OPERATING CASH FLOW.		
Cash receipts from sales	13,398,364	15,725,591
Cash receipts from other business income	13,674	4,882
Cash receipts from operating expenses	-9,196,723	-6,774,545
OPERATING CASH FLOW BEFORE FINANCIAL ITEMS AND TAXES	4,215,312	8,955,929
Interest and fees paid for other operating financial costs	-4,248,722	-2,473,122
Interest received from business operations	367,313	131,201
Direct taxes paid	-1,436,478	-618,187
OPERATING CASH FLOW	-1,102,574	5,995,821
INVESTMENT CASH FLOW.		
Investments in tangible and intangible assets	-12,188,098	-5,471,178
Acquisitions of subsidiaries	0	-107,491
Changes in loan receivables	-21,567,291	-5,279,662
INVESTMENT CASH FLOW	-33,755,388	-10,858,332
FINANCING CASH FLOW.		
Share issue	11,454,868	0
Stock repurchase	-133,848	-46,656
Stock sale	623,000	533,200
Withdrawal of short-term loans	30,610,000	6,813,500
Repayment of short-term loans	-24,613,750	-19,631,750
Withdrawal of long-term loans	22,550,000	17,678,314
Repayment of long-term loans	0	-188,311
Dividends paid and other distribution of profit	-45,359	-43,022
FINANCING CASH FLOW	40,444,910	5,115,272
CHANGE IN CASH	5,586,948	252,762
CASH AT BEGINNING OF FINANCIAL YEAR	2,968,947	2,716,185
CASH AT END OF FINANCIAL YEAR	8,555,895	2,968,947

Changes in loan receivables have been presented in a separate row in Investment cash flow, reflecting better the nature of the business. The comparative information has been changed accordingly.

Notes to the consolidated financial statements

Consolidated financial statements 31.12.2017

The same valuation and periodization principles have been followed in the consolidated financial statements as in the parent company's financial statements.

Subsidiaries Crédito Cobro Oy and Mash Finance Oyj, Mash Luxembourg S.A., Notie S.a.r.l and their wholly-owned subsidiaries Digna IT Oy, ELCF Sweden AB, Mash Finance SP. z o.o. and Mash Spain S.L. (established December 15, 2017) are consolidated in the Mash Group PLC's consolidated financial statements.

Euroloan Finance AB has merged with its sister company ELCF Sweden AB on November 16, 2017.

The consolidation has been made in accordance with the valid Accounting Act.

The consolidated financial statements have been prepared by using the acquisition cost method. The difference between the subsidiaries' acquisition cost and the equity corresponding to the acquired share is presented as consolidated goodwill. Intra-group transactions, mutual receivables and receivables and liabilities as well as internal profit distribution have been eliminated.

The consolidated financial statements are available at Mash Group PLC's office. See address on the last page.

Preparation of the financial statements

VALUATION PRINCIPLES AND METHODS

The company's non-current assets are valued at their variable acquisition cost.

PERIODIZATION PRINCIPLES AND METHODS

The acquisition cost of the fixed assets subject to wear and tear owned by the company is written off according to a prepared plan.

ASSET TYPE	DEPRECIATION METHOD/ PERCENTAGE
Machinery and equipment	outlay residue write-off 25%
Development expenditure	15-year straight-line
Copyright	15-year straight-line
Geographical expansion	5-year straight-line
Customer acquisition costs	5-year straight-line
License fees	5-year straight-line
Consolidated goodwill	20-year straight-line

The depreciation period for goodwill is 20 years. The long period is justified because of the particularly long-term added value expected from the acquired companies, for example due to the receivable cash flows for years to come. The customer base of the companies is also expected to generate long-term income.

INCOME STATEMENT (EUR)

	2017	2016
FINANCIAL INCOME AND EXPENSES		
Other interest and financial income	367,313	83,048
From others	367,313	83,048
Total		
INTEREST AND OTHER FINANCIAL EXPENSES		
To others	-4,318,332	-2,441,262
Total	-4,318,332	-2,441,262
TOTAL	-3,951,019	-2,358,214

ASSETS (EUR)

	2017	2016
DEVELOPMENT EXPENDITURE		
Book value at the beginning of the financial year	9,669,292	6,093,134
Additions	5,643,974	4,132,087
Reductions	0	0
Planned depreciation	-793,328	-555,923
Book value at the end of the financial year	14,519,938	9,669,292
COPYRIGHT		
Book value at the beginning of the financial year	16,667	16,667
Reductions	-16,667	0
Planned depreciation	0	0
Book value at the end of the financial year	0	16,667
LICENSE FEES FOR IT PROGRAMS		
Book value at the beginning of the financial year	0	0
Additions	40,500	0
Planned depreciation	0	0
Book value at the end of the financial year	40,500	0
OTHER LONGTERM EXPENDITURE		
Book value at the beginning of the financial year	2,816,098	1,650,751
Additions	6,510,944	1,665,287
Planned depreciation	-1,306,796	-499,934
Book value at the end of the financial year	8,020,245	2,816,098
CONSOLIDATED GOODWILL	5,710,146	6,074,665
MACHINERY AND EQUIPMENT		
Book value at the beginning of the financial year	8,584	11,446
Additions	11,623	0
Planned depreciation	-5,441	-2,861
Book value at the end of the financial year	14,766	8,584
OTHER TANGIBLE ASSETS		
Book value at the beginning of the financial year	2,500	2,500
Book value at the end of the financial year	2,500	2,500

EQUITY AND LIABILITIES (EUR)

	2017	2016
RESTRICTED EQUITY		
Share capital		
At the beginning of the financial year	80,000	80,000
At the end of the financial year	80,000	80,000
Translation difference		
At the beginning of the financial year	-192,468	-116,267
Additions	288,756	-76,201
At the end of the financial year	96,287	-192,468
Restricted equity, total	176,287	-112,468
UNRESTRICTED EQUITY		
Invested unrestricted equity reserve		
At the beginning of the financial year	21,463,289	21,463,289
Additions	11,715,730	0.00
At the end of the financial year	33,179,019	21,463,289
Retained profit (loss)	7,000,252	3,065,019
Profit (loss) for the financial year	-2,092,199	4,245,434
Dividends paid	-45,359	-43,022
Stock repurchase	-133,848	-46,656
Corrections of previous accounting years' result	-90,925	-220,523
Accrued profits	4,637,920	7,000,252
Unrestricted equity total	37,816,939	28,463,540
Distributable funds	37,816,939	28,463,540

COLLATERAL AND CONTINGENT LIABILITIES (EUR)

Liabilities and collateral, by balance sheet item and type of collateral

SPECIFICATION OF LIABILITIES	AMOUNT	COLLATERAL
Bonds	35,960,000	-
Liabilities to financial institutions	34,750	-
Liabilities to shareholders	2,555,000	-
Other liabilities	17,127,500	Some with collateral

RELATED PARTY TRANSACTIONS (EUR)

The Group had following balances 31.12.2017 with related parties:

LENDER	TYPE OF LOAN	AMOUNT, EUR	MATURITY DATE
Zandora Oy (Risto Illukka)	Cash Manager	90,000	02/08/2019
Samuli Korpinen	Subordinated Loan	250,000	04/01/2021
Bonares Oy (Tommi Lindfors)	Subordinated Loan	450,000	04/01/2021
Bonares Oy (Tommi Lindfors)	Cash Manager	650,000	15/05/2020
TOTAL		1,440,000	

The Group had following purchases 2017 with related parties:

SUPPLIER	TYPE OF PURCHASE	AMOUNT, EUR
Oxford IPC Ltd Oy (Jonas Lindolm)	Consulting services	39,332
Bonares Oy (Tommi Lindfors)	Consulting services	84,000
Northeast Investments & Capital Oy (Heikki Palosuo)	Financial services	60,118
TOTAL		183,451

INFORMATION ON PERSONNEL

Number of employees as at 31 December 2017: 89

Number of employees as at 31 December 2016: 51

Accounting principles of financial statements

The consolidated financial statements have been prepared in compliance with the Finnish Accounting Standards (FAS).

The consolidated financial statements are based on actual costs, with the exception of financial assets, liabilities and derivative contracts booked at fair value.

PRINCIPLES OF CONSOLIDATION

SUBSIDIARIES

The consolidated financial statements include the parent company Mash Group Plc. Subsidiaries are companies controlled by the Group. All subsidiaries are wholly owned. Control exists when the Group holds over half of the voting rights or otherwise has control over the company's financial management and operating policy decisions.

Intra-group holdings are eliminated using the acquisition cost method. The acquired subsidiaries are included in the consolidated financial statements from the date that the Group obtained control.

Intra-group transactions, receivables, liabilities, unrealised gains and profit distribution are eliminated in preparing the consolidated financial statements. Unrealised losses are not eliminated if they are due to impairment. The profit distribution for the financial year between owners of the parent company and minority shareholders is included in the income statement, and the minority share of equity is presented in the balance sheet as a separate item.

The consolidated subsidiaries included in the consolidated financial statements are ELCF Sweden AB, Euroloan Finance AB, Mash Finance Sp. z o.o, Mash Finance Oyj, Crédito Cobro Oy, Digna IT Oy, NoTie S.à r.l. and Mash Luxembourg S.A.

TRANSLATION OF FOREIGN CURRENCY ITEMS

The profit and financial position of the Group entities are measured using the currency of the primary economic environment in which each entity operates ("functional currency"). The consolidated financial statements are presented in euro, which is the functional and reporting currency of the parent company

The income statements of foreign Group companies are translated into euro using the average exchange rate for the period, and balance sheets are translated at the exchange rate on the balance sheet date. Translation differences arising from different rates in the income statement and balance sheet are reported in equity. Translation differences arising from eliminating the acquisition cost of foreign subsidiaries and the translation of the foreign subsidiaries' accumulated equity subsequent to acquisition are reported in equity. When a subsidiary is divested entirely or partially, the cumulative exchange differences are included in the income statement under sales gains or losses.

TANGIBLE ASSETS

Property, plant and equipment are valued at actual cost minus accumulated depreciation and impairment losses. Other subsequent expenses are included in the carrying value of the property, plant and equipment only if it is probable that the future economic benefits that are attributable to the asset will benefit the Group and the cost of the asset can be measured reliably. Other repair and maintenance costs are expensed as incurred.

Assets are depreciated as follows:

- Machinery and equipment: outlay residue write-off
- Art objects: no write-off

The residual value of these assets and their useful lives are reassessed when the financial statements are prepared and, if necessary, adjusted accordingly to reflect any changes in the future economic benefits expected.

Gains or losses on disposal or sale of property, plant and equipment are included under other business income or expenses.

INTANGIBLE ASSETS

The Group's main intangible assets are intellectual property rights related to information systems and goodwill.

Intangible assets are recognised in the balance sheet only if it is probable that the expected future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. Intangible assets with finite useful lives are recorded in the balance sheet at historical cost, and amortization is recognized in the income statement on a straight-line basis over their known or estimated useful lives. Intangible assets include personnel costs from information system development projects and consultancy fees of external service providers. The depreciation period for intellectual property rights is fifteen years.

CAPITALISATION OF EXPENSES WITH LONG-TERM EFFECTS

The Group regards as investments the expenses related to new customer acquisition for revolving credit limits, such as expenses related to sales, marketing, service deployment and other initial customer-related costs. These costs have been capitalized as expenses with long-term effects and they are depreciated according to a five-year depreciation schedule. Should the expected income related to these expenses end within the scheduled depreciation period, the remaining book value will be written off in full at once.

Expenses related to geographical expansion are also regarded as long-term investments. As the Group establishes a new web service or office, the initial expenses related to that establishment, such as facilities and personnel expenses, are capitalized.

These costs are capitalized as expenses with long-term effects and they are depreciated according to a five-year depreciation schedule. If the established service or office is closed within the scheduled depreciation period, the remaining book value will be written off in full at once. The above depreciation method is not applied for tangible assets, which have separate accounting principles for capitalization and depreciation.

The Group considers expenses related to geographical expansion and service contracts with new customers as equivalent to the cost of a corporate acquisition or merger, which is why these expenses are capitalized in the same way as the goodwill from the acquisition of a company. Another basis for the capitalization of these expenses is that the Group sees the expenses as investments in new, long-term customer relationships, which are expected to generate income in the long term, rather than as expenses related to the daily running of the business.

Development costs related to software and business processes are also capitalized in addition to other usual capitalized expenses. Due to the capitalized expenses, the net profit is bigger than it would be without capitalisation. Intangible assets and expenses with long-term effects are capitalized with particular prudence

GOODWILL

Goodwill represents the amount of the cost that exceeds the Group's share of the net fair value of the acquired company on the date of acquisition.

Goodwill is measured at historical cost less straight-line depreciation. The depreciation period is 20 years. The long period is justified because of the particularly long-term added value expected from the acquired companies, for example due to the receivable cash flows for years to come. The customer base of the companies is also expected to generate long-term income.

FINANCING COSTS

Financing costs are recorded as expenses in the period in which they are incurred. Transaction costs directly related to the borrowing of funds and clearly attributable to a specific loan are amortised over the loan period.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At each balance sheet date the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of goodwill and intangible assets not yet available for use is also annually estimated, independent of any indication of impairment. The need for impairment is assessed at the level of cash-generating units, which in the case of Mash Group Plc is the subsidiary level.

The recoverable amount is the higher of an asset's fair value less divestment cost and its value in use. The value in use is calculated by estimating future net cash flows expected to be derived from the asset or cash-generating unit, and by discounting them to their present value using a pre-tax discount rate which reflects the market's view on the time value of money and special risks related to the asset item.

An impairment loss is recognised when the book value of the asset item exceeds the recoverable amount. In conjunction with this, the impaired asset's useful life will be reassessed. The impairment loss is reversed if conditions have changed and the recoverable amount has changed after the impairment loss was recognised. Impairment losses recognised for goodwill are not reversed.

EMPLOYEE BENEFITS PENSION OBLIGATIONS

Mash Group Plc has defined contribution plans. Contribution plan payments are recognised in the income statement in the financial year they are made.

All Mash Group Plc pension arrangements are financed through contributions to pension insurance companies. Contributions are made taking into account local country-specific provisions and practices.

REMUNERATION

In 2013, Mash Group Plc implemented an option-based incentive system for the entire personnel. The objective is to support the implementation of the Group's strategy and to ensure profitable growth through personnel commitment.

INCOME TAXES

The income tax expense in the income statement consists of current tax based on the taxable profit for the period and deferred tax. Current tax is calculated on the taxable profit using the tax rate in force in each country. The resulting tax is adjusted by any tax relating to previous years.

Deferred tax is calculated on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available, against which a temporary difference can be utilized. Deferred tax is calculated by using the enacted tax rates prior to the balance sheet date.

CURRENT ASSETS

Derecognition of current assets occurs when the Group has lost the contractual right to cash flows or when it has substantially transferred the risks and rewards outside the Group. Current assets' accounts receivables comprise fees accounted for the year which are not paid at the balance sheet date. Accounts receivables are written down if it is probable that the fee booked as accounts receivables will not be received.

Loan receivables include lending receivables, including loan period fees. Of the receivables transferred to collection, only the capitalised amount transferred to collection is recognized. The amount includes the loan capital and the loan period fees and interest but not the falling due fee or reminder costs. Unpaid loan receivables are typically transferred to collection about 45 days after due date.

Written-off receivables include loan receivables borrowed under criminal pretenses, and receivables where the debtor has died or entered debt restructuring. Overdue loan probable that the debtor is unable to repay the debt (based on insolvency and debt amount), are also written off at the end of the year.

Current assets include periodised bond transaction fees.

Cash and cash equivalents comprise cash in the Group's bank accounts.

LIABILITIES

Bonds and debt securities are recognised at nominal value. Variable bond revenue shares are recognised at balance sheet date value.

DESCRIPTION OF MASH GROUP PLC'S FINANCIAL REPORTING PROCESS

The Board of Directors oversees the financial reporting process. The CEO and the CFO are responsible for controlling and ensuring the quality of the Group's financial reporting.

The Board receive monthly financial reports for each business area.

Accounting compiles financial reports per company partly based on business area financial data from operative systems. The veracity of the financial information from independent companies and the Group is ensured using various daily, weekly and monthly control procedures as well as matching and verification procedures.

From the operative systems, information is regularly transferred to the financial administration systems. Financial administration ensures that all material is delivered and transferred to accounting. The accounts of all Finnish Group companies are included in the same accounting system, and the companies follow the same accounting principles. The accounts of the foreign subsidiaries are prepared by local accounting firms providing monthly accounting reports.

Accounting is responsible for monitoring the Group's financial development continuously, at both the Group and business unit level. The objective is to identify and highlight both success factors and development targets in time to allow for time to react on them. Accounting provides monthly reports of Group level development and future prospects to the Management and the Board of Directors. Development is assessed by comparing realized figures to the budget and a quarterly updated forecast for the rolling year.



We strive to
provide all
necessary
information
to make
sound
investment
decisions

Corporate responsibility

The Group has a strong commitment to corporate responsibility. We believe that responsibility gives us focus on the right direction, and creates value for Mash, and our stakeholders. Responsibility, at a corporate level, helps us manage our business more effectively, and is a way to identify applications for our technology and to develop expertise to benefit the environment and society, in turn helping us mitigate risks, reduce costs, protect brand value, and identify new market opportunities. Mash strives to demonstrate its commitment and determination for corporate responsibility.

We are committed to increasing openness in our work and welcome your feedback so that we can continue to improve our performance moving forward. We look forward to the challenges and opportunities ahead.

RESPONSIBLE EMPLOYER

Our success depends upon recruiting and retaining talented minds. Mash would not be what it is without the talented masterminds that make the company great. We want to give our personnel the best development opportunities, and we believe that motivated employees are committed employees. We believe that employee wellbeing and safety nurtures a stable working environment. Fluent communication and visionary leadership are key focus areas in Mash 2018. It is our policy to provide employment based on qualifications without discrimination of any kind.

RESPONSIBLE PARTNER

Mash is a reliable and responsible partner. Our operations adhere to the Finnish, Luxembourgian, Polish, Swedish and Spanish legislation and directives issued by the local regional administration, consumer supervisory authorities, and financial supervisory authorities. The Group requires compliance with the company's ethical guidelines from all personnel and contractors.

The Board of Directors of the Group have determined the company's principles of corporate governance. The entire Group follows consumer protection laws and regulations, and the recommendations issued by consumer protection authorities. Corporate governance and decision-making comply with the Finnish Limited Liability Companies Act (public limited companies), other relevant legislation and the company's Articles of Association. We follow the principles of openness, fairness and good service, and we are committed to this aim in all of our activities. Our financiers and investors are actively involved in business development and we strive to provide all necessary information for them to make sound investment decisions. The company follows the more stringent reporting requirements of a public limited company.

RESPONSIBLE ENVIRONMENTALLY

We have reduced our carbon footprint continuously over the past seven years, reflecting our efforts to protect the environment. The heart of our philosophy is the combination of "Think Global, Act Local". To achieve this goal we demonstrate our commitment to nature in the area of corporate responsibility by partnering with Carbonfund.org Foundation and the Baltic Sea Action Group, BSAG.

We participate in reducing emissions and planting trees in deforested areas of the world as part of "thinking global". Deforestation is a major modern challenge, with significant losses in rainforest and temperate forests recorded worldwide since industrialization began. Current research indicates that deforestation accounts for approximately 20% of climate change effects; as such, reforestation is essential to global action to reduce the impacts of climate change. Reduction in carbon dioxide emissions reduces the amount of fossil fuel sources, like coal and oil, used to produce energy. Reforestation binds carbon dioxide and prevents climate change, improves air quality (by binding air impurities and producing oxygen), and preserves biodiversity.

Locally, reforestation benefits communities, decreases floods and erosion, and provides habitats and sustenance for native species. Reforestation initiatives also create jobs in nursery gardens, planting and forest management.

Mash also takes concrete environmental action to tackle challenges in The Baltic Sea. Mash is a committed supporter and corporate donator to the BSAG. Group BSAG, was brought into our responsibility strategy to “act local” as Mash

operates in Sweden, Poland and Finland, all bordering with one of the dirtiest seas in the world. The BSAG focuses on improving the marine ecosystem of the Baltic Sea for the benefit of all countries sharing its shores.

TOWARDS A BETTER FUTURE

We strive to comply with the ethical values and professional standards set out in our Code of Conduct in every aspect of our work – including in our relationship with stakeholders.

SUMMARY OF MASH ETHICAL GUIDELINES:

- We follow existing laws and regulations, and actively help to enforce them.
- We strive to implement the recommendations of the authorities.
- We welcome improved oversight of the finance sector.
- Our reports are accurate and truthful.
- We are fair in our dealings and follow our policies, treating all our customers in the same manner.
- We honor our agreements and expect others to do the same.
- We do not take unreasonable risks, but conduct business in a prudent and reliable manner.
- We treat our personnel fairly and equally.
- We lead by example.
 - Our service is rendered impartially and discrimination of any kind is not tolerated.
 - We hold no secret or unrecorded funds and do not permit or participate in money laundering.
 - We actively discourage corrupt business practices, and only pay fees to local consultants and contractors that are commensurate to the service provided.
 - We do not make “facilitation payments”.
 - We do not condone or participate in any form of corruption, bribery or fraud.
 - We do not engage in anti-competitive business practices.
 - We avoid political contributions.
 - We do not make charitable contributions with any expectation of undue advantages.
 - We give gifts that are in proportion to the business relationship, and forbid gift giving during procurement or other decision-making processes. We never give gifts in the form of cash or cash equivalent.
 - When we offer dinner or gifts, we take steps to ensure that the rules of the recipient’s organization do not forbid it, and the gift is never given in secret and is treated with full transparency.
 - Each employee is expected to demonstrate their respect for the law, the environment, and human rights in their actions as a representative of Mash.
 - We always act in the legitimate interest of our customers, perform our services with integrity and faithfulness, and never disclose proprietary or confidential without prior consent.
 - We comply with tax laws and all financial regulations in place in the countries in which we operate.
 - We cooperate fully with any legitimately formed investigative body inquiring into the administration of our services.

We encourage our customers, suppliers, and business partners to share our ambition to respect and support sustainable, moral, and ethical business practices.

Corporate governance

LEGAL AND REGULATORY COMPLIANCE

Mash Group Plc (“Mash” or “the company”) is a Finnish public limited company regulated by Finnish law and the company’s Articles of Association in its operations and obligations.

The company follows consumer protection laws and regulations, and the recommendations issued by consumer protection authorities. Foreign subsidiaries follow the laws and regulations of their respective countries and business sectors, instructions of the supervisory authority for the respective company and the company’s Articles of Association.

Corporate governance and decision making both comply with the Finnish Limited Liability Companies Act and the company’s Articles of Association.

The company also aims to voluntarily and gradually apply the Finnish Corporate Governance Code published by the Finnish Securities Market Association. While the Finnish Corporate Governance Code is aimed at companies listed on the Helsinki Stock Exchange maintained by NASDAQ OMX Helsinki Ltd, the company considers the Code to provide a corporate governance framework that is most suitable to the Company, as a company incorporated under the Finnish Companies Act

BOARD OF DIRECTORS

The board of directors has an extensive general competence. It is the duty of the board of directors to ensure that the company is duly organised and that the board of directors is kept up to date with the development of the company’s circumstances and financial situation. The board of directors is responsible for the appropriate arrangement of the control of the company accounts and finances. The most essential tasks of the board of directors include appointing and discharging the managing director, deciding on the terms of the managing director’s service contract, such as the remuneration, as well as defining the company’s strategy and monitoring its implementation. Furthermore, the most

important business decisions, such as mergers and acquisitions, major contracts, investments, and financing arrangements fall under the general competence of the board of directors.

It is elected by the General Shareholders’ Meeting of the company and meets on a regular basis in order to effectively perform its duties. Based on the aspiration to continuously improve the work of the Board, it has adopted a yearly self-assessment of its performance.

As at 31 December 2017, the Board of Directors consists in eight Board members who all together have the appropriate skills with regard to the nature, scale and complexity of the activities and the organisation of the company. The Board convened 16 times in 2017.

The Board of Directors has defined a robust corporate governance framework with respect to the entire Group and is gradually and consistently seeking to align its governance on best international practices.

BOARD COMMITTEES

For the purpose of increasing its effectiveness, the Board has established three permanent committees: an audit committee, a remuneration committee and a risk and compliance committee. These specialized committees report on their work to the Board.

RISK AND COMPLIANCE COMMITTEE

The risk and compliance committee is established to ensure that risks are identified, monitored and properly managed. The committee composed of three directors, assists the Board in its oversight of:

- the Group risk and compliance framework and performance;
- the Group capital, liquidity and funding planning and strategy, and;
- the Group risk appetite and adherence to risk limits.

Risk assessment and risk management, as well as the compliance with laws and regulation are the responsibility of the company's executive management. The committee's responsibility in this regard is one of oversight and review.

AUDIT COMMITTEE

The audit committee was appointed by the Board of directors in the last quarter 2017 to assist the Board in its oversight of:

- the financial reporting process,
- the integrity of the Group consolidated financial statements,
- the company's system of internal controls and risk management,
- the qualifications and independence of the company's external auditor;
- the performance of the company's internal and external auditors.

The Internal audit activity will report to the audit committee on a regular basis. Internal audit was appointed in 2017 as an independent Group function. It provides assurance and advisory to management and to the Board on the efficiency and effectiveness of the risk management, internal control and governance processes.

The Shareholders' Meeting appoints the external auditor for one year at a time. In the statutory audit, the external auditor reviews the accounting records, financial statements and administration of the company. Since 2013, PricewaterhouseCoopers Oy audits the company.

REMUNERATION COMMITTEE

The Board appointed a remuneration committee in the last quarter 2017 to prepare matters pertaining to the remuneration of the company's executive officers, oversee the plans for management development and succession, and exercise and perform the authority, duties and responsibilities set forth in a specific charter. The responsibility includes the yearly review and approval of the company's remuneration policy.

EXECUTIVE MANAGEMENT

The Board of Directors of the Group and in its various subsidiaries have delegated daily company management to the Group CEO who with the help of his direct reports decides, coordinates, and supervises the implementation of the Group plans in compliance with the strategy laid down by the agreed with the Board of directors and the existing regulations.

Executive management was strongly reinforced in 2017 to strengthen the operational planning and execution capabilities of the company's plans. It comprises 7 members appointed by the Board, 5 of whom were hired in 2017. The executive management team meets on a weekly basis with a primary function to support the Group's CEO in managing the Group.



Risk management

RISK FRAMEWORK

The identification and management of risk is critical to the protection of the clients' and other stakeholders' interests. Mash operates within a three-layered line of defense model and a comprehensive risk framework that ensures risks are controlled in a prudent manner, minimizing the probability of unexpected losses and threats to the reputation.

The Group Board of Directors is accountable for setting the level of risk it deems adequate within the duty of care the shareholders have bestowed on it, for the whole group as well as for the individual subsidiaries.

The Risk & Compliance Committee of the Board translates the defined risk appetite into risk parameters and limits within which the business has to be managed. It also oversees the efficient application of the internal control mechanisms and processes. The Board of Directors nominated three of its directors to the Risk & Compliance Committee, all particularly well qualified in finance, accounting and risk analysis, as they have held position as bankers or leading consultants in risk management.

Business management and ultimately the CEO are responsible for setting up and continuously improving the internal mechanisms in line with the nature of risks, their complexity, their magnitude and the regulatory challenges the business might encounter. Each manager bears responsibility for identifying, monitoring and managing the risks related to their functions in line with the Risk & Compliance Committee defined parameters. Effective policies, processes and procedures, as well as appropriate proprietary tools have been established within 2017.

RISK FACTORS

The Group risk exposure mainly consists of the following categories: strategic and performance risk, credit risk, liquidity risk, operational risk and market risk. These risk factors are important for understanding the statements in the Annual

report and should be read in conjunction with the other sections of the Annual report.

STRATEGIC AND PERFORMANCE RISK

Strategic and performance risks are those, which may impinge on the achievement of the Mash Group's medium and long-term business objectives. These risks arise from choosing the wrong business strategy or failing to adapt the business to a new operating environment, such as changes in the regulatory environment, new competitive threats or changes in technology.

Mash proactively follows on industry development and innovation, markets and legal changes in the countries it operates in and adjust its operations accordingly. The Group has built solid foundations for executing its expansion plans and hired high profile managers and leaders in 2017 combining expertise and experience from a broad range of industries. To implement its strategic vision, the Group has set itself strategic goals, which are translated to milestone-goals on a timeline of 24, 12 and 3 months.

CREDIT RISK

The Group is exposed to credit risk, which is the risk of financial loss if a customer defaults to honor its obligations and is not able to repay the credit in full and on time. Credit risk is the main risk for the Group's business, and calls for a carefully managed the exposure, originating from the unsecured consumer loans.

Mash has built up efficient processes, which define the client risk profile and allow for subsequent monitoring of the client portfolio. To risk profile is established via an innovative credit scoring model based on four components (data provision from the client, verification and consolidation from 3rd party provider, scoring assessment and calculation of the payment reserve), the outcome of which is a credit acceptance or rejection. The scoring model follows a generic process together with adapted specificities for each market.

It is re-assessed regularly to evaluate its predictive accuracy.

The Risk and Compliance Committee follows up the performance of the credit scoring model and oversees the strict adherence to the established risk parameters. Any change to the credit risk policy and deviation to the risk appetite is subject to the Risk committee preliminary approval.

LIQUIDITY RISK

Liquidity risk is the risk that the company does not dispose of sufficient cash at hand to settle its payment obligations and or lend money according to the development plans of the business. Liquidity risk normally arises when there is a maturity mismatch between the sourcing of funds and their employment.

The Group funds itself by issuing long-term debt with various maturities and through a contractually secured funding structure to which the Group sells the originated consumer receivables portfolios.

Mitigating the liquidity risk can be achieved by issuing a variety of short to medium term bonds which do mature at various time horizons. Furthermore, in case such issuance of bonds should not be subscribed, the Group may turn to more expensive funding sources and thereby reducing the net interest margin and ultimately the profit of the company. The Group has also the possibility to restrict new credit requests hence reducing the risk of a non-liquidity event.

OPERATIONAL RISK

Operational risk arise from insufficient or deficient internal processes, human error, external events, IT failures which may result in a financial loss or a reputational damage. Operational risk is managed on a day-to-day basis as part of the Business and management has put in place contingency plans for addressing potential threats. Particular emphasis has been put on ensuring that all the critical functions have sufficient replacement capacity and documentation for smooth knowledge transfer.

System failure, interruption, intrusion with subsequent information breaches could adversely affect the Group's business processes and the service to its clients. The Group emphasizes information security and has implemented an ISO-certified Information Security Management System.

The Group is also exposed to the risk of operational failure of external service providers as the Group is interconnected with them and relies heavily on communications and information systems to conduct its business. To mitigate the external risk, procedures have been put in place to replace failed services within set time limits.

COMPLIANCE RISK

The company is subject to consumer protection laws and regulations, and the recommendations issued by consumer protection and other regulatory authorities.

The Group's foreign subsidiaries observe the laws and regulations of their respective countries and business sectors, instructions of the supervisory authority for the respective company and the company's Articles of Association. In addition to local laws, the Group companies have been aligning their governance with standards applied by leading financial institutions and best international practices.

The main challenge for the coming years in term of regulatory constraints relates to the revised Payment Service Directive (PSD2). PSD2 is a data and technology-driven directive and has the objective to drive increased competition by facilitating new entries for new providers, innovation and transparency across the European payments market, while also enhancing the security of Internet payments and account access. The Group is seeing this new Directive as a catalyst for growth opportunities and opens up fields for new revenue streams. Mash like many market participants, has been monitoring this development in 2017 and devised plans to be ready to take advantage from this new regulatory environment.

INTEREST RATE RISK

Changes in interest rates may adversely affect the Group's operations and revenue. The Group's performance could potentially be influenced to a by changes and fluctuations in interest rates in countries it operates in. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest margins and balance sheet values. Because of the high margin nature of the Group's business, the market interest rate sensitivity of the Group is low. A mismatch between interest owed by the Group and interest due to it (in the absence of adequate hedging) could have some adverse effects on the Group's business, financial situation and results of operations.

RISKS ASSOCIATED WITH INVESTING IN THE COMPANY**CREDIT RISK**

Bonds and other investment products issued by the company do not include security of capital or separate collateral. Therefore, the investment products are associated with issuer credit risk. This means that the investor may lose the invested capital entirely or partly in the event of a payment default, need for debt restructuring or bankruptcy for example.

ISSUER RISK

The repayment of invested capital and profit carry a risk relating to the issuer's repayment ability. With the company being the issuer, the issuer risk is comparable to the issuer credit risk associated with bonds (see 'credit risk'). Issuer risk refers to the risk of the issuer becoming insolvent and unable to meet its obligations. The investor may risk entirely or partly losing the invested capital and potential profit.

SECONDARY MARKET RISK

Secondary market risk refers to the risk that when the investor sells the investment before the agreed maturity date, the price may be higher or lower than the nominal value. In this case, the investor may not get back the entire capital invested. Bonds or other investment products issued by the company are primarily intended to be held until their respective maturity date. However, bonds may be sold before their maturity dates. The issuer will have no obligations to repurchase, but a third party can do so. In this case, the value of the investment loan may be lower or higher than its subscription price. Among other matters, the market price is affected by changes in market rates of interest.

With regards to share transactions, these are recorded third-party trades, which the Group has no influence on.

LIQUIDITY RISK

Selling the loan before its agreed maturity date also carries a liquidity risk, meaning that it may be difficult to find a buyer for the loan or that the price offered is lower than the actual value. Major market fluctuations, the closing of trading venues or technical problems may affect the secondary market.

TAX RISK

The investor pays any taxes related to investments in Mash. Tax legislation and local taxation may change, which may have adverse effects for the investor. In isolated cases, investors would be well advised to seek advice from their tax consultant or tax authority.

Parent company's financial statements

INCOME STATEMENT (EUR)	1.1.-31.12.2017	1.1.-31.12.2016
TURNOVER	2,021,447	2,675,575
Other operating income	2,934	4,811
Materials and supplies		
External services	-165,520	-430,310
Total	-165,520	-430,310
Personnel costs		
Salaries and benefits	-1,406,906	-1,293,541
Social security costs		
Pension costs	-245,775	-237,129
Other social security costs	-27,405	-36,878
Total	-1,680,086	-1,567,547
Depreciation and impairment		
Planned depreciation	-36,859	-30,659
Total	-36,859	-30,659
Other operating costs	-2,807,499	-2,019,589
OPERATING PROFIT (LOSS)	-2,665,583	-1,367,718
Financial income and expenses		
Other interest and financial income		
From Group companies	1,464,474	407,863
From others	2,099	24,225
Total	1,466,573	432,088
Interest and other financial expenses		
To Group companies	-96,640	-146,878
To others	-3,420,273	-1,788,318
Total	-3,516,913	-1,935,196
PROFIT BEFORE APPROPRIATIONS AND TAXES	-4,715,923	-2,870,826
Appropriations		
Group contribution	3,480,600	7,000,000
Income taxes	3,892	-826,374
PROFIT (LOSS) FOR THE FINANCIAL YEAR	-1,231,430	3,302,800

BALANCE SHEET (EUR)

	31/12/2017	31/12/2016
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	40,500	0
Other longterm expenditure	412,341	115,453
Total	452,841	115,453
Tangible assets		
Machinery and equipment	4,041	5,388
Other tangible assets	2,500	2,500
Total	6,541	7,888
Investments		
Holdings in Group companies	52,851,288	37,949,288
Total	52,851,288	37,949,288
NON-CURRENT ASSETS. TOTAL	53,310,670	38,072,629
CURRENT ASSETS		
Receivables		
Short-term		
Sales receivables	0	4,230
Receivables from Group companies	33,098,842	12,714,385
Loan receivables	0	2,000
Other receivables	310,302	1,012,972
Accrued income	1,368,445	657,354
Total	34,777,589	14,390,941
Cash in hand and at bank	3,292,727	673,823
CURRENT ASSETS. TOTAL	38,070,315	15,064,764
ASSETS TOTAL	91,380,985	53,137,393

BALANCE SHEET (EUR)

EQUITY AND LIABILITIES	31/12/2017	31/12/2016
EQUITY		
Share capital	80,000	80,000
Invested unrestricted equity reserve	32,522,408	20,806,678
Retained profit (loss)	2,832,692	-205,081
Profit (loss) for the financial year	-1,231,430	3,302,800
EQUITY TOTAL	34,203,670	23,984,396
LIABILITIES		
Long-term		
Bonds	24,050,000	3,550,000
Liabilities to Group companies	761,500	849,803
Other liabilities	2,500,000	700,000
Total	27,311,500	5,099,803
Short-term		
Bonds	11,910,000	15,000,000
Accounts payable	804,062	1,007,081
Liabilities to Group companies	1,065,606	226,886
Other liabilities	15,610,370	6,792,224
Prepayments and accrued income	475,777	1,027,003
Total	29,865,815	24,053,194
LIABILITIES. TOTAL	57,177,315	29,152,997
EQUITY AND LIABILITIES. TOTAL	91,380,985	53,137,393

Notes to the parent company's financial statements

PREPARATION OF THE FINANCIAL STATEMENTS 31.12.2017

The financial statements have been prepared in compliance with the Finnish Accounting Standards (FAS). The financial statements have been prepared in accordance with the information presented in the financial statements of the Small Business requirements.

Figures are expressed in EUR.

UNUSUAL ITEMS	2017	2016
Received Group contribution	3,480,600	7,000,000
TOTAL	3,480,600	7,000,000

EQUITY AND LIABILITIES SPECIFICATION OF EQUITY	2017	2016
RESTRICTED EQUITY		
Share capital		
At the beginning of the financial year	80,000	80,000
Additions	0	0
At the end of the financial year	80,000	80,000
Restricted equity, total	80,000	80,000
UNRESTRICTED EQUITY		
Invested unrestricted equity reserve		
At the beginning of the financial year	20,806,677	20,806,678
Additions	11,715,730	0
At the end of the financial year	32,522,408	20,806,678
Retained profit (loss)	3,097,719	-49,046
Profit (loss) for the financial year	-1,231,430	3,302,800
Dividends paid	-45,359	-43,022
Stock repurchase	-133,848	-46,656
Corrections of previous accounting years' result	-85,820	-66,357
Accrued profits	1,601,261	3,097,719
Unrestricted equity, total	34,123,670	23,904,396
Distributable funds	34,123,670	23,904,396
Total equity	34,203,670	23,984,396

INFORMATION ON A REPORTING ENTITY THAT IS PART OF THE GROUP

SUBSIDIARIES

Mash Finance Oyj, domicile Helsinki, is wholly-owned by Mash Group Oyj.
 Crédito Cobro Oy, domicile Helsinki, is wholly-owned by Mash Group Oyj.
 NoTie S.á r.l., domicile Luxembourg, is wholly-owned by Mash Group Oyj.
 Mash Luxembourg S.A., domicile Luxembourg, is wholly-owned by Mash Group Oyj.

Group financial statements have been consolidated in accordance with the current Accounting Act and prepared by the acquisition cost method. The consolidated financial statements are available at Mash Group's office. See address on the last page.

**GUARANTEES AND COMMITMENTS
 LEASING AGREEMENT COMMITMENTS**

	2017	2016
Due next financial year	44,902	14,740
Due at a later date	64,913	24,187
Total	109,814	38,927
	2017	2016
Rental commitments Next financial year	145,762	91,635
	2017	2016
Other commitments Rent security deposits paid	47,635	45,120

RELATED PARTY TRANSACTIONS

The Group had following balances 31.12.2017 with related parties

LENDER	TYPE OF LOAN	AMOUNT, EUR	MATURITY DATE
Zandora Oy (Risto Illukka)	Cash Manager	90,000	02/08/2019
Samuli Korpinen	Subordinated Loan	250,000	04/01/2021
Bonares Oy (Tommi Lindfors)	Subordinated Loan	450,000	04/01/2021
Bonares Oy (Tommi Lindfors)	Cash Manager	650,000	15/05/2020
		1,440,000	

The Group had following purchases 2017 from related parties

SUPPLIER	TYPE OF PURCHASE	AMOUNT, EUR
Oxford IPC Ltd Oy (Jonas Lindholm)	Consulting services	39,333
Bonares Oy (Tommi Lindfors)	Consulting services	84,000
Northeast Investments & Capital Oy (Heikki Palosuo)	Financial Services	60,118
		183,451

INFORMATION ON PERSONNEL AND MEMBERS OF GOVERNING BODIES

Average number of employees	2017 22	2016 26
Management's salaries and benefits	2017 137,126	2016 259,526

ACQUISITIONS OF OWN SHARES AND OTHER EQUITIES

NUMBER OF SHARES 22 pieces of C-series	COMPENSATION € / SHARE 6,084
--	--

COMPANY SHARES

Share capital by types of share and Articles of Association's main provisions regarding the types of share

SERIES	NO. OF SHARES	EURO	VOTES/PCS
A-series	16,535,654	40,710,904	1
B-series	153	892,296	0
C-series	1073	7,164,862	0

Owners of B- and C-series shares are paid fixed monthly dividend but no other dividend.

Distributable funds in the financial statements amount to EUR 34,123,669.50 of which the loss for the financial year is EUR -1,231,430.24. No material changes have occurred in the company's financial position following the end of the financial year, based on section 13(2) of the Limited Liability Companies Act.

During the financial year the company has paid dividends to B- and C-series shares total amount of EUR 45,359.16. The Board proposes that no dividend is paid to A-shares.

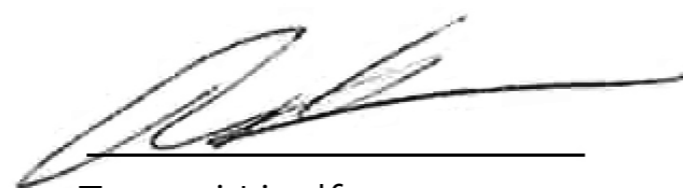
Signatures to the financial statements

MASH GROUP OYJ

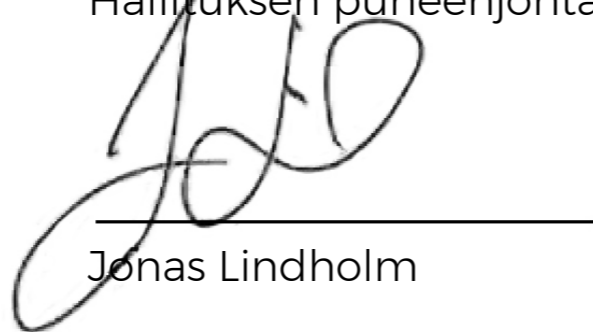
Y-tunnus: 2237990-4

TILINPÄÄTÖKSEN ALLEKIRJOITUS

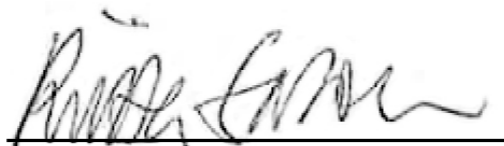
Helsinki 29.3.2018



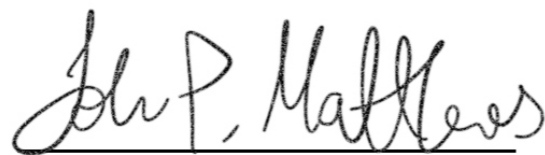
Tommi Lindfors
Hallituksen puheenjohtaja



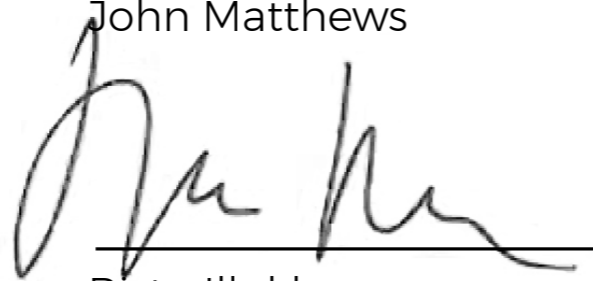
Jonas Lindholm



Riitta Salonen



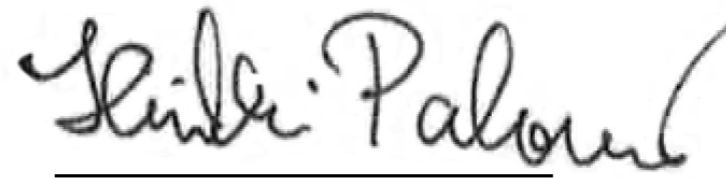
John Matthews



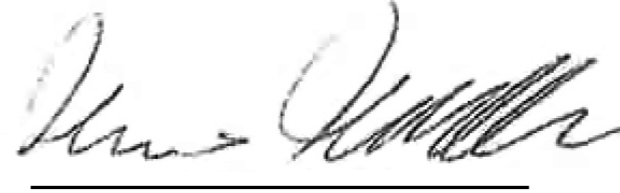
Risto Illukka



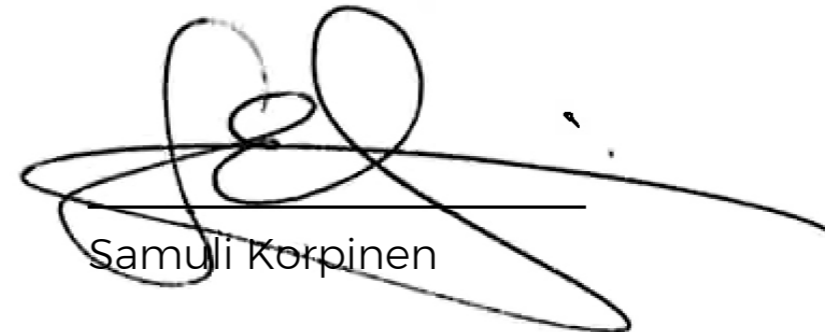
James Hickson
Toimitusjohtaja



Heikki Palosuo



Kari Kukka



Samuli Korpinen

TILINPÄÄTÖSMERKINTÄ

Suoritetusta tilintarkastuksesta on tänään annettu kertomus.

Helsinki 10.4.2018

Tilintarkastusyhteisö PricewaterhouseCoopers Oy



Martin Grandell
KHT



Tilintarkastuskertomus

Mash Group Oyj:n (entinen Euroloan Group Oyj) yhtiökokoukselle

Tilinpäätöksen tilintarkastus

Lausunto

Lausuntonamme esitämme, että tilinpäätös antaa oikean ja riittävän kuvan konsernin sekä emoyhtiön toiminnan tuloksesta ja taloudellisesta asemasta Suomessa voimassa olevien tilinpäätöksen laatimista koskevien säännösten mukaisesti ja täyttää lakisääteiset vaatimukset.

Tilintarkastuksen kohde

Olemme tilintarkastaneet Mash Group Oyj:n (entinen Euroloan Group Oyj) (y-tunnus 2237990-4) tilinpäätöksen tilikaudelta 1.1.–31.12.2017. Tilinpäätös sisältää sekä konsernin että emoyhtiön taseen, tuloslaskelman, rahoituslaskelman ja liitetiedot.

Lausunnon perustelut

Olemme suorittaneet tilintarkastuksen Suomessa noudatettavan hyvän tilintarkastustavan mukaisesti. Hyvän tilintarkastustavan mukaisia velvollisuuksiamme kuvataan tarkemmin kohdassa Tilintarkastajan velvollisuudet tilinpäätöksen tilintarkastuksessa.

Käsityksemme mukaan olemme hankkineet lausuntonme perustaksi tarpeellisen määrän tarkoitukseen soveltuva tilintarkastusevidenssiä.

Riippumattomuus

Olemme riippumattomia emoyhtiöstä ja konserniyrityksistä niiden Suomessa noudatettavien eettisten vaatimusten mukaisesti, jotka koskevat suorittamaamme tilintarkastusta ja olemme täyttäneet muut näiden vaatimusten mukaiset eettiset velvollisuutemme.

Tilinpäätöstä koskevat hallituksen ja toimitusjohtajan velvollisuudet

Hallitus ja toimitusjohtaja vastaavat tilinpäätöksen laatimisesta siten, että se antaa oikean ja riittävän kuvan Suomessa voimassa olevien tilinpäätöksen laatimista koskevien säännösten mukaisesti ja täyttää lakisääteiset vaatimukset. Hallitus ja toimitusjohtaja vastaavat myös sellaisesta sisäisestä valvonnasta, jonka ne katsovat tarpeelliseksi voidakseen laatia tilinpäätöksen, jossa ei ole väärinkäytöksestä tai virheestä johtuvaa olennaista virheellisyyttä.

Hallitus ja toimitusjohtaja ovat tilinpäätöstä laatiessaan velvollisia arvioimaan emoyhtiön ja konsernin kykyä jatkaa toimintaansa ja soveltuviissa tapauksissa esittämään seikat, jotka liittyvät toiminnan jatkuvuuteen ja siihen, että tilinpäätös on laadittu toiminnan jatkuvuuteen perustuen. Tilinpäätös laaditaan toiminnan jatkuvuuteen perustuen, paitsi jos emoyhtiö tai konserni aiotaan purkaa tai toiminta lakkauttaa tai ei ole muuta realistista vaihtoehtoa kuin tehdä niin.

Tilintarkastajan velvollisuudet tilinpäätöksen tilintarkastuksessa

Tavoitteenamme on hankkia kohtuullinen varmuus siitä, onko tilinpäätöksessä kokonaisuutena väärinkäytöksestä tai virheestä johtuvaa olennaista virheellisyyttä, sekä antaa tilintarkastuskertomus, joka sisältää lausuntonme. Kohtuullinen varmuus on korkea varmuustaso, mutta se ei ole tae siitä, että olennainen virheellisyys aina havai-

taan hyvän tilintarkastustavan mukaisesti suoritettavassa tilintarkastuksessa. Virheellisyyksiä voi aiheutua väärinkäytöksestä tai virheestä, ja niiden katsotaan olevan olennaisia, jos niiden yksin tai yhdessä voisi kohtuudella odottaa vaikuttavan taloudellisiin päätöksiin, joita käyttäjät tekevät tilinpäätöksen perusteella.

Hyvän tilintarkastustavan mukaiseen tilintarkastukseen kuuluu, että käytämme ammatillista harkintaa ja säilytämme ammatillisen skeptisyyden koko tilintarkastuksen ajan. Lisäksi:

- tunnistamme ja arvioimme väärinkäytöksestä tai virheestä johtuvat tilinpäätöksen olennaisen virheellisyyden riskit, suunnittelemme ja suoritamme näihin riskeihin vastaavia tilintarkastustoimenpiteitä ja hankimme lausuntomme perustaksi tarpeellisen määrän tarkoitukseen soveltuvaa tilintarkastusevidenssiä. Riski siitä, että väärinkäytöksestä johtuva olennainen virheellisyys jää havaitsematta, on suurempi kuin riski siitä, että virheestä johtuva olennainen virheellisyys jää havaitsematta, sillä väärinkäytökseen voi liittyä yhteistoimintaa, väärentämistä, tietojen tahallista esittämättä jättämistä tai virheellisten tietojen esittämistä taikka sisäisen valvonnan sivuuttamista.
- muodostamme käsityksen tilintarkastuksen kannalta relevantista sisäisestä valvonnasta pystyäksemme suunnittelemaan olosuhteisiin nähden asianmukaiset tilintarkastustoimenpiteet mutta emme siinä tarkoituksessa, että pystyisimme antamaan lausunnon emoyhtiön tai konsernin sisäisen valvonnan tehokkuudesta.
- arvioimme sovellettujen tilinpäätöksen laatimisperiaatteiden asianmukaisuutta sekä johdon tekemien kirjanpidollisten arvioiden ja niistä esitettävien tietojen kohtuullisuutta.
- teemme johtopäätöksen siitä, onko hallituksen ja toimitusjohtajan ollut asianmukaista laatia tilinpäätös perustuen oletukseen toiminnan jatkuvuudesta, ja teemme hankkimamme tilintarkastusevidenssin perusteella johtopäätöksen siitä, esiintyykö sellaista tapahtumiin tai olosuhteisiin liittyvää olennaista epävarmuutta, joka voi antaa merkittävää aiheutta epäillä emoyhtiön tai konsernin kykyä jatkaa toimintaansa. Jos johtopäätöksemme on, että olennaista epävarmuutta esiintyy, meidän täytyy kiinnittää tilintarkastuskertomuksessamme lukijan huomiota epävarmuutta koskeviin tilinpäätöksessä esitettäviin tietoihin tai, jos epävarmuutta koskevat tiedot eivät ole riittäviä, mukauttaa lausuntomme. Johtopäätöksemme perustuvat tilintarkastuskertomuksen antamispäivään mennessä hankittuun tilintarkastusevidenssiin. Vastaiset tapahtumat tai olosuhteet voivat kuitenkin johtaa siihen, ettei emoyhtiö tai konserni pysty jatkamaan toimintaansa.
- arvioimme tilinpäätöksen, kaikki tilinpäätöksessä esitettävät tiedot mukaan lukien, yleistä esittämistapaa, rakennetta ja sisältöä ja sitä, kuvastaako tilinpäätös sen perustana olevia liiketoimia ja tapahtumia siten, että se antaa oikean ja riittävän kuvan.
- hankimme tarpeellisen määrän tarkoitukseen soveltuvaa tilintarkastusevidenssiä konserniin kuuluvia yhteisöjä tai liiketoimintoja koskevasta taloudellisesta informaatiosta pystyäksemme antamaan lausunnon konsernitilinpäätöksestä. Vastaamme konsernin tilintarkastuksen ohjauksesta, valvonnasta ja suorittamisesta. Vastaamme tilintarkastuslausunnosta yksin.

Kommunikoimme hallintoelinten kanssa muun muassa tilintarkastuksen suunnittelusta laajuudesta ja ajoituksesta sekä merkittävistä tilintarkastushavainnoista, mukaan lukien mahdolliset sisäisen valvonnan merkittävät puutteellisuudet, jotka tunnistamme tilintarkastuksen aikana.

Muut raportointivelvoitteet

Muu informaatio

Hallitus ja toimitusjohtaja vastaavat muusta informaatiosta. Muu informaatio, jonka olemme saaneet käyttööme ennen tämän tilintarkastuskertomuksen antamispäivää, on toimintakertomus.

Tilinpäätöstä koskeva lausuntomme ei kata muuta informaatiota.

Velvollisuutenamme on lukea muu informaatio tilinpäätöksen tilintarkastuksen yhteydessä ja tätä tehdessämme arvioida, onko muu informaatio olennaisesti ristiriidassa tilinpäätöksen tai tilintarkastusta suoritettaessa hankkimamme tietämyksen kanssa tai vaikuttaako se muutoin olevan olennaisesti virheellistä. Toimintakertomuksen osalta velvollisuutenamme on lisäksi arvioida, onko toimintakertomus laadittu sen laatimiseen sovellettavien säännösten mukaisesti.

Lausuntonamme esitämme, että toimintakertomuksen ja tilinpäätöksen tiedot ovat yhdenmukaisia ja että toimintakertomus on laadittu toimintakertomuksen laatimiseen sovellettavien säännösten mukaisesti.

Jos teemme ennen tilintarkastuskertomuksen antamispäivää käyttööme saamaamme muuhun informaatioon kohdistamamme työn perusteella johtopäätöksen, että kyseisessä muussa informaatioissa on olennainen virheellisyys, meidän on raportoitava tästä seikasta. Meillä ei ole tämän asian suhteen raportoitavaa.

Helsingissä 10.4.2018

PricewaterhouseCoopers Oy
Tilintarkastusyhteisö



Martin Grandell
KHT



Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of Mash Group Oyj (former Euroloan Group Oyj)

Report on the Audit of the Financial Statements

Opinion

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

What we have audited

We have audited the financial statements of Mash Group Oyj (former Euroloan Group Oyj) (business identity code 2237990-4) for the year ended 31 December 2017. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information that we have obtained prior to the date of this auditor's report is the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 10 April 2018

PricewaterhouseCoopers Oy
Authorised Public Accountants

Martin Grandell
Authorised Public Accountant (KHT)

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