MOTODYNAMICS S.A.

ANNUAL FINANCIAL REPORT
OF THE COMPANY & GROUP
AS OF THE YEAR FROM JANUARY 1st TO DECEMBER 31st 2016

Société Anonyme
EMPORIKI EISAGOGIKI AFTOKINITON DITROHON kai MIHANON THALASSIS S.A.
trading as MOTODYNAMICS S.A.
General Registry of Commerce Reg. No. 122090707000
Aspropyrgos, Kyrillos location – 19300

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DIRECTORS' STATEMENTS

(pursuant to Article 4(2)(c) of Law 3556/2007)

The undersigned below, Messrs:

1. Paris Kyriakopoulos, Chairman of the Board of Directors
2. Sotirios Hatzikos, Managing Director, and
3. Nikolaos Sokratis Labroukos, member of the Board of Directors, especially nominated for this purpose by the Board of Directors during today's meeting (03.04.2017)

STATE THAT:

To the best of our knowledge:

1. The annual financial attached statements of the Company and the Group MOTODYNAMICS S.A. for the period from 01.01.2016 to 31.12.2016, drawn up according to the applicable International Financial Reporting Standards, as endorsed by the European Union, provide the true picture of the assets and liabilities, the net equity and the results of the Company, as well as of the companies included in the consolidation, considered as a total, pursuant to those laid down in Article 4 of Law 3556/2007.
2. The Board of Directors' annual report provides the true picture of the development, performance and position of the Company and of the companies included in the consolidation in total, including the description of the main risks and uncertainties they are confronted with.

Aspropyrgos, 03 April 2017

Paris Kyriakopoulos	Hatzikos Sotirios	Nikolaos-Sokratis Labroukos
BoD Chairman	Managing Director	BoD Member

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 1/1—31/12/2016

Dear Shareholders,
The Board of Directors' annual report regards the financial year 2016 (1 January to 31 December 2016) and has been drawn in accordance with the applicable provisions both of C.L. 2190/1920 (Article 107, par. 3, since the company draws consolidated financial statements), and of Law No 3556/2007 (par. 6, article 4) and the implementing decisions No 1/434/3-7-2007 and 7/448/11-10-2007 of the Capital Market Committee's Board of Directors.

This report includes all significant individual thematic sections that are necessary, pursuant to the aforementioned legislative framework, and provides a true picture of all information required by Law, in order to provide substantial and well-documented information about the activity during said period and the total course of "MOTODYNAMICS S.A." (hereinafter referred to as the Company) and the Group, in which the following companies are consolidated:

1. MOTODIKTYO S.A. having its registered office in Greece and a participating interest of 100%
2. MOTODYNAMICS SRL having its registered office in Romania and a participating interest of 100%
3. MOTODYNAMICS LTD having its registered office in Bulgaria and a participating interest of 100%

The Report is included as is, along with the Company and the Group's financial statements and the other data and statements required by law in the Annual Financial Report as of the year 2016.

The Report's sections and their contents are as follows:

1) Total course of the Group and the Company during the year under review:

The markets where the Group operates (automobiles, two-wheel vehicles and outboards) presented positive trends in 2016. With new models of two-wheel vehicles of higher average value, the Group achieved higher penetration to the markets than competition. The turnover and the gross margin in Porsche products increased significantly. This resulted in significant increase in the turnover and EBITDA. A greater increase in demand is expected in 2017, which will lead to market development and a further improvement of the financial results.

The course of the Group and the Company has been presented in the results of the year and, more specifically:

Turnover:

The consolidated turnover of the Group stood at € 50,09 m. in 2016 compared to € 45,88 m. in 2015 marking a 9,19% increase. The parent company's turnover for the same period increased by 9,58% and amounted to € 48,00 m., compared to € 43,81 m. in 2015.

Alternative Financial Performance Measurement Indicators:

The Group and the Company use as alternative performance measurement indicators the earnings before interest, taxes, depreciation and amortisation (EBITDA) and the EBITDA margin. The aforementioned indicators are taken into account by Group Management in strategic decision making.

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Earnings net of tax	943.034,99	386.158,29	684.082,91	320.493,55
Tax	18.838,31	9.555,19	(14.468,10)	17.019,76
Interest	(397.709,95)	(399.566,26)	(359.489,17)	(346.495,21)
Depreciation	(878.213,13)	(846.520,63)	(804.120,38)	(790.330,82)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**2.200.119,76**	**1.622.689,99**	**1.862.160,46**	**1.440.299,82**
Turnover:	50.091.636,85	45.875.661,07	48.004.207,88	43.808.352,60
EBITDA margin	4,39%	3,54%	3,88%	3,29%

Selling and Administrative Expenses:

The Group's expenses in 2016 stood at € 9,34 m. compared to € 8,66 m. in 2015, recording a 7,85% increase. Respectively, the consolidated turnover of the Group in 2016 stood at € 7,43 m. compared to € 7,69 m. in 2015, recording a 3,77 % increase. The increase mainly derives from increases in staff and expenses related to promotional activities.

Profits before taxes:

The Group continued to perform well in 2016, recording profits of € 924.000 compared to profits of € 377.000 in 2015. Respectively, the parent company recorded profits of € 699.000, compared to profits of € 303.000 in 2015.

Net profit and loss after tax:

The Group's net results after taxes amount to profits of € 912.000 compared to profits of € 413.000 in 2015. Net results after taxes for the parent company stood at profits of € 660.000 compared to profits of € 350.000 in 2015.

Current Assets:

The Group's total current assets for 2016 stood at € 16,9 m. compared to € 14,5 m. in 2015, recording a rise of 16,55%. Accordingly, an increase of 18,12% was posted in current assets for the company, standing at € 16,3 m. compared to € 13,8 m. in 2015. The increase mainly results from the increase in inventories with a view to covering the increased sales expected for the year to come.

Current liabilities:

The group's total short-term liabilities for 2016 stood at € 16,08 m. compared to € 15,05 m. in 2015. Current liabilities of the parent company stood at € 15,83 m. compared to € 14,67 m. in 2015.

2) Report of significant events that took place during the year as well as after expiration thereof, until the date of drawing hereof.

During fiscal year 2016, as well as after expiration thereof and until the date of drawing hereof, the following significant events have taken place:

On 30 May 2016, the Ordinary General Meeting of Shareholders of the Company convened and approved the annual Financial Statements of the Company and the Group for the fiscal year 1.1-31.12.2015, the Board of Directors' Management Report, the Statutory Auditor's Audit Report, the release of the BoD members and the auditors, the election of new auditors for the fiscal year 1.1-31.12.2016, the non-distribution of dividend, the approval of remuneration payment to the BoD members (pursuant to article 24 par. 2 of L. 2190/20), and the issue of new bond loans.

The current developments that involved the imposition of capital controls, are a factor of increased uncertainty regarding the general financial conditions of market operation, with potentially negative effects on the growth rates of the Greek economy.

The Group and Company, as on the reference date of the annual financial statements, maintain satisfactory capital adequacy, profitability, liquidity, fulfils all terms laid down in loan agreements and performs renewals of loan agreements under the same or better terms.

In order to deal with risks which could arise in the future, the management performs continued identification and assessment procedures aiming to minimise any negative effects and maintain the companies' smooth operation.

3) Statement of corporate governance

Introduction

"Corporate Governance" is the regulatory framework that describes the way in which companies are managed and controlled. In Greece in particular, the framework of corporate governance has been developed mainly through the adoption of mandatory rules such as Law 3016/2002 requiring the participation of non-executive and independent executive directors in the Boards of Directors of Greek companies whose shares are traded on a regulated market, the setup and operation of an internal control unit and the adoption of bylaws. In addition, other more recent pieces of legislation transposed EU company law directives into Greek law, establishing new rules of corporate governance, such as Law 3693/2008 that requires the setup of audit committees and important disclosure requirements regarding the ownership and governance of a company, and Law 3884/2010 relating to shareholders' rights and additional requirements for corporate disclosures to shareholders during the preparation of a general meeting. Finally, the most

recent Law 3873/2010 transposed Directive 2006/46/EC into Greek Law, thus acting as a reminder of the need to establish a Corporate Governance Code.

The company has established and maintains high standards of corporate governance, in compliance with the requirements and provisions of the above legislative documents, in order to ensure transparency in financial management and operation, increase its reliability and business prestige and ultimately increase the value of its share. The Board of Directors of MOTODYNAMICS SA approved at its meeting as of 23.03.2011 the company's Corporate Governance Code which is posted on the company's website www.motodynamics.gr from the date of approval.

The Company hereby confirms that it applies strictly and faithfully the provisions of Greek law (C.L. 2190/1920, Law 3016/2002 and L.3693/2008) which form the minimum requirements to be met by any corporate governance code applied by the Company, the shares of which are traded on a regulated market.
As regards these additional practices and principles, there currently exist certain deviations (including non-application), which are summarised and the reasons justifying them are explained below.

A) The Board of Directors and its function

In accordance with Law 3016/2002 and Law 3693/2008, the Board of Directors consists of ten (10) members: two (2) executive members, three (3) non-executive members and five (5) independent non-executive members. The Board members are elected by the General Meeting of shareholders for a three-year term of office which may be extended until the end of the period within which the immediately following Annual General Meeting must meet. The current Board of Directors was elected by the ordinary General Meeting of Shareholders as of 05.06.2015 on expiry of the term of office of the previous Board. The term of office of the above elected BoD was set at three years but may be extended automatically until the convening of the immediately following Ordinary GM (after the end of the three-year term).

The executive members are the Chairman of the Board of Directors, the Vice-Chairman and the Company's CEO.

The non-executive directors are the majority of the BoD and are responsible for overseeing corporate activities. They are selected from among professionally acclaimed individuals in the business and academic circles, with domestic and international experience, on the criteria of education and social status. Therefore, these members are, by inference, able to express unbiased and objective views on corporate affairs. There is no committee to nominate to the Board of Directors, since such a committee is currently not considered to be necessary, given the structure and operation of the company.

The BoD meets at least six times a year based on a schedule which is communicated to the members at year start. The acting legal advisor of the company takes up secretary duties to faithfully record the meetings of the BoD.

Information about the members of the Board:

Paris Kyriakopoulos - Chairman of the Board of Directors

He has B.A. degrees Cum Laude in Philosophy, Politics, Economics (PPE) from the University of Pennsylvania in Philadelphia, PA, USA and MBA with High Distinction in Business Management from Harvard Business School in Cambridge, MA, USA. From 2011, he has been serving as General Manager of the Energy, Services and Solutions, IMERYS S.A. sector, which is based in Paris.
From 2005 to 2008 he was a business consultant with the Boston consulting Group in Vienna, Austria. He is serving as a consultant of ALBA Graduate Business School from 2013.
Since 2015, he has been Chairman of the Board of Directors of Motodynamics S.A.

Ioannis Tavoularis, Vice-chairman, executive member

He holds a Master in Political Sciences from the Boston University. He also holds a BS in Economics from the Bentley University. He is Member of the Board of NEORION HOLDINGS S.A., Member of the Board of MOTODYNAMICS SA since 2007, Member of the SOCIAL AFFAIRS COMMITTEE (SAC) (EU) since 2005, and Member of the AEROSPACE & DEFENSE INDUSTRIES ASSOCIATION OF EUROPE (ASD) since 2005. He has also served as Member of the Board of Hellenic Federation of Enterprises (SEV) from 2002 to 2008 (Treasurer from 2006 to 2008), and a Member of the PROFESSIONAL CHAMBER OF THE ENTERPRISE POLICY GROUP of the European Commission from 2003 to 2007.

Sotirios Hatzikos, Managing Director

He is Managing Director of MOTODYNAMICS SA since January 2008. From 1994 to 2007 he worked in S&B INDUSTRIAL MINERALS SA (formerly Silver & Baryte Ores Mining Co. SA) where he was lately Chief Financial Officer of the Group. He has previously worked in England for the multinational group of industrial gases AIR PRODUCTS PLC as Manager, European Treasury Operations. He

has also taught “Mergers & Acquisitions” in the Professional MBA of the Athens Laboratory of Business Administration (ALBA) for many years. He graduated from the Aristotle University of Thessaloniki with honors in Economics and Business Administration. He holds a Master of Business Administration (MBA) from the Manchester Business School.

Pavlos Laskaris, independent non-executive member

He is a member of the Board of Lamda AE, distributor company for FIAT, ALFA ROMEO, LANCIA, TOYOTA, HYUNDAI, KIA MOTORS and RENAULT in the northern suburbs of Athens. He began his professional career in 1970 in the automotive sector, at AKMIS SA which at the time was the distributor of French car manufacturer SIMCA. In 1975 he became Parts Manager at FIAT - PANELLAS SA. In 1978 he was appointed Managing Director of AUTOTECHNICA SA, a subsidiary of FIAT - PANELLAS SA. From 1980 until 1985 he served as Co-Managing Director in FIAT-PANELLAS S.A. In 1985 he became Vice President and Executive Director of MAVA S.A., the RENAULT representative in Greece.
In 1994-1995 he was involved as an advisor in the launch of KIA MOTOR HELLAS SA cars in Greece. Mr. P. Laskaris has been a member of the Board of the Association of Motor Vehicle Importers Representatives (SEAA) from 1980 to 2011. Moreover, he was a Member of the Board of the Foundation for Economic and Industrial Research (IOBE) from 2008 to 2014.
Since 1986 he has published articles in the auto press, initially in “Auto Express” magazine and has been a columnist of “4 Wheels” magazine since 1992.

Dr. Georgios I. Avlonitis, independent non-executive member

Dr. Georgios I. Avlonitis is a Professor at the Department of Marketing & Communication of the Athens University of Economics and Business, Director of the Athens Laboratory of Research in Marketing (A.LA.R.M.) and Scientific Supervisor of the Postgraduate Program “Marketing & Communication” for Business Executives of the same Department. He is also Deputy Chairman of the Administrative Board of the Athens University of Economics and Business (2012-). He has served as President of European Marketing Academy (EMAC) for the period 2008-2010 and Vice-President thereof for the period 1990-1993, as well as President of the Global Sales Science Institute (GSSI) for the period 2010-2012. He is an elected Fellow of the Chartered Institute of Marketing and the European Marketing Academy and among the founders of the Greek Marketing Academy, of which he is also elected President. From January 1981 to December 1985, he taught Marketing in the University of Strathclyde, Scotland.
He has also presented a number of papers in the U.S., Canada and Europe and published more than 180 articles in international conference proceedings and in the most noted marketing journals in the world, including Journal of Marketing, Journal of the Academy of Marketing Science, International Journal of Research in Marketing, Journal of Product Innovation Management, etc.He is a member of the Editorial Board of six international journals, including Industrial Marketing Management and European Journal of Marketing, and has been granted several awards for best published papers. He has served as consultant and facilitator for Strategic Marketing and Sales Organisation in more than 80 Greek and foreign companies and organisations. He has served as President of the Department of Business Research and Marketing (1997-2000), as well as the Department of Marketing and Communication (2010-2012) of the Athens University of Economics and Business and a Member of the Steering Committee of the University of Western Greece (2010-2012).

Lefkothea Varangi, independent non-executive member

She studied agricultural economics in England. She worked for VARANGIS AVEPE in the retail department and was responsible for the After Sales Service. For two years she was a member of the Board. In 1985 she jumped into the apparel industry and established ENDYMATOPITIKI SA, a company that designed, manufactured and sold in retail THE BOSTONIANS brand. She has also served as member of the Board of SPORTSMAN, which took over the distribution of THE BOSTONIANS in Greece, and remained in the retail management for other brands of the company as well. She continued in NOTOS COM HOLDINGS developing the store network of branded collections that the Group represents in Romania, Skopje and Kosovo. Meanwhile, she was responsible for stores in Greece, especially those that operate within shopping centers. She is currently working for the creation of branded agricultural quality products and their distribution network.

Nikolaos-Sokratis Labroukos, independent non-executive member

Nikolaos - Sokratis Labroukos is a Licensed Mechanical Engineer - Production Engineer (NTUA), and holder of a Masters in Business Administration (Manchester Business School), a doctorate (PhD) and postdoctoral diploma (London Business School).
He is a founding member, shareholder and chairman of BPM SA business consultants, a member of the Board of Quest Holdings SA, a Venture Partner in Odyssey Venture Partner Fund, and a founding member of start ups, real estate development and educational service companies. He has served as Executive Director of the INTRACOM Holdings Group, CEO of INTRACOM IT Services Group, Chairman of Attica Telecommunications, INTRACOM IT Services Denmark, INTRACOM Jordan, Encode SA, and an executive member of the Boards of INTRACOM Telecom, Hellas on Line, Intrakat, etc. He has been Research Fellow at the London Business School, has taught at the Athens University of Economics and has published papers in international scientific journals. He is a member of the Board of Directors of the Foundation for Economic & Industrial Research and has been a member of the General Council of the Hellenic Federation of Enterprises and the Board of the Hellenic Association of Management Consulting Firms.

Christos Avramidis - Non-executive Member

He is a Dr. of Finance from the University of Reading (1995). He has a Master's in Business Economics, from the University of Reading (1990) and is a graduate of Deree College, with distinction in Economics (1989). He worked in Sigma Chrimatistiriaki from 1998-2000 as macroeconomic analysis manager and at ABN AMRO from 2000 to 2001, as finance analysis and investment strategy manager for Greece and Balkans. From 2001 to 2012, he worked in the PROTON Bank Group, as Analysis Manager, Strategic Planner and Investment Relations Manager and Vice-chairman of the BoD and General Manager of PROTON Asset Management S.A. He has also served as Vice-Chairman of the BoD of Omega S.A. listed in ATHEX. From March 2012 he has been working as a Consultant in ORYMIL S.A.

Odysseas Kyriakopoulos - Non-Executive Member

He studied Mining Engineering at Montanuniversitaet Leoben in Austria and the University of Newcastle Upon Tyne in England. He has a degree in Business Administration (MBA) from INSEAD in Fontainebleau, France. He is an ex Chairman of S&B Industrial Minerals SA, Member of the Board of the Foundation for Economic and Industrial Research (IOBE), Member of the Board of Lamda Development SA. He is a Member of the Board of IMERYS Group and a Member of the Board of ASK Chemicals GmbH.
He has served as Chairman of the Hellenic Federation of Enterprises (SEV) (2000-2006), Vice-Chairman of Business Europe (UNICE) and Hellenic Exchanges SA, Chairman of the Greek National Opera (2006-2009), Member of the General Council of the Bank of Greece (2002-2011) and Vice-Chairman of the Foundation for Economic and Industrial Research (IOBE) (2011-2015). He has been working at the company since 1979.

Christos Tsagkos - Independent Non-Executive Member

Christos Tsagkos is Web Entrepreneur, Technology Investor and Business Consultant. He served as Chairman & Managing Director of Microsoft in Greece and Regional Consumer Manager & Online Marketing for Central and Eastern Europe. Earlier he served as Managing Director of Intel in Greece and Network Manager for Europe, Middle East and Africa, based in London, where he worked for a total of 12 years.
He has a consulting role in technology issues for the European Union and has developed electronic innovations for Airbus, Jaguar and Santa Cruz Operation.
He has important social contribution, he is the President of Junior Achievement SEN/JA, he served as a member of the Board of the Hellenic Federation of Enterprises and has established Microsoft Innovation Center in Athens, with Bill Gates. He was awarded with the HMS Royal Award for Exports by Queen Elizabeth II.
He studied Computers at Reading University and UMIST and Management at INSEAD and Wharton Business School.

For the effective operation of the Board, without affecting its consistency, the following Supervisory Committees have been set up and operate, which report to the Board as a collective body.

1. Control or Audit Committee:

It supports the work of the Board in fulfilling its supervisory responsibilities:

- Reviewing the financial statements (annual and interim) prior to final approval by the Board;
- Ensuring compliance of the company with the current legislation;
- Monitoring and evaluating internal and external audit of the company to ensure the quality and independence of the audit work.

Law 3693/2008 (Article 37(1)) provides for the establishment and maintenance of an Audit Committee for any "public interest entity", i.e. for any organisation governed by the law of a Member State and has listed its transferable securities on a regulated market of any Member State.
The Company's Audit Committee consists of 3 to 5 members.
In accordance with Article 37(1) of Law 3693/2008, the Committee comprises at least two non-executive directors and one independent non-executive director.
The members of the Audit Committee must be designated by the General Meeting (under L.3693/2008).
The Committee meets at least four (4) times a year, on issue and before publication of the annual, semi-annual and quarterly financial statements. It may also meet on an extraordinary basis whenever the circumstances so require. The Committee meets on call of its Chairman. The agenda is prepared for the meetings, which contains the necessary information so that the Committee members are prepared and informed. Members are required to attend all meetings. Participation by proxy is not permitted. The decisions are taken by the absolute majority of attending members. In case of tie, the Chairman has a casting vote. Committee meetings may be convened and attended without a right to vote by members of the Management, officers of internal or external audit of the company or any other officers as the Committee may consider appropriate. The Chairman of the Committee communicates the minutes of the Board. The members of the Audit Committee have knowledge and experience in finance, accounting or auditing and are also familiar with the business objectives of the Group. The Audit Committee shall have the same term of office as the Board, and may be entitled to special fees. The amount of such fees is determined by decisions of the GM and the Board of the Company.

The main responsibilities of the committee are to:

- Monitor the financial reporting procedure (competence under Law 3693/2008);
- Monitor the implementation of recommendations and suggestions of internal and external auditors by the executive management;
- Follow up the statutory audit of separate and consolidated financial statements (competence under Law 3693/2008);
- Check the accuracy, reliability and completeness of the annual and interim (half-yearly and quarterly) financial statements provided by the decisions of the CMC and the applicable legislation, and propose their publication;
- Evaluate external auditors, ensure their independence, qualifications and quality of control, make relevant recommendation to the Board on continuation or termination of the company's cooperation with them;
- Monitor the effective operation of internal control and risk management system (competence under Law 3693/2008);
- Evaluate the internal control, obtain views of the executive management and the external auditors on the effectiveness of internal control;
- Consider the findings of internal control and report to the Board in accordance with Law 3016/2002.
- Examine any findings of an audit conducted by national regulatory authorities;
- Ensure rotation of external auditors in accordance with the requirements of applicable law;
- Ensure smooth operation of the company's internal control, oversee operations, provide guidance, ensure that the internal control program covers the main areas of business risk; Ensure coordination of internal control with the external auditors;
- Update (regularly) the Board on its activities;
- Review and identify any deficiencies in the control systems and the related methodology of the company and the group, based on the findings of the internal control report;
- Review the Company's compliance with its legal obligations and the faithful application of the principles and procedures of the Group's Corporate Governance system, and make recommendations to the Board for any required modification;
- Review the company's policies and practices, identify, assess and manage risks; Inform the Management;
- Make proposals for the selection of external auditors, the determination of their fees and their discharge;
- Review and monitor issues related to the existence and maintenance of objectivity and independence of the statutory auditor or audit firm (competence under Law 3693/2008).

2. Remunerations Committee:

The object of this committee is to make proposals to the Board on the remunerations system for retaining and attracting appropriate company staff. The committee consists of 3 to 5 executive, non-executive or independent non-executive members. It meets regularly once a year and on an extraordinary basis whenever the circumstances so require. It meets on call of its Chairman and the agenda is prepared, containing the necessary information so that its members are prepared and informed. Members are required to attend all meetings and may not participate by proxy. The decisions taken by an absolute majority of those present, while in case of a tie, the vote of the President.
Committee meetings may be attended without a right to vote by the Chairman of the BoD, the Managing Director and other company officers as the committee may consider appropriate. The Chairman of the Committee communicates the minutes of the Board. The committee has the same term of office as the Board.
Key competences - obligations:

- Make proposals to the Board about the remunerations of senior executives;
- Make proposals to the Board about the general remuneration policy in relation to the Group's staff.

The Managing Director, whose role is very specific, exercises the powers conferred by the Company's Board of Directors.
The Managing Director reports to the Board of Directors and he also serves as the General Manager.
The Directors, individual Divisions and Departments reporting to the Company's Managing Director - General Director are:

- Sales Manager
- Marketing Manager
- Retail Manager
- Technical Services Manager
- Group CFO
- HR Manager
- IT Manager

B) The role of the Managing Director is described below:

The Managing Director reports to the Company's Board of Directors. He determines the Group's business and operational strategy and proposes it to the Board. He is responsible for the overall supervision and direction of the Group's works and operations, and ensures the effective development and management of available financial and human resources. At the same time, he handles the Group's relations with shareholders, investors, partners and government agencies, ensuring the protection of the Group's interests and the improvement of its prestige.

The main responsibilities of the Managing Director can be summarised as follows:

- Designs and implements the long-term strategy of "MOTODYNAMICS" Company and Group to achieve the core mission, the interests of shareholders and to ensure profitable growth of the Group in the domestic and European markets;
- Presents the financial results to the Board of Directors; Presents new business opportunities to the competent bodies to achieve the Company's penetration into new markets and ensure the Group's profitable growth;
- Sees to the achievement of the Company's annual goals by directing its divisions, ensuring their effective and efficient operation and that their individual goals are in line with those of the "MOTODYNAMICS" Group;
- Assesses the Group's overall effectiveness, checks the Effectiveness-Efficiency ratio of existing functions, is responsible to review and process organisational and operational issues;
- Develops and manages relationships with stakeholders (suppliers, customers, partners - dealers, etc.) in order to promote the interests of the Group;
- Ensures the orderly operation of the Company, as well as adherence to all policies and bylaws of the "MOTODYNAMICS" Group;
- Assesses and evaluates the effectiveness of the Company's managers based on the strategic goals and results of the Company as a whole and of each unit in particular.

Directors' duties and behaviour:

a. The members of the Board and any third person to whom the BoD has delegated any of its responsibilities, and the managers may not pursue own interests which contradict the interests of the Company.

b. The members of the Board and any other third person to whom the BoD has delegated any of its responsibilities, and the managers must promptly disclose to the other Board members their own interests, as these may arise from Company transactions, which fall within their duties and any other conflict of interests with those of the Company or affiliated companies within the meaning of Article 42e(5) of Codified Law 2190/1920, arising in the performance of their duties.

c. The members of the Board, by written notice to the Chairman, or by way of declaration to be recorded in the minutes of the Board meeting, must report to the Board any form of conflict of interest with the interests of other companies, including the interests of the group of companies to which it belongs, as well as the interests that may arise from significant Company transactions known to them. The members of the Board must notify the Board of their intentions to conduct significant transactions and financial activities related to the Company, as well as to major customers or suppliers.

d. The Chairman of the Board will be responsible for any further arrangements which may include abstention from the discussion and abstention from any voting procedure.

There is no requirement for regular meetings between the Chairman of the Board and non-executive directors without the presence of executive directors in order to discuss the performance and remunerations of the latter, as all issues are discussed in the presence of all members.

No provisions have been made for the existence of introductory programs for new Board members or the ongoing professional education and training for other members, considering that the persons proposed for election have sufficient experience and proven organisational and administrative skills.

C) Internal Control and Risk Management System

The Board of Directors (the "Board") places particular emphasis on systems of internal control and risk management, for which it is responsible, while such systems are monitored, among others, by receiving periodic reports on their operation.

The Board is responsible for the identification, assessment and monitoring of risks facing the Company and for their management. In addition to the periodic audits related to risk management, the Board is informed by the executive members with respect to serious issues of control, accidents or incidents, new or otherwise, which may have significant financial and business consequences.

The company has an internal control department.

This department is supervised by the Control Committee (or Audit Committee) and is under the responsibility of a senior officer.

In accordance with Article 7 of Law 3016/2002 and Article 4 of Decision 5/204/14.11.2000 of the Capital Market Commission, the head of the internal control department is independent in the exercise of his duties and is designated by the Company's Board of Directors. The internal auditor may request information about any book of entries, document, file, bank account and portfolio of the Company, and have access to any Company department. The Board of Directors' members must cooperate and provide information to the Internal Auditor and in general facilitate his work in any way. The Company's management must provide the internal auditor with all necessary tools to facilitate his work.

In accordance with Article 8 of Law 3016/2002, the internal auditor has the following responsibilities:

a. Monitors the implementation and ongoing maintenance of the Company's bylaws and Articles of Association, as well as the laws in general that apply to the Company and particularly the laws on limited companies and the capital market and money market;

b. Reports to the Company's Board of Directors any conflicts of private interests of members of the Board or managers of the Company with the interests of the Company, which he identifies in the exercise of his duties;
c. Informs the Board of Directors in writing at least once every quarter about the audits performed and attends the General Meetings of shareholders;
d. Provides, upon approval of the Company's Board, any information requested in writing by supervising authorities, cooperates with them and facilitates them in any way possible in their monitoring, audit and surveillance duties.
Also in accordance with Article 4 of decision 5/204/2000 of the Capital Market Commission, the internal auditors will also:
a. Verify compliance with the obligations laid down in decision 5/204/2000 of the Capital Market Commission;
b. Verify compliance with the commitments contained in the Company's prospectuses and business plans regarding the use of funds raised from the stock exchange;
c. Check the legality of fees and all kinds of benefits to members of the management in relation to decisions made by the Company's competent bodies;
d. Monitor the relationships and transactions between the Company and its affiliates, within the meaning of Article 42e(5) of C.L. 2190/1920, and relationships between the Company and the companies in whose capital Company Board members or shareholders participate with at least 10%.

Management of Company and Group risks in connection with the preparation of financial statements (corporate and consolidated).

The Group has invested in the development and maintenance of advanced IT infrastructures which ensure accurate representation of financial figures through a series of security safeguards. At the same time, the analysis of results covers all aspects of the business activity, and comparisons are made between actual, historical and budgeted income and expense accounts, with detailed explanation of all significant deviations.
The Financial Statements (semi-annual & annual) are reviewed and audited by external auditors, respectively.
The budgeting & forecasting procedure is reviewed and approved by the Board. As part of its audit duties, the Audit Committee of the Board justifies any budget/forecast deviations, considers its forecasts and ensures liquidity. It also holds meetings at least twice a year with the external auditors to be updated.
The Group's operations are governed by a regulatory framework reflected in the existence of approved policies and procedures including, without limitation, regulation of procurement, staff recruitment and dismissal, sales policy, etc. The internal audit department carries out controls to ensure compliance with the above procedures.

This statement of Corporate Governance is an integral and special part of the Annual Report of the Company's Board of Directors.

4) Main risks and uncertainties.

Financial Risk Management:

Interest Rate Risk:

Working capital needs are financed, among other sources, by bank debt. The Company and the Group are able to borrow at satisfactory terms and, if deemed appropriate, to apply hedging techniques to protect against interest rate increases, through Forward Rate Agreements (FRAs).

Foreign Exchange Risks:

The parent company and its domestic subsidiaries transact mostly in Euro, and are therefore not impacted by foreign exchange rate changes.

As regards foreign subsidiaries, the Bulgarian subsidiary maintains most of its liabilities in Euro, while the local currency maintains a fixed parity vis-à-vis the Euro.

The Romanian subsidiary has most of its liabilities denominated in Euro. The local currency (RON) shows some fluctuation against the Euro; and if it is necessary these fluctuations are centrally confronted because the parent company has the ability and know-how to hedge these risks using forward foreign exchange transactions or other hedging techniques.

Liquidity Risk:

The parent and its subsidiaries meet their obligation to suppliers and banks in a prompt and timely manner, and no past due obligations exist. Motodynamics possesses sufficient creditworthiness, as shown by the overall credit limits available to the company which, as of 31 December 2016, stood at € 11,8 m. for the Company and € 12,3 m. for the Group. 52,69 % of these amounts was used for the Company and 50,56 % for the Group.

Capital management:

The Group preserves an optimum capital structure in order to reassure the ability to retain its business, secure its growth and its returns for shareholders. Capital structure management is based on Group needs and occasional economical developments. Group of companies capital adequacy is monitored based on relevant financial indexes.

Credit risk:

The Group is exposed to credit risk coming mainly from the potential failure to collect customer balances. In order to control credit risk, Motodynamics applies consistently an explicit credit policy that is monitored and evaluated on a constant basis, so that the credits granted do not exceed the credit limit set per customer.

5) Significant transactions between the issuer and its associates.

Transactions with subsidiaries

Transactions with subsidiaries (sales of merchandise and provision of services) are carried out within the Company's normal business operations. Outstanding balances at the end of the year are unsecured, interest free and settlement occurs in cash. On 31 December 2016 there are no pending guarantees or any other commitments of Motodynamics towards and from its subsidiaries. The Company's Management does not deem that a provision is required for potential failure to collect its receivables from its subsidiaries and, therefore, no provision has been formed.

The breakdown of transactions (sales of merchandises and provision of services) and Company balance with the above mentioned subsidiaries, in which it holds a participating interest, as well as the breakdown of transactions among the subsidiaries are presented below.

	COMPANY	
	31 December 2016	**31 December 2015**
Sale of goods and services		
Motodiktyo S.A.	4.892.101,39	4.490.272,97
Motodynamics Ltd.	769.258,94	1.158.426,45
Motodynamics Srl.	1.419.892,85	2.019.084,60
	7.081.253,18	**7.667.784,02**
Purchases of goods and services		
Motodiktyo S.A.	50.929,08	59.082,29
Motodynamics Ltd.	13.116,63	1.842,68
Motodynamics Srl.	54.527,86	11.897,31
	118.573,57	**72.822,28**
Receivables		
Motodiktyo S.A.	1.131.553,55	1.096.257,03
Motodynamics Ltd.	140.000,00	19.255,79
Motodynamics Srl.	171.014,04	175.500,48
	1.442.567,59	**1.291.013,30**
Liabilities		
Motodiktyo S.A.	1.500,00	1.500,00
Motodynamics Srl.	18.679,90	14.602,15
	20.179,90	**16.102,15**

	Motodynamics Ltd.		Motodynamics Srl.	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Sale of goods and services				
Motodynamics Srl	30.929,00	13.400,00	-	-
Motodynamics Ltd.	-	-	-	137.907,39
	30.929,00	**13.400,00**	**-**	**137.907,39**
Purchases of goods and services				
Motodynamics Srl	-	137.907,39	-	-
Motodynamics Ltd.	-	-	30.929,00	13.400,00
	-	**137.907,39**	**30.929,00**	**13.400,00**

Compensation of key management personnel of the Company and the Group:

Compensation of key management personnel of the Company and the Group for the year ended 31 December 2016 and 2015, were as follows:

	GROUP		COMPANY	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Benefits to key management personnel of the Company and the Group				
Compensation of key management personnel	1.524.501,82	1.471.135,06	1.524.501,82	1.471.135,06
Key management personnel receivables	-	-	-	-
Liabilities to key management personnel	1.113.201,60	947.654,80	1.113.201,60	947.654,80

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
(in accordance with art. 4(7) and (8) of Law 3556/2007)

6) Structure of the company's share capital - rights and obligations attached to shares

1.1. Company's share capital structure: The company's share capital amounts to 6.903.000 Euro, divided into 11.700.000 shares, of a nominal value of 0,59 Euro each. All Company shares are ordinary shares with voting rights and are traded in Main Market of the Athens Stock Exchange.

1.2. Rights and obligations: Each shareholder has rights and obligations that are proportional to the value of the Company shares that the shareholder owns. More specifically:

1.2.1. Each share provides to the owner the right of participation in the Company's annual distributed (or upon liquidation) profits, in accordance with the law, the Articles of Association and the General Shareholders' Meeting decisions.

1.2.2. Each ordinary share entitles the owner to participate and to vote in the General Shareholders' Meeting of the company.

1.2.3. Each Shareholder has preemption rights in every Company share capital increase.

1.2.4. Each Shareholder has the right to receive copies of the Company's financial statements, auditors' reports and the financial review of the Board of Directors.

1.2.5. The General Shareholders' Meeting reserves all its rights during liquidation (Article 35, paragraph 5 of the Articles of Association).

1.2.6. The liability of the shareholders is limited to the nominal value of the shares they hold.

7) Limits on transfer of Company shares

The Company shares are transferred as provided for by law. No limits on the transfer of Company shares are provided for by its Articles.

8) Significant direct or indirect holdings in the sense of Article 9 to 11, Greek Law 3556/2007

On 31.12.2016 the following shareholders held more than 5% of the total voting rights of the Company

3.1. Mr. Odysseas Kyriakopoulos held 20,50%.

3.2. Mrs. Aikaterini Kyriakopoulou held 19,81%.

3.3. Mrs. Flora-Maria Kyriakopoulou held 19,41%.

9) Shares conferring special control rights

None of the Company shares carry any special rights of control.

10) Limitations on voting rights

The Articles of Association make no provision for any limitations on voting rights.

11) Agreements among Company shareholders

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights.

12) Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided for in Codified Law 2190/1920

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/1920.

13) Authority of the Board of Directors or certain of its members to issue new shares or to purchase the own shares of the Company, pursuant to Article 16 of Codified Law 2190/1920

By decision as of 30/5/08 of the Ordinary General Meeting of Shareholders and the adjournment thereof, by virtue of Ordinary General Meetings as of 23/04/2010, 17/05/2011, 26/06/2012, 29/05/2013 and 05/06/2015, the company may acquire own shares on the following conditions:

a. The maximum number of own shares that may be acquired is subject to an upper limit of 600.000, an amount corresponding to less than 1/10 of paid-up share capital.

b. The maximum acquisition price of the shares was set at twelve (12) Euro, with the minimum price set at one (1) Euro. The adjourned meeting as of 23/04/2010 set the price at six (6) Euro, while the minimum price was set at sixty cents (0,60), the adjourned meetings as of 17/05/2011 and 26/06/2012 set the minimum price at thirty cents (0,30), and the meeting as of 29/05/2013 and its adjourned meeting as of 05/06/2015 set the minimum price at fifteen cents (0,15).

c. The time-frame within which the share acquisitions will be performed was designated as twenty four (24) months, namely from 30/5/2008 to 30/5/2010, extended to 05/06/2017.

d. It authorises the Board of Directors, on condition that it adopts a relevant decision thereto, to implement the own shares acquisitions in accordance with the terms stipulated above and the conditions imposed by applicable legislation, designating the time periods and quantities of acquired shares.

Moreover, by virtue of its decision dated 6/10/08, the Board of Directors of the Company appointed the Managing Director as its special attorney-in-fact and process server and, in the event of his impediment, the Chief Financial Officer, acting either jointly or individually, conferring them the authorisation to undertake all requisite actions in view of the acquisition of own shares, in the name and on behalf of the Company, in accordance with the aforementioned terms that were approved by the Ordinary General Meeting of Shareholders as of 30/05/2008 and its adjournment, by virtue of Ordinary General Meetings as of 23/04/2010, 17/05/2011, 26/06/2012, 29/05/2013 and 05/06/2015.

e. By decision of the extraordinary General Meeting as of 26/10/2010, the Company's Board of Directors was authorised, pursuant to Article 13(6) of C.L. 2190/1920, as in force, to determine the price of the new shares within such period as may be established by the Extraordinary General Meeting, and all those issues related to the permit from the Capital Market Commission, the preparation of the Prospectus, the listing of the shares on the Small and Mid-Cap Market of the Athens Exchange, the allocation of any undistributed shares and all related issues.

14) Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer.

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer.

15) Significant agreements with members of the Board of Directors or employees of the Company

The Company has renewed an employment contract (since 01.01.2017) with its Managing Director, Mr. Sotirios Hatzikos, which is pending approval by the next Ordinary General Meeting.

Aspropyrgos, 03/04/2017

On behalf of the Board of Directors
The Managing Director

Sotirios Hatzikos

Report of Independent Chartered Auditor Accountant

To the Shareholders of "EMPORIKI EISAGOGIKI AFTOKINITON DITROHON KAI MIHANON THALASSIS SOCIETE ANONYME" (trading as MOTODYNAMICS S.A.)

Audit Report on the Company and Consolidated Financial Statements

We have audited the accompanying company and consolidated financial statements of the Company **EMPORIKI EISAGOGIKI AFTOKINITON DITROHON KAI MIHANON THALASSIS SOCIETE ANONYME**, which consist of the company and consolidated financial position statement as of 31 December 2016, the company and consolidated statements of comprehensive income, statements of changes in equity and cash flow statements for the year then ended, as well as the summary of significant accounting policies and methods and other explanatory notes.

Management's Responsibility in regard to the Company and Consolidated Financial Statements

The Management of the Company is responsible for the preparation and fair presentation of these company and consolidated Financial Statements in accordance with International Financial Reporting Standards, as the latter have been adopted by the European Union. This responsibility extends to maintaining an internal control system deemed necessary by Management, in order to ensure the preparation of company and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these company and consolidated Financial Statements, based on our audit. We conducted our audit in accordance with International Standards on Auditing, which have been transposed into Greek legislation (GG/series B/issue no. 2848/23.10.2012). Those Standards require that we comply with ethical requirements and plan and perform the audit in order to obtain reasonable assurance that the company and consolidated financial statements are free from material misstatement.

An audit involves performing procedures in order to obtain sufficient information and documentation concerning the amounts and disclosures included in the company and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the company and consolidated financial statements, whether due to fraud or error. In assessing that risk, the auditor considers the internal control system relevant to the company's preparation and fair presentation of the company and consolidated financial statements, in order to design audit procedures that are appropriate in view of the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the company's internal control system. An audit also includes evaluating the appropriateness of accounting policies and methods used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the company and consolidated financial statements.

We have obtained reasonable assurance that all important evidence has been brought to our attention and is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the Company **EMPORIKI EISAGOGIKI AFTOKINITON DITROHON KAI MIHANON THALASSIS SOCIETE ANONYME** and its subsidiaries as of 31 December 2016, and their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards, as the latter have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into account that the management is responsible for the preparation of the Directors' Report and the Corporate Governance Statement contained in this report, pursuant to the provisions of Article 2(5) (Part B) of Law 4336/2015, we note that:

(a) The Directors' Report includes a corporate governance statement which provides the information laid down in Article 43bb of Codified Law 2190/1920.

(b) In our opinion, the Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 43a and 107A and Article 43bb(1)(c) and (d) of C.L. 2190/1920 and its content corresponds to the attached company and consolidated financial statements for the year ended on 31/12/2016.

c) Based on the knowledge that we have acquired during our audit, we have not identified any material misstatements in the Directors' Report for the company **EMPORIKI EISAGOGIKI AFTOKINITON DITROHON KAI MIHANON THALASSIS SOCIETE ANONYME**.

Athens, 3 April 2017

The Chartered Auditor Accountant

Nikos Garbis
Institute of Certified Public Accountants of Greece (SOEL) Reg. No. 25011

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Α.Μ. ΣΟΕΛ 127

MOTODYNAMICS S.A.

ANNUAL CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
OF 31 DECEMBER 2016
IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL
REPORTING STANDARDS

as the latter have been adopted by the European Union

of the Societe Anonyme
EMPORIKI EISAGOGIKI AFTOKINITON DITROHON kai MIHANON THALASSIS SOCIETE ANONYME

trading as MOTODYNAMICS S.A.

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EMPORIKI EISAGOGIKI AFTOKINITON DITROHON kai MIHANON THALASSIS SOCIETE ANONYME trading as MOTODYNAMICS S.A.

STATEMENT OF COMPREHENSIVEINCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

(amounts in Euro)

		GROUP		COMPANY	
	Notes	**1.1 – 31.12.2016**	**1.1 – 31.12.2015**	**1.1 – 31.12.2016**	**1.1 – 31.12.2015**
Sales	6	50.091.636,85	45.875.661,07	48.004.207,88	43.808.352,60
Cost of Sales		(40.109.331,67)	(37.223.867,49)	(39.704.530,50)	(36.585.608,27)
Gross Profit		**9.982.305,18**	**8.651.793,58**	**8.299.677,38**	**7.222.744,33**
Other income	9	759.858,68	845.846,91	813.432,55	896.120,22
Administrative expenses	7	(3.297.801,30)	(3.112.631,31)	(3.137.987,30)	(2.992.675,20)
Sales and distribution	8	(6.038.986,87)	(5.549.343,28)	(4.842.285,92)	(4.440.210,79)
Other expenses	10	(83.469,06)	(59.496,54)	(74.796,53)	(36.009,56)
Operating profit		**1.321.906,63**	**776.169,36**	**1.058.040,18**	**649.969,00**
Financial income	11	131.841,36	184.628,88	113.969,58	138.841,98
Financial expenses	12	(529.551,32)	(584.195,14)	(473.458,75)	(485.337,19)
Profit before tax		**924.196,68**	**376.603,10**	**698.551,01**	**303.473,79**
Income tax	13	18.838,31	9.555,19	(14.468,10)	17.019,76
Earnings net of tax		**943.034,99**	**386.158,29**	**684.082,91**	**320.493,55**
Attributable to:					
Equity holders of the		943.034,99	386.158,29		
Minority interests		-	-		
		943.034,99	**386.158,29**		
Other total income/(loss) after taxes	27	**(30.892,48)**	**27.143,54**	**(24.351,67)**	**29.484,20**
Total comprehensive income net of tax		**912.142,51**	**413.301,83**	**659.731,24**	**349.977,75**
Attributable to:					
Parent company equity		912.142,51	413.301,83		
Minority interests		-	-		
		912.142,51	**413.301,83**		
Basic earnings per share net of tax (in €)	16	**0,0780**	**0,0355**		
Diluted earnings per share (in Euro):	16	**0,0780**	**0,0346**		

The accompanying notes are an integral part of these financial statements.

EMPORIKI EISAGOGIKI AFTOKINITON DITROHON KAI MIHANON THALASSIS SOCIETE ANONYME
trading as MOTODYNAMICS S.A.

STATEMENT OF FINANCIAL POSITION

as of 31 December 2016
(amounts in Euro)

	Notes	GROUP		COMPANY	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
ASSETS					
Non-current assets					
Tangible assets	17	4.537.091,66	4.529.516,19	4.186.511,93	4.402.840,53
Intangible assets	18	726.496,33	796.074,61	723.871,06	793.299,34
Deferred tax assets	13	1.020.556,35	980.693,03	760.040,36	774.508,46
Investments in subsidiaries	4	-	-	3.141.432,20	3.141.432,20
Other long-term assets	32	2.753.365,98	2.920.405,16	2.710.507,92	2.877.097,23
Total non-current assets		**9.037.510,32**	**9.226.688,99**	**11.522.363,47**	**11.989.177,76**
Current Assets					
Inventories	19	13.496.018,55	10.665.060,78	11.838.052,88	9.311.864,87
Trade accounts receivable	20	2.654.731,73	3.025.267,38	2.489.995,08	2.707.023,11
Amounts due from subsidiaries	5	-	-	1.442.567,59	1.291.013,30
Other receivables	21	505.758,22	490.275,77	469.786,64	465.529,63
Cash and cash equivalents	22	211.935,34	364.191,81	41.024,79	29.955,37
Total current assets		**16.868.443,84**	**14.544.795,74**	**16.281.426,98**	**13.805.386,28**
Grand total of assets		**25.905.954,16**	**23.771.484,73**	**27.803.790,45**	**25.794.564,04**
EQUITY AND LIABILITIES					
Equity					
Share capital	24	6.903.000,00	6.903.000,00	6.903.000,00	6.903.000,00
Share premium		5.756.695,00	5.756.695,00	5.756.695,00	5.756.695,00
Reserves	25	1.034.760,10	1.034.760,10	1.030.302,01	1.030.302,01
Own Shares	24	-	(23.653,33)	-	(23.653,33)
Reserves for allocation of free shares to directors	23	160.727,43	253.527,43	160.727,43	253.527,43
Cumulative consolidation exchange differences		(263.249,05)	(260.564,72)	-	-
Results carried forward		(4.518.473,64)	(5.433.300,48)	(2.523.838,51)	(3.183.569,75)
Total		**9.073.459,84**	**8.230.464,00**	**11.326.885,93**	**10.736.301,36**
Minority interests		-	-	-	-
Total Equity		**9.073.459,84**	**8.230.464,00**	**11.326.885,93**	**10.736.301,36**
Long-term Liabilities					
Provision for staff retirement indemnity	27	751.275,63	481.618,84	650.254,30	385.138,43
Other long-term liabilities		-	10.633,08	1.500,00	1.500,00
Total long-term liabilities		**751.275,63**	**492.251,92**	**651.754,30**	**386.638,43**
Short-term liabilities					
Trade payables	28	8.374.904,13	6.440.868,16	8.253.173,07	6.247.896,13
Short-term loans	29	6.218.588,18	6.820.760,02	6.216.907,61	6.820.760,02
Accrued and other short-term liabilities	30	1.487.726,38	1.787.140,63	1.355.069,54	1.602.968,10
Total short-term liabilities		**16.081.218,69**	**15.048.768,81**	**15.825.150,22**	**14.671.624,25**
Total Liabilities		**16.832.494,32**	**15.541.020,73**	**16.476.904,52**	**15.058.262,68**
Total Equity and Liabilities		**25.905.954,16**	**23.771.484,73**	**27.803.790,45**	**25.794.564,04**

The accompanying notes are an integral part of these financial statements.

EMPORIKI EISAGOGIKI AFTOKINITON DITROHON KAI MIHANON THALASSIS SOCIETE ANONYME
trading as MOTODYNAMICS S.A.

CONSOLIDATED STATEMENT OF CHANGES INEQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016
(amounts in Euro)

	Share capital	Share premium	Reserves	Cumulative consolidated exchange differences	Reserves for allocation of free shares to directors	Treasury Shares Purchase	Results carried forward	Total	Minority interests	Total Equity
Total Equity at the beginning of the year 01 January 2015	**6.903.000,00**	**5.756.695,00**	**1.034.760,10**	**(255.191,12)**	**160.727,43**	**(23.128,79)**	**(5.851.975,91)**	**7.724.886,71**	-	**7.724.886,71**
Results of financial year (1/1 – 31/12/2015)	-	-	-	-	-	-	386.158,29	386.158,29	-	**386.158,29**
Other total income/(losses)	-	-	-	(5.373,60)	-	-	32.517,14	27.143,54	-	**27.143,54**
Total comprehensive income/(losses)	-	-	-	(5.373,60)	-	-	418.675,43	413.301,83	-	**413.301,83**
Reserves for allocation of free shares to directors	-	-	-	-	92.800,00	-	-	92.800,00	-	**92.800,00**
Purchase/Cancellation of own shares (note 24)	-	-	-	-	-	(524,54)	-	(524,54)	-	**(524,54)**
Total Equity at the end of the year 31 December 2015	**6.903.000,00**	**5.756.695,00**	**1.034.760,10**	**(260.564,72)**	**253.527,43**	**(23.653,33)**	**(5.433.300,48)**	**8.230.464,00**	-	**8.230.464,00**
Total Equity at the beginning of the year 01 January 2016	**6.903.000,00**	**5.756.695,00**	**1.034.760,10**	**(260.564,72)**	**253.527,43**	**(23.653,33)**	**(5.433.300,48)**	**8.230.464,00**	-	**8.230.464,00**
Results of financial year (1/1 – 31/12/2016)	-	-	-	-	-	-	943.034,99	943.034,99	-	**943.034,99**
Other total income/(losses)	-	-	-	(2.684,33)	-	-	(28.208,15)	(30.892,48)	-	**(30.892,48)**
Total comprehensive income/(losses)	-	-	-	(2.684,33)	-	-	914.826,84	912.142,51	-	**912.142,51**
Reserves for allocation of free shares to directors	-	-	-	-	(92.800,00)	-	-	(92.800,00)	-	**(92.800,00)**
Purchase/Cancellation of own shares (note 24)	-	-	-	-	-	23.653,33	-	23.653,33	-	**23.653,33**
Subsidiary's rate change	-	-	-	-	-	-	-	-	-	-
Total Equity at the end of the year 31 December 2016	**6.903.000,00**	**5.756.695,00**	**1.034.760,10**	**(263.249,05)**	**160.727,43**	**-**	**(4.518.473,64)**	**9.073.459,84**	**-**	**9.073.459,84**

The accompanying notes are an integral part of these financial statements.

EMPORIKI EISAGOGIKI AFTOKINITON DITROHON KAI MIHANON THALASSIS SOCIETE ANONYME
trading as MOTODYNAMICS S.A.

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016
(amounts in Euro)

	Share capital	Share premium	Reserves	Reserves for allocation of free shares to directors	Treasury Shares Purchase	Results carried forward	Total Equity
Total Equity at the beginning of the period 01 January 2015	**6.903.000,00**	**5.756.695,00**	**1.030.302,01**	**160.727,43**	**(23.128,79)**	**(3.533.547,50)**	**10.294.048,15**
Results of financial year (1/1 – 31/12/2015)	-	-	-	-	-	320.493,55	**320.493,55**
Other comprehensive income/(losses)	-	-	-	-	-	29.484,20	**29.484,20**
Total comprehensive income/(losses)	-	-	-	-	-	349.977,75	**349.977,75**
Reserves for allocation of free shares to directors	-	-	-	92.800,00	-	-	**92,800,00**
Purchase/Cancellation of own shares (note 24)	-	-	-	-	(524,54)	-	**(524,54)**
Total Equity at the end of the period 31 December 2015	**6.903.000,00**	**5.756.695,00**	**1.030.302,01**	**253.527,43**	**(23.653,33)**	**(3.183.569,75)**	**10.736.301,36**
Total Equity at the beginning of the period 01 January 2016	**6.903.000,00**	**5.756.695,00**	**1.030.302,01**	**253.527,43**	**(23.653,33)**	**(3.183.569,75)**	**10.736.301,36**
Results of financial year (1/1 – 31/12/2016)	-	-	-	-	-	684.082,91	**684.082,91**
Other comprehensive income/(losses)	-	-	-	-	-	(24.351,67)	**(24.351,67)**
Total comprehensive income/(losses)	-	-	-	-	-	659.731,24	**659.731,24**
Reserves for allocation of free shares to directors	-	-	-	(92.800,00)	-	-	**(92,800,00)**
Purchase/Cancellation of own shares (note 24)	-	-	-	-	23.653,33	-	**23.653,33**
Total Equity at the end of the period 31 December 2016	**6.903.000,00**	**5.756.695,00**	**1.030.302,01**	**160.727,43**	**-**	**(2.523.838,51)**	**11.326.885,93**

The accompanying notes are an integral part of these financial statements.

EMPORIKI EISAGOGIKI AFTOKINITON DITROHON KAI MIHANON THALASSIS SOCIETE ANONYME
trading as MOTODYNAMICS S.A.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2016

(amounts in Euro)

Indirect Method	Notes	GROUP		COMPANY	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
Operating Results					
Profit / (loss) before taxes		**924.196,68**	**376.603,10**	**698.551,01**	**303.473,79**
- Depreciation	15	878.213,13	846.520,63	804.120,28	790.330,82
- Provision for staff retirement indemnities	27	261.013,31	55.039,98	245.430,87	23.610,69
- Provision for doubtful receivables	20	483,00	(59.452,96)	(226,53)	(59.323,14)
- Provision for slow moving inventory	19	67.385,00	112.787,00	61.035,00	112.787,00
- Provision for allocation of free shares to directors	23	(92.800,00)	92.800,00	(92.800,00)	92.800,00
- Foreign exchange differences	11,12	(3.602,42)	14.825,64	(3.988,69)	728,37
- Results (earnings and losses) of investing		3.199,91	12.587,13	5.070,11	13.417,85
- Credit interests	11	(109.047,59)	(137.979,36)	(108.489,34)	(137.132,37)
- Payable interests and relevant expenses	12	510.359,96	522.719,98	471.967,20	482.899,21
Plus/ less adjustments for changes in capital, working capital or relevant to operating activities					
Decrease / (Increase) in:					
- Inventories		(2.898.342,77)	(1.144.704,33)	(2.587.223,01)	(928.707,77)
- Long-term receivables		167.039,18	145.713,53	166.589,31	145.029,91
- Trade receivables		379.193,54	56.494,88	74.131,63	(440.974,37)
- Other short-term receivables		(15.435,77)	335.991,81	(4.257,01)	325.599,06
(Decrease) / Increase in liabilities (except banks):					
- Long-term liabilities		(10.633,08)	(9.602,83)	-	-
- Trade and other payables		1.934.035,97	(308.899,47)	2.005.276,94	(403.110,04)
- Other short term liabilities		(301.946,75)	674.270,65	(247.898,56)	594.212,78
Less:					
- Debit interest and relevant expenses paid	12	(510.359,96)	(522.719,98)	(471.967,20)	(482.899,21)
- Taxes paid		(21.025,01)	-	-	-
- Realised foreign exchange differences	11,12	3.602,42	(14.825,64)	3.988,69	(728,37)
- Utilised provision for doubtful clients	20	(9.187,57)	(505,59)	(8.431,36)	(505,59)
- Staff indemnity payment		(19.564,67)	(46.916,34)	(4.666,67)	(6.316,34)
Total cash inflow / (outflow) from operating		**1.136.776,51**	**1.000.747,83**	**1.006.212,67**	**425.192,28**
Investment Activities					
- Purchase of tangible and intangible fixed assets	17,18	(1.532.696,72)	(960.767,08)	(1.234.710,31)	(937.826,78)
- Receipts from sale of tangible and intangible fixed assets		713.134,66	310.559,80	711.273,68	305.499,80
- Interest received	11	109.047,59	137.979,36	108.489,34	137.132,37
Total cash outflow from investing activities (b)		**(710.514,47)**	**(512.227,92)**	**(414.944,17)**	**(495.194,61)**
Financing Activities					
- Receipts from issued / utilised loans		25.769.375,30	21.509.600,68	25.433.104,80	21.384.422,57
- Loan repayments		(26.371.547,14)	(21.791.567,32)	(26.036.957,21)	(21.309.615,19)
- Purchase/Cancellation of own shares		23.653,33	(524,54)	23.653,33	(524,54)
Total cash inflow / (outflow) from financing		**(578.518,51)**	**(282.491,18)**	**(580.199,08)**	**74.282,84**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		**(152.256,47)**	**206.028,73**	**11.069,42**	**4.280,51**
Cash and cash equivalents at the beginning of the period		**364.191,81**	**158.163,08**	**29.955,37**	**25.674,86**
Cash and cash equivalents and end of the period	22	**211.935,34**	**364.191,81**	**41.024,79**	**29.955,37**

The accompanying notes are an integral part of these financial statements.

NOTES ON THE ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Emporiki Eisagogiki Aftokiniton Ditrohon kai Mihanon Thalassis Group of Companies S.A., under the distinctive title Motodynamics S.A. ("the Group") is a Greek group of companies mainly engaged in the import, agency, distribution and trade of cars, motorcycles and marine products (outboard motors, inflatable boats and jet skis), spare parts and lubricants. The parent Company MOTODYNAMICS S.A. ("Motodynamics" or "parent company") was founded in Greece in 1992 with a 25-year term and, according to a Decision of its General Meeting of 05/06/2015, its term was extended until 2040.

The Group has the right of exclusive distribution of Yamaha Motor Co. products in Greece, Romania, Bulgaria, Albania, and Moldova, as well as the products of its associates based on contracts concluded by Yamaha Motor Europe N.V. (subsidiary of Yamaha Motor Co., Japan). These contracts, for all countries, were renewed until 31 December 2016 and extended until 31/3/2017, and are in the final stage of negotiations for their renewal.

In April 2011, the company concluded the cooperation agreement and signed the relevant contracts for the exclusive distribution of Porsche AG products in Greece.

From June 2005 the Company's shares have been traded on the Athens Stock Exchange. The Company is based in Aspropyrgos, at Kyrillos site, P.C. 19300. The Company has two branches: one in Attica and one in Thessaloniki (in leased property).

The accompanying notes include the financial statements of Motodynamics and its subsidiaries whose activities are described in note 4.

The number of employees at year end was 78 for the parent company and 117 for the Group and for the corresponding previous year they numbered 75 for the parent company and 111 for the Group, respectively.

2. BASIS FOR PRESENTATIONOF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(a) ***Basis of Preparation of the Financial Statements:*** The accompanying consolidated and separate Financial Statements, (hereinafter «the financial statements») have been prepared on the basis of historical cost and according to International Financial Reporting Standards («IFRS») adopted by the European Union. The financial statements are drawn up in accordance with Greek Codified Law 2190/1920, as applicable. No Standards were applied before their effective date.

(b) ***Approval of Financial Statements.*** The Financial Statements for the year ended December 31, 2016 were approved by the Company's Board of Directors in its meeting of April 3, 2017. Please note that the accompanying financial statements are subject to the approval of the Ordinary General Meeting of Shareholders.

(c) ***Use of estimates:*** The preparation of Financial Statements in accordance with IFRS requires that the management makes estimates, assumptions and adjustments which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as well as the revenues and expenditures presented for the reporting period. These estimates, assumptions and judgments are periodically reviewed so that they may reflect actual facts and will reflect the risks prevailing at the time; they are based on the previous experience of the management in relation to the size of related transactions or events. The actual results may differ from these estimates. The most significant estimates and judgments related to facts the evolution of which could affect the financial statements' items during the following 12 months are cited below:

- ***Provision for income tax***: The income tax provision according to IFRS 12 is calculated by estimate of the taxes to be paid to tax authorities and includes the current income tax for every use and provision for additional taxes that may occur during tax audits. The final settlement of income taxes may diverge from the relevant amounts recorded in the financial statements.

- ***Provision for doubtful receivables:*** The Group calculates a special provision for doubtful receivables based on estimates of the administration regarding the possibility of collecting its receivables, which is reassessed at the year end.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PRESENTATION (continued)

- ***Recovery of deferred tax assets:*** The recognition of deferred tax receivables entails estimates regarding their recoverability and, specifically, the recognition of deferred tax receivables on tax losses brought forward demands from

Management the formulation of forecasts regarding the achievement of sufficient tax profits, which will allow their recovery, for every taxation system under which the Company and the subsidiaries of the Group operate.

- ***Provision for Staff Leaving Indemnities:*** The liabilities for staff leaving indemnities are calculated on the basis of actuarial methods, the implementation of which requires Management to evaluate specific parameters, such as the future rise in employee remuneration, the discount rate applied to said liabilities, the employee turnover rate etc. Management attempts, at each reference date on which the above provision is revised, to evaluate these parameters in the best possible manner.

- ***Contingent liabilities:*** The existence of contingent liabilities requires from Management the continuous formulation of assumptions and judgments pertaining to the likelihood of contingencies occurring or not occurring, as well as the impact that said contingent events may exert on the Group's activity.

2.1. MODIFICATIONS TO ACCOUNTING PRINCIPLES AND DISCLOSURES

New Standards, Interpretations, Revisions and Amendments to existing Standards which are in force and have been adopted by the European Union

The following IFRS amendments and Interpretations were issued by the International Accounting Standards Board (IASB), have been adopted by the EU and their application is mandatory beginning on or after 01/01/2016.

- ***Amendments to IAS 19: "Defined Benefit Plans: Employee Contributions" (effective for annual periods beginning on or after 01/02/2015)***

In November 2013, the IASB issued narrow scope amendments to IAS 19 under the title "Defined Benefit Plans: Employee Contributions". Said amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments have no effect on the company and consolidated Financial Statements.

- ***Annual Improvements to IFRSs 2010-2012 Cycle (effective for annual periods beginning on or after 01/02/2015)***

In December 2013 the IASB issued "Annual Improvements to IFRSs 2010-2012 Cycle" which comprises a number of amendments as regards seven issues and forms part of the programme for annual improvements to the IFRS. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. This Cycle comprises the following issues: IFRS 2: Definition of vesting condition, IFRS 3: Accounting for contingent consideration in a business combination, IFRS 8: Aggregation of operating segments, IFRS 8: Reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13: Short-term receivables and payables, IAS 16/ IAS 38: Revaluation method - proportionate restatement of accumulated depreciation and IAS 24: Key management personnel. The amendments have no effect on the company and consolidated Financial Statements.

- ***Amendments to IFRS 11: "Accounting for Acquisitions of Interests in Joint Operations" (effective for annual periods beginning on or after 01/01/2016)***

In May 2014, the IASB issued amendments to IFRS 11. These amendments introduce new guidance concerning the accounting for the acquisition of an interest in a joint operation that is a business and clarify the appropriate accounting for such acquisitions. The amendments have no effect on the company and consolidated Financial Statements.

2.1. MODIFICATIONS TO ACCOUNTING PRINCIPLES AND DISCLOSURES (continued)

- ***Amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective for annual periods beginning on or after 01/01/2016)***

In May 2014, the IASB issued amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 lay down the principles for clarifying how depreciation and amortisation will be accounted for according to the expected consumption of the future economic benefits embodied in the asset. The IASB has clarified that revenue-based methods are not appropriate for calculating the amortisation and depreciation of an asset, since the revenue generated from an activity that comprises the use of an asset generally reflects factors different from the consumption of the expected future economic benefits embodied in the asset. The amendments have no effect on the company and consolidated Financial Statements.

- ***Amendments to IAS 16 and IAS 41: "Agriculture: Bearer Plants" (effective for annual periods beginning on or after 01/01/2016).***

In June 2014, the IASB published amendments changing the financial reporting for bearer plants. By these amendments, it was decided that bearer plants must be accounted for in the same way as tangible assets (IAS 16). Therefore, the amendments bring bearer plants within the scope of IAS 16 instead of IAS 41. The produce of bearer plants remains within the scope of IAS 41. The amendments have no effect on the company and consolidated Financial Statements.

- ***Amendments to IAS 27: "Equity Method in Separate Financial Statements" (effective for annual periods beginning on or after 01/01/2016):***

In August 2014, the IASB issued narrow scope amendments to IAS 27. By these amendments, a financial entity may account for investments in subsidiaries, joint ventures and associates based on the equity method in its separate financial statement, which was not permitted before the specific amendment was published. The amendments have no effect on the company and consolidated Financial Statements.

- ***Annual Improvements to IFRSs 2012-2014 Cycle (effective for annual periods beginning on or after 01/01/2016)***

In September 2014 the IASB issued "Annual Improvements to IFRSs 2012-2014 Cycle" which comprises a number of amendments to four Standards and forms part of the programme for annual improvements to the IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. This Cycle comprises the following issues: IFRS 5: Changes in methods of disposal, IFRS 7: Servicing contracts and applicability of the amendments to IFRS 7 to condensed interim financial statements, IAS 19: Discount rate: regional market issue, and IAS 34: Disclosure of information in the interim financial report. The amendments have no effect on the company and consolidated Financial Statements.

- ***Amendments to IAS 1: "Disclosure Initiative" (effective for annual periods beginning on or after 01/01/2016)***

In December 2014, the IASB issued amendments to IAS 1. These amendments are aimed at resolving issues pertaining to the existing presentation and disclosure requirements and safeguarding that entities are able to use judgment when preparing their Financial Statements. The amendments have no effect on the company and consolidated Financial Statements.

2.2. NEW STANDARDS AND INTERPRETATIONS

- ***Amendments to IFRS 10, IFRS 12 and IAS 28: "Investment Entities: Applying the Consolidation Exception" (effective for annual periods beginning on or after 01/01/2016)***

In December 2014, the IASB issued narrow scope amendments to IFRS 10, IFRS 12 and IAS 28. These amendments introduce clarifications concerning the requirements for accounting for investment entities, while providing for exemptions in specific cases that will reduce costs related to the implementation of Standards. The amendments have no effect on the company and consolidated Financial Statements.

The following new Standards and Revisions, and the following Interpretations to existing standards have been published but are either not yet effective or have not been adopted by the European Union. In particular:

- ***IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 01/01/2016)***

In January 2014, the IASB issued a new Standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by financial entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private financial entities. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have not yet been adopted by the European Union, pending the final version of the Standard.

- ***IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 01/01/2018).***

In May 2014, the IASB issued a new Standard, IFRS 15. This Standard is fully harmonised with the requirements for recognising revenue under both IFRS and US GAAP. The basic principles on which this Standard is based are consistent with an important part of current practice. The new Standard is expected to improve financial reporting by establishing a more robust framework for resolving issues that arise, by enhancing comparability across industries and capital markets, providing additional disclosures, and clarifying the accounting treatment of contract costs. The new Standard replaces IAS 18 "Revenue", IAS 11 "Construction Contracts" and certain related interpretations on revenue recognition. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have been adopted by the European Union, starting as of 01/01/2018.

- ***IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 01/01/2018).***

In July 2014, the IASB published the final version of the IFRS 9. The package of improvements introduced by the new standard includes the creation of a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have been adopted by the European Union, starting as of 01/01/2018.

2.2. NEW STANDARDS AND INTERPRETATIONS (continued)

- ***Amendments to IAS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (the IASB has indefinitely deferred the effective date of said amendments)***

In September 2014, the IASB issued narrow scope amendments to IFRS 10 and IAS 28. The purpose of these amendments is to address an acknowledged inconsistency between the requirements in IFRS 10 and IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. In December 2015, the IASB indefinitely deferred the effective date of said amendments, pending the outcome of the research project on the equity method of accounting. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have not yet been adopted by the European Union.

- ***IFRS 16 "Leases" (effective for annual periods beginning on or after 01/01/2019).***

In January 2016, the IASB issued a new Standard, IFRS 16. The work of IASB was aimed at developing a new standard on leases determining the principles applicable by the two parties in a contract, namely the customer ("lessee") and the supplier ("lessor") on the provision of relevant information on the leases in a manner that reflects these transactions accurately. To attain that objective, the lessee must recognise the assets and liabilities deriving from the lease. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have not yet been adopted by the European Union.

- ***Amendments to IAS 12: "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods beginning on or after 01/01/2017)***

In January 2016, the IASB issued narrow scope amendments to IAS 12. These amendments are aimed to clarifying the accounting treatment of deferred tax assets for unrealised losses from debt securities measured at fair value. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have not yet been adopted by the European Union.

- ***Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods beginning on or after 01/01/2017)***

In January 2016, the IASB issued narrow scope amendments to IAS 7. The purpose of these amendments is to enable users of financial statements to evaluate changes in liabilities arising from financial activities. The amendments require entities to provide disclosures that will enable investors to evaluate changes in liabilities arising from financial activities, including changes in cash flows and non-cash changes. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have not yet been adopted by the European Union.

- ***Clarifications to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 01/01/2018).***

In April 2016, the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not alter the basic principles of the Standard, but provide clarifications as to the application of said principles. The amendments clarify how a performance obligation is recognized in a contract, how it is determined whether an entity is the principal or the agent, and how it is determined whether the income from the grant of a license should be recognized at a particular time or over time. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have not yet been adopted by the European Union.

2.2. NEW STANDARDS AND INTERPRETATIONS(continued)

- ***Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods beginning on or after 01/01/2018)***

In June 2016, the IASB issued narrow scope amendments to IFRS 2. The purpose of said amendment is to provide clarification on the accounting treatment of specific types of share-based payment transactions. In particular, the amendment introduces the requirements for the accounting treatment of the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, the accounting treatment of share-based payment transactions meeting the characteristics of settlement on an offsetting basis for withholding tax, as well as an amendment to the terms and conditions of a share-based payment which alters the transaction classification from cash-settled to equity-settled. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have not yet been adopted by the European Union.

- ***Amendments to IFRS 4: "Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts'" (effective for annual periods beginning on or after 01/01/2018).***

In September 2016, the IASB issued amendments to IFRS 4. The purpose of these amendments is to determine the treatment of the temporary accounting effects due to the different date of entry into force of IFRS 9 Financial Instruments and the Standard to be issued on insurance contracts. Amendments to the existing requirements of IFRS 4 allow entities whose main activities are insurance-related to postpone the application of IFRS 9 until 2021 ("temporary exemption") and allow all issuers of insurance contracts to recognize with respect to other comprehensive income, rather than with respect to profits or losses, the volatility that may result from the application of IFRS 9 before the adoption of the new Standard on insurance contracts ("overlapping approach"). The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have not yet been adopted by the European Union.

- ***Annual Improvements to IFRS Standards 2014-2016 Cycle (effective for annual periods beginning on or after 01/01/2017 and 01/01/2018)***

In December 2016 the IASB issued "Annual Improvements to IFRS Standards 2014-2016 Cycle" which comprises a number of amendments to certain Standards and forms part of the programme for annual improvements to the IFRS. This Cycle comprises the following amendments: IFRS 12: Clarification of the scope of the Standard, IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 as regards IFRS 12, and on or after 1 January 2018 as regards IFRS 1 and IAS 28. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have not yet been adopted by the European Union.

- ***IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods beginning on or after 01/01/2018)***

In December 2016, the IASB issued a new Interpretation, IFRIC 22 Said Interpretation includes requirements regarding the exchange rates which should be used to present foreign currency transactions (e.g. income transactions) when payment has been made or received in advance. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have not yet been adopted by the European Union.

2.2. NEW STANDARDS AND INTERPRETATIONS(continued)

- ***Amendments to IAS 40: "Transfers to or from investment property classification" (effective for annual periods beginning on or after 01/01/2018).***

In December 2016, the IASB issued narrow scope amendments to IAS 40. The purpose of said amendments is to strengthen the principle for transfers to, or from, investment property in order to establish that (a) a transfer to, or from, investment property should only take place if there is a change in the use of the property, and (b) such a change in the use of the property would include the assessment of whether the property qualifies as investment property. Said change in use should be supported by evidence. The Group will examine the impact of all the above on the Group's Financial Statements, although no impact is expected. The above have not yet been adopted by the European Union.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies on the basis of which the financial statements are prepared are the following:

(a) Basis of consolidation: The accompanying consolidated financial statements include those of the parent company EMPORIKI EISAGOGIKI AFTOKINITON, DITROHON KAI MIHANON THALASSIS S.A. ("MOTODYNAMICS SA") and of its subsidiaries. All subsidiaries (entities in which Motodynamics has direct or indirect ownership of the majority of voting interest and/or has the power to control the Board) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the group and cease to be consolidated on the date at which control is transferred out of the Group. All intercompany balances and transactions have been eliminated. Where necessary, accounting policies of the subsidiaries have been revised to ensure consistency with those of the parent. A full list of consolidated subsidiaries, along with the related effective ownership interests of Motodynamics in each, is provided in note 4. It is noted that all Group subsidiaries have the same Financial Statement closing date. The change in interests in a subsidiary without loss of control is considered to be a transaction within equity.

(b) Functional and Presentation Currency and Foreign Currency Translation: The functional and presentation currency of Motodynamics and its Greek subsidiaries is the Euro. Transactions involving other currencies are converted to Euro using the exchange rates which are in effect at the time of the transactions. Assets and liabilities in foreign currency are adjusted to reflect the exchange rates as at the balance sheet date. Profits and losses resulting from transactions in foreign currency as well as year-end valuation of monetary assets and liabilities in foreign currency are reported in the income statement, with the exception of transactions that comply with cash flow hedging requirements that are reported in equity. The functional currency of the Company's foreign subsidiaries is the official currency of the country in which each subsidiary operates. Accordingly, at each reporting date all balance sheet accounts of the subsidiaries are translated into Euro using the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the weighted average rate of exchange prevailing during the reporting year/period. The accumulated difference resulting from such translation is recognised directly in consolidated equity until the disposal, write off or de-recognition of a subsidiary, when it is transferred to the consolidated income statement.

(c) Intangible assets: Intangible assets consist mainly of software, the value of which represents acquisition cost increased by any type of outlay incurred during system implementation and reduced by accumulated depreciation and possible impairment. Significant subsequent expenditures are capitalised when they enhance software performance beyond initial specifications. The acquisition value and the accumulated depreciation of an asset are de-recognised after its disposal or when no further economic benefits are expected from its use. Any profit or loss resulting from the de-recognition of an asset is included in the income statement of the year in which the asset was de-recognised.

3. BASIC ACCOUNTING PRINCIPLES (continued)

(d) Tangible Assets: Tangible Assets are stated at historical cost less accumulated depreciation, if applicable, and any accumulated impairment losses. Repairs and maintenance are charged to expenses as incurred. Significant subsequent expenses are capitalized when increasing the fixed asset's useful life or its production capacity or when decreasing its operating cost. The acquisition value and the accumulated depreciation of an asset are de-recognised after its disposal or when no further economic benefits are expected from its use. An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

(e) Depreciation: Depreciation is calculated on a straight-line basis over the average estimated useful economic life of the assets and is included in the income statement. It is noted that plots are not amortised. The useful lives used are as follows:

Class	**Years**
Buildings	15- 40
Building improvements	15-20
Machinery and equipment	5 - 10
Means of transportation	5- 10
Furniture and fixtures	3- 8
Software	3-10
Rights	10

(f) Impairment of Assets: The carrying values of non-current assets are subject to impairment if events or changes in circumstance indicate that their carrying values are no longer recoverable. The loss from asset impairment is accounted for in the income statement for the year in which the net carrying value of the asset after depreciation exceeds its recoverable amount. Recoverable amount is determined as the greater of the net selling price and the value in use of the asset in question. Net selling price is the amount which can be obtained from the sale of an asset in an arms length transaction in which both parties are willing and knowledgeable after the deduction of any incremental disposal costs, while value in use is the present value of expected future cash flows which will result from the continuing use of the asset and from its disposal at the end of its estimated useful life. For the purposes of assessing impairment, assets are grouped at the lowest level for which there exist separately identifiable cash flows.

(g) Investments in subsidiaries:: Investments in subsidiaries are measured at cost less any accumulated impairment losses. In the company's financial statements the participation of its subsidiaries evaluated at cost value reduced by their value depreciation, when necessary.

(h) Inventories: Inventories are valued at the lower of acquisition cost and of net realizable value. The acquisition cost includes their purchase price plus any other costs necessary to bring them to the company's warehouses, and is determined for the main products (two-wheelers, marine products etc.) by the annual cost method, while for spare parts, accessories and other complementary products by the annual average weighted cost method. A provision for impairment of inventory value is formed using management estimates based on each situation and the possibility of using the products if this becomes necessary, keeping in mind that the company is obligated to maintain a safety stock of spare parts for the totality of models in circulation.

(i) Trade Accounts Receivable: Accounts receivable are presented at nominal value after provisions for doubtful balances. The level of the provision for doubtful receivables formed by Motodynamics and its subsidiaries at the end of each reporting period is determined on the basis of an estimate of the potential risk of non-collection of past due balances or receivables currently in litigation. The accumulated amount of the provision for doubtful receivables is reduced by the amount of receivables declared to be non-collectible. It is the Group's and Company's policy not to write off any receivable until all possible forms of legal recourse for collection have been exhausted.

(j) Financial Assets and Liabilities: Financial assets and liabilities on the balance sheet include cash and equivalents, other receivables and short and long term liabilities. The accounting policies applied to the recognition and valuation of these assets are mentioned in the respective accounting policies presented in this note. Interest, dividends, profits and losses resulting from financial assets and liabilities are accounted for as revenues of expenditures respectively. The distribution of dividends is accounted for directly in the net equity position. Motodynamics and subsidiaries do not use derivative financial products, either for risk hedging or for profit-making purposes. Usual risks in which theoretically the company is subject to,

3. BASIC ACCOUNTING PRINCIPLES (continued)

include market risks (market prices, interest rates, changes in foreign exchange rates), credit risk, and liquidity risk.

(k) Cash and Cash Equivalents: Fixed-term deposits and other highly liquid investments with a maturity less than three months are considered to be cash equivalent.

(l) Bank Loans: Bank loans and credits are initially recognised at cost, which reflects their fair value reduced by the loan arrangement expenses. After initial recognition, loans are valued at their unamortised cost based on the effective interest rate method. Unamortised costs include any type of loan or other credit issuance expenses.

(m) Borrowing Costs: All borrowing costs directly attributable to the acquisition, construction or production of an asset fulfilling the requirements, shall be capitalised. An asset fulfilling the requirements is an asset necessarily requiring a significant period of preparation for the use it is intended for or for its sale.

(n) Provision for Staff Leaving Indemnities: Staff retirement obligations are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end, based on the employees earning retirement benefit rights steadily throughout the working period. Retirement obligations are calculated on the basis of financial and actuarial assumptions detailed and are determined using the projected unit credit actuarial valuation method. Net pension costs for the period are included in payroll in the accompanying income statement and consist of the
present value of benefits earned in the year, interest cost on the benefit obligation, past service cost, actuarial profits or losses recognised in the fiscal year and any additional pension changes. Past service costs are recognized on a straight-line basis over the average period until the benefits under the plan become vested. Unrecognised actuarial profits or losses are recognised in equal installments during the average remaining employment period of active staff, and are included in net departure costs due to retirement for the reporting year in cases where at the beginning of the reporting year the accumulated balance exceeds 10% of the expected future obligations for benefits. The retirement benefit obligations are not funded. No provision for employees in foreign subsidiaries shall be calculated, since no vesting of such right exists by law.

(o) Participation share scheme: The Group applies a scheme for granting participation securities (shares) of the parent Company to key management personnel. The fair value of the services provided by employees to whom free shares are granted is recorded as expense. The total expense is recorded during the maturation period of such rights and is determined based on the reasonable value of the rights granted. On each balance sheet date, the Group re-examines its estimates on the number of options expected to be exercised and records the readjustment, if any, in the results with respective impact on equity.

(p) Income Tax (Current and Deferred): Current income tax in the consolidated financial statements is estimated on the basis of financial statements of every company that included in the consolidation, according to the Greek tax laws currently in force or laws in force in countries where subsidiaries operate. In the separate financial statements current income tax is estimated on the basis of the parent financial statements according to the Greek tax laws currently in force. The expenditure for income tax consists of income tax calculated on the basis of annual results as these are modified in the Company's tax statements, additional income taxes determined by tax audits conducted by the tax authorities and deferred income taxes on the basis of tax rates currently in use. Deferred income taxes are computed on the basis of the liability method for any temporary difference which results from the difference between the tax base of asset or liability, and their accounting value as this is presented in the financial statements. No deferred tax claim is accounted for where the expected tax benefit will probably not be realised in the near future. For transactions recognised directly in the Company's net equity position, any tax consequence is recognised in the net equity position. The calculation of deferred taxes is carried out using either enacted or substantively
enacted tax rates on the basis of which it is expected that tax claims or obligations will be settled.

Deferred tax liabilities are recognised for all taxable temporary differences unless:

- the deferred income tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination and at the moment of transaction does not affect the accounting profit or the taxable profit or loss, and
- there are taxable temporary differences in relation to investments in subsidiaries, associates and interests in

3. BASIC ACCOUNTING PRINCIPLES (continued)

joint ventures, where the timing of reversal of such temporary differences may be controlled and it is probable that temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and deferred tax assets and tax losses, to the extent that it is probable there will be available taxable profit which will be used against the deductible temporary differences and deferred unutilised tax assets and losses unless:

- the deferred tax asset from deductible temporary differences arises from the initial recognition of an asset or liability in a transaction other than a business combination and at the moment of transaction does not affect the accounting profit or the taxable profit or loss, and
- deductible temporary differences relating to investments in subsidiaries, associates and interests in joint ventures are recognised only where it is probable that the temporary differences will be reversed in the foreseeable future and there will be taxable profit available to be used against such deductible temporary differences.

(q) Provisions and Contingent Assets and Liabilities: Provisions are recognised when the Company has present legal or constructive obligations as a result of past events, whose settlement involves an outflow of funds and where the exact amount of any eventual liability can be credibly estimated. Provisions are re-examined at the date of preparation of every balance sheet and are modified so as to reflect the present value of the expense expected to be incurred to settle the obligation. In cases where there is a substantial time delay from the recognition of a provision to the expected time of settlement, provisions are discounted using a pretax discount rate.Contingent liabilities are not recognised in the financial statements but are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed if the inflow of economic benefits is probable.

(r) Earnings per Share: Basic earnings per share are computed by dividing net profits attributable to shareholders of the parent by the weighted average number of shares in circulation each year, subtracting the average number of shares repurchased as own shares. Diluted earnings per share are computed by dividing net profits attributable to shareholders of the parent restated by the impact of potential conversion on instruments convertible to shares, by the average number of shares mentioned above, restated by the impact of potential conversion of instruments convertible to shares.

(s) Revenue Recognition: Revenues are recognised to the degree that it is probable that economic benefits will flow and where revenue can be reliably measured. Revenues from the sale of goods after the deduction of any discounts and commissions are recognised when the buyer assumes the significant risks and benefits deriving from ownership of the goods in question. Intercompany sales between Group companies are written off. Revenues from the provision of services are recognised on the basis of the stage of completion of the services provided at the date of financial statement preparation, compared to the total services to be provided. Revenues from interest are recognised as revenues in the period to which they refer and revenues from dividends are recognised when the right to receive them has been approved by the respective bodies of the companies declaring the dividends.

(t) Segment Reporting: The Group operates mainly in the automobile, wholesale and retail markets for motorised two-wheelers and marine products (outboards, inflatable crafts etc.) which it considers as operating segments and for which it discloses the required information. Uniform accounting principles are followed for each of these operating segments. Due to the fact that sales, operating results and assets originating outside the territory of Greece represent less than 10% of the Company total, the respective analyses by geographical are not disclosed.

(u) Own shares: Own shares represent Company shares acquired and held by the Company. Own shares are presented at acquisition cost, as separate item, deducted from the equity. Any result occurring from the purchase, sale, or cancellation of own shares is directly recognised in equity

(v) Reallocation of funds: Certain items of the balance sheet and the income statement of the previous year have been reclassified in order to become comparable to those of the closing year.

(w) Operating Leases: Leases in which the lessor maintains substantially all benefits and risks emanating from the property ownership are classified as operating leases. Rent payments for operating leases are recorded as expenses in the results systematically during the lease.

3. BASIC ACCOUNTING PRINCIPLES (continued)

(x) De-recognition of Financial Assets and Liabilities:

(i) Financial assets: Financial assets (or, as the case may be, the part of a financial asset or the part of a financial asset group) are de-recognised when:

- The rights on the case resources' inflow have expired.

- The Company maintains the right on the inflow of cash resources from the specific asset but has also assumed a liability against third parties to fully reimburse them without unreasonable delay in the form of a transfer contract.

- The Company has transferred the right on the inflow of case resources from the specific asset, while, at the same time, it has either (a) transferred substantially all risks and benefits or (b) not transferred substantially all risks and benefits, but has transferred the control over the specific asset.

- In cases that the Company has transferred the rights on inflow of case resources from the specific asset but has not transferred substantially all risks and benefits from, or the control over, the specific asset, then such asset is recognised at the extent of the Company's continued participation in such asset. The continued participation that has the form of a guarantee on the asset transferred is assessed at the lower of the asset's initial balance and the maximum amount that the Company is called to pay. When the continued participation has the form of call and/or put option on the asset (including options settled by cash), the extent of the Company's continued involvement is the value of the asset transferred that the Company may repurchase, excluding the case of a put option on the asset that is assessed at fair value, where the continued participation of the Company is limited to the lower of the fair value of the asset transferred and the option exercise price.

(ii) Financial liabilities: Financial liabilities are de-recognised when the liability is cancelled or expires or no longer exists. If an existing liability is replaced by another of the same lender but under substantially different terms or if there are material changes in the terms of an existing liability, then the initial liability is de-recognised,
and a new liability is recognised and the difference that occurs in the balances is recognised in the results.

(y) Dividends: Dividends are accounted for as income, when the right to collect them is vested. The distribution of dividend is recognised as a liability when approved by the General Shareholders' Meeting.

- ***Determination of fair value***

Under the IFRS, the Group has the discretion to measure its assets or liabilities at their fair value. Fair value is a market-based measurement and does not relate to a specific entity. For certain assets and liabilities, there may be available observable market transactions or market information. For other assets and liabilities, there may not be available observable market transactions or market data or market information. The Group has no significant assets or liabilities measured at fair value.

4. HOLDINGS IN SUBSIDIARIES

The consolidated financial statements comprise the parent company's and the subsidiaries' financial statements, which are consolidated using the total consolidation method and are the following:

Subsidiary / Business	Year of establishment	%	Country
Motodiktyo S.A. Motorcycles, motorbikes, machinery, machines and any type of motor agency, import, trade, distribution, maintenance, repair and assembling.	2002	100%	Greece
Motodynamics Srl. Representation, exclusive distribution, re-export, logistics services and trading of Yamaha brand products in Romania	1994	100%	Romania
Motodynamics Ltd. Representation, exclusive distribution, re-export, logistics services and trading of Yamaha brand products in Bulgaria	1992	100%	Bulgaria

Up to 2011, the Company, jointly appraising international and local developments in conjunction with the accumulated losses of its subsidiaries Motodynamics Srl and Motodynamics Ltd, formed a provision amounting to € 1.820 thousand in total, by which it partially impaired its participating interest in the above subsidiaries, considering that the recovery of the corresponding amount is not forecasted to take place during ensuing years. Within December 2016, the Company reviewed the provision for the devaluation of its participating interests but no significant differences occurred. The formed provision pertains to subsidiary Motodynamics Ltd (Bulgaria) by € 1.120.000 and Motodynamics Srl (Romania) by € 700.000.

Participation of the parent company in subsidiaries included in the consolidated financial statements has as follows:

	31 December 2016	31 December 2015
Motodiktyo S.A.	1.578.156,52	1.578.156,52
Motodynamics Srl.	1.883.927,84	1.883.927,84
Motodynamics Ltd.	1.499.347,84	1.499.347,84
Provision for devaluation of participating interests	(1.820.000,00)	(1.820.000,00)
	3.141.432,20	**3.141.432,20**

5. TRANSACTIONS - BALANCES WITH SUBSIDIARIES

Transactions with subsidiaries

Transactions with subsidiaries (sales of merchandise and provision of services) are carried out within the Company's normal business operations. Outstanding balances at the end of the period are unsecured, interest free and settlement is made in cash within the term agreed between the said companies. On 31 December 2016, there were no guarantees or any other company's commitments to its subsidiaries. The Company's Management does not deem that a provision is required for potential failure to collect its receivables from its subsidiaries and, therefore, no provision has been formed.

The breakdown of transactions (sales of merchandises and provision of services) and Company balance with the above mentioned subsidiaries, in which it holds a participating interest, as well as the breakdown of transactions among the subsidiaries are presented below.

	COMPANY	
	31 December 2016	31 December 2015
Sale of goods and services		
Motodiktyo S.A.	4.892.101,39	4.490.272,97
Motodynamics Ltd.	769.258,94	1.158.426,45
Motodynamics Srl.	1.419.892,85	2.019.084,60
	7.081.253,18	**7.667.784,02**
Purchases of goods and services		
Motodiktyo S.A.	50.929,08	59.082,29
Motodynamics Ltd.	13.116,63	1.842,68
Motodynamics Srl.	54.527,86	11.897,31
	118.573,57	**72.822,28**
Receivables		
Motodiktyo S.A.	1.131.553,55	1.096.257,03
Motodynamics Ltd.	140.000,00	19.255,79
Motodynamics Srl.	171.014,04	175.500,48
	1.442.567,59	**1.291.013,30**
Liabilities		
Motodiktyo S.A.	1.500,00	1.500,00
Motodynamics Srl.	18.679,90	14.602,15
	20.179,90	**16.102,15**

5. TRANSACTIONS - BALANCES WITH SUBSIDIARIES (continued)

	Motodynamics Ltd.		Motodynamics Srl.	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Sale of goods and services				
Motodynamics Srl	30.929,00	13.400,00	-	-
Motodynamics Ltd.	-	-	-	137.907,39
	30.929,00	**13.400,00**	**-**	**137.907,39**
Purchases of goods and services				
Motodynamics Srl	-	137.907,39	-	-
Motodynamics Ltd.	-	-	30.929,00	13.400,00
	-	**137.907,39**	**30.929,00**	**13.400,00**

Compensation of key management personnel of the Company and the Group:

Compensation of key management personnel of the Company and the Group for the year ended 31 December 2016 and 2015, were as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Benefits to key management personnel of the Company and the Group				
Compensation of key management personnel	1.524.501,82	1.471.135,06	1.524.501,82	1.471.135,06
Key management personnel receivables	-	-	-	-
Liabilities to key management personnel	1.113.201,60	947.654,80	1.113.201,60	947.654,80

6. SALES

Sales presented in the accompanying financial statements are broken down as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Motorised Two-Wheelers	20.276.860,77	19.281.350,02	19.828.368,63	18.620.434,01
Marine products	5.519.061,12	5.021.586,14	5.480.897,07	5.049.369,53
Spare parts	8.738.950,22	7.862.383,12	7.711.559,35	6.899.740,35
Cars	9.459.409,27	8.719.946,79	9.599.409,27	8.711.180,04
Car parts	2.706.448,38	2.066.707,51	2.706.448,38	2.066.707,51
Garage services	504.738,82	514.133,58	504.738,82	514.133,58
Accessories	1.441.660,52	1.106.256,02	1.201.833,98	960.410,39
Lubricants	1.020.026,02	886.650,36	790.540,22	732.321,74
Tyres	181.527,27	230.505,40	180.412,16	228.701,59
Other	31.729,36	48.355,39	-	25.353,86
YAMAHA garage services	211.225,10	137.786,74	-	-
Total Sales	**50.091.636,85**	**45.875.661,07**	**48.004.207,88**	**43.808.352,60**

7. ADMINISTRATIVE EXPENSES

Administrative expenses presented in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Staff remunerations and expenses (note14)	1.234.349,64	1.192.249,61	1.160.758,78	1.128.500,58
Rents (note 32)	358.587,86	356.610,28	347.885,58	346.040,95
Depreciation of fixed assets (note15)	589.753,14	541.487,17	567.945,85	535.922,77
Remuneration to third parties	502.710,29	459.028,15	470.239,47	429.482,68
Utilities	30.178,32	30.191,42	29.576,62	29.399,34
Third parties fees	217.425,27	209.972,41	207.932,23	206.726,76
Provisions	286.811,78	254.047,11	286.811,78	254.047,11
Other	77.985,00	69.045,16	66.836,99	62.555,01
Total administrative expenses	**3.297.801,30**	**3.112.631,31**	**3.137.987,30**	**2.992.675,20**

8. SALES AND DISTRIBUTION EXPENSES

Sales and distribution expenses in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Staff remunerations and expenses (note14)	2.537.597,22	2.362.387,79	1.802.792,93	1.673.827,83
Advertising and Promotion Expenses	1.068.643,65	1.063.080,61	1.048.512,74	1.064.209,93
Rents (note 32)	515.644,16	492.464,11	346.123,59	323.540,14
Third parties fees	409.983,07	377.208,70	308.068,44	280.475,75
Provisions	44.275,49	21.202,44	39.181,06	16.960,49
Transportation expenses	294.956,37	186.243,96	276.011,12	171.880,84
Travel expenses	164.187,71	131.724,75	161.031,38	128.967,13
Depreciation of fixed assets (note15)	288.459,99	305.033,46	236.174,43	254.408,05
Remuneration to third parties	151.178,23	137.935,99	119.299,88	114.894,21
Exhibition and Demonstration Expenses	161.276,12	112.368,41	157.720,73	112.368,41
Other	402.784,86	359.693,06	347.369,62	298.678,01
Total distribution expenses	**6.038.986,87**	**5.549.343,28**	**4.842.285,92**	**4.440.210,79**

To facilitate comparability, the company proceeded with the reallocation of funds for 2015 between distribution expenses and costs of sales (analysis in note 33).

9. OTHER INCOME

Other revenues presented in the attached financial statements are analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Supplier participation in promotions		62.649,60	-	62.649,60
Income from guarantees	448.488,19	484.697,62	477.904,64	505.145,45
Reimbursed shipping expenses	196.520,24	160.308,55	227.161,40	189.159,11
Income from commissions	9.985,11	7.928,58	3.489,04	2.032,62
Income from sales of assets	38.407,97	14.670,57	36.537,77	13.591,85
Income from insurance firms	1.822,06	-	-	-
Income from prior period provisions	20.704,16	45.986,50	20.704,16	32.765,58
Income from provisions for bad debts	22.406,24	65.518,39	22.406,24	65.518,39
Prior period income	93,59	2.187,53	-	1.521,53
Other	21.431,12	1.899,57	25.229,30	23.736,09
Total other income	**759.858,68**	**845.846,91**	**813.432,55**	**896.120,22**

10. OTHER EXPENSES

Other expenses presented in the financial statements are broken down as follows:

	GROUP		COMPANY	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Fines and increments	2.850,94	1.646,68	1.529,42	112,13
Losses from sales of assets	41.607,88	27.079,70	41.607,88	27.079,70
Past years expenses	29.328,49	19.507,25	29.148,29	4.354,82
Other	9.681,75	11.262,91	2.510,94	4.462,91
Total other expenses	**83.469,06**	**59.496,54**	**74.796,53**	**36.009,56**

11. FINANCIAL INCOME

Financial income presented in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Credit interest	109.047,59	137.979,36	108.489,34	137.132,37
Foreign exchange gain	22.793,77	46.649,52	5.480,24	1.709,61
	131.841,36	**184.628,88**	**113.969,58**	**138.841,98**

12. FINANCIAL EXPENSES

Financial expenses presented in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Debit interest	439.740,76	451.658,16	427.524,83	436.873,97
Commissions and Bank expenses	70.619,21	71.061,82	44.442,37	46.025,24
Foreign exchange loses	19.191,36	61.475,16	1.491,55	2.437,98
	529.551,32	**584.195,14**	**473.458,75**	**485.337,19**

13. INCOME TAX (CURRENT AND DEFERRED)

Income tax in the income statement is analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Current income tax	21.025,01	-	-	-
Deferred income tax	(39.863,32)	(9.555,19)	14.468,10	(17.019,76)
	(18.838,31)	**(9.555,19)**	**14.468,10**	**(17.019,76)**

The income tax rate for the parent company is 29%, in accordance with Law 4334/2015 and is effective as from 21/07/2015. Tax returns are filed annually but tax profits or losses remain provisional until the company undergoes a tax audit and a fiscal tax assessment is issued. Tax losses, to the extent they are accepted by the tax authorities, can be offset against future profits for a five-year period as of the year in which they arose.
The following table shows the unaudited fiscal years for all the companies in the Group:

Company	Unaudited Periods
Motodynamics S.A.	2010, 2011 and 2016
Motodiktyo S.A.	2016
Motodynamics Ltd. (Bulgaria)	2008 up to 2016 inclusive
Motodynamics Srl. (Romania)	2010 up to 2016 inclusive

A special tax audit has been carried out on the parent company, Motodynamics S.A., as well as on its subsidiary, Motodiktyo S.A., for the fiscal years 2012 up to 2015 inclusive, pursuant to Article 82 of Law 2238/94 for the fiscal year 2012 and pursuant to Article 65A of Law 4174/2013 for the fiscal years 2013 up to 2015 inclusive, and relevant tax certificates have been issued resulting in a conclusion with any reservations being expressed by the legal auditors.

For the unaudited tax periods it is not possible to make a reliable assessment of the additional taxes and penalties that maybe charged and that is because taxes and fines are depend on the significance of findings by the tax authorities. For that reason,
the company has made a provision of € 45.000,00 shown in Accrued and other current liabilities for additional taxes and penalties to account for unaudited tax years, on the basis of tax assessments of previous years. An analysis and reconciliation of the nominal tax amount derived from the application of the nominal rate to earnings before taxes with the actual tax that arose is shown below:

	GROUP	
	31 December 2016	31 December 2015
Profit before tax	924.196,68	376.603,10
Income tax (based on prevailing tax rate)	268.017,04	109.214,90
Loss of the parent for which no deferred assets were recognised	-	-
Income tax from tax audits	-	-
Losses suffered by subsidiaries in which no deferred assets were recognised	-	10.240,81
Deferred tax	(306.763,37)	(113.776,77)
Differences attributed to deferred tax rate	-	(87.402,54)
Tax rate differences between parent and subsidiaries	(28.727,20)	(17.676,89)
Non-tax deductible Expenses		
- Provision for doubtful receivables	-	-
- Accounting differences	48.635,22	89.214,53
- Others	-	630,78
	(18.838,31)	(9.555,19)
- Provision for unaudited tax years	-	-
Income Tax Provision	**(18.838,31)**	**(9.555,19)**

13. INCOME TAX (CURRENT AND DEFERRED) (continued)

	COMPANY	
	31 December 2016	**31 December 2015**
Profit before tax	698.551,01	303.473,79
Income tax (based on prevailing tax rate)	202.579,79	88.007,40
Loss of the parent for which no deferred assets were recognised	-	-
Deferred tax	(236.746,91)	(113.776,77)
Differences attributed to deferred tax rate	-	(87.402,54)
Non-tax deductible Expenses		
- Provision for devaluation of participating interests	-	-
- Accounting differences	48.635,22	89.214,53
- Others	-	6.937,63
	14.468,10	(17.019,76)
Income Tax Provision	**14.468,10**	**(17.019,76)**

Deferred income taxes are calculated on the basis of all temporary tax differences based on the tax rates expected to be in force during the years in which an asset will be recovered or a liability will be settled and based on tax rates (and tax laws) that are applicable at the balance sheet date. The income tax rate for 2016, as applicable to the Greek companies of the Group, is 29%.

The Company has used the applicable rates as the case may be depending on when temporary differences are to be settled. Movement in the deferred income tax account is as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Beginning Balance	980.693,03	971.137,84	774.508,46	757.488,70
Credit to income	39.863,32	9.555,19	(14.468,10)	17.019,76
Ending Balance	**1.020.556,35**	**980.693,03**	**760.040,36**	**774.508,46**

13. INCOME TAX (CURRENT AND DEFERRED) (continued)

Deferred income tax assets and liabilities are as follows :

	GROUP			
	Balance sheet		Income statement	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Deferred tax assets				
- Write-off of intangibles	67.554,87	67.027,90	526,97	(135,11)
- Inventories	232.337,76	186.552,40	45.785,36	40.333,79
- Tax losses	485.025,80	676.463,88	(191.438,07)	(110.454,23)
- Provision for staff retirement indemnities	188.573,75	111.690,14	76.883,60	8.384,79
- Board of Directors' Fees	203.000,00	156.620,88	46.379,12	80.556,84
- Other provisions	87.422,24	56.781,21	30.641,03	35.564,04
- Provision for doubtful receivables	55.552,69	44.690,50	10.862,19	4.623,15
Gross Deferred Income Tax Assets	**1.319.467,11**	**1.299.826,90**	**19.640,21**	**58.873,27**
Deferred tax liabilities				
- Depreciation for tangible fixed assets	(62.341,79)	(58.322,19)	(4.019,60)	(9.014,83)
- Depreciation for intangible fixed assets	(236.568,97)	(260.811,68)	24.242,72	(40.303,24)
Gross Deferred Income Tax Liabilities	**(298.910,76)**	**(319.133,87)**	**20.223,12**	**(49.318,08)**
Net Deferred Income Tax Assets	**1.020.556,35**	**980.693,03**		
Credit/Debit to results			**39.863,32**	**9.555,19**

	COMPANY			
	Balance sheet		Income statement	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Deferred tax assets				
- Write-off of intangibles	64.439,02	64.439,02	-	6.666,11
- Provision for:				
- slow moving inventories	130.250,31	112.550,16	17.700,15	40.967,74
- staff retirement indemnities	188.573,75	111.690,14	76.883,60	8.384,79
- Board of Directors' Fees	203.000,00	156.620,88	46.379,12	80.556,84
- Other provisions	74.662,24	47.736,54	26.925,70	26.519,37
Tax losses	398.025,80	600.605,59	(202.579,79)	(96.757,02)
Gross Deferred Income Tax Assets	**1.058.951,11**	**1.093.642,33**	**(34.691,22)**	**66.337,83**
Deferred tax liabilities				
- Depreciation for tangible fixed assets	(62.341,79)	(58.322,19)	(4.019,60)	(9.014,83)
- Depreciation for intangible fixed	(236.568,97)	(260.811,68)	24.242,72	(40.303,24)
Gross Deferred Income Tax Liabilities	**(298.910,76)**	**(319.133,87)**	**20.223,12**	**(49.318,07)**
Net Deferred Income Tax Assets	**760.040,36**	**774.508,46**		
Credit/Debit to results			**(14.468,10)**	**17.019,76**

The Group estimates that in the next financial periods there will be taxable profits both for the parent and its subsidiaries, which will offset part of the tax losses established to date.

14. PAYROLL COST

Payroll cost presented in the accompanying finances statements is analyzed as follows :

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**01 December 2015**
Payroll cost included in:				
- Administrative expenses (note 7)	1.234.349,64	1.192.249,61	1.160.758,78	1.128.500,58
- Sales & Distribution expenses (note 8)	2.357.597,22	2.362.387,79	1.802.792,93	1.673.827,83
	3.591.946,86	**3.554.637,40**	**2.963.551,71**	**2.802.328,41**

All payroll costs incurred in 2016 and 2015 have been charged to income in these respective years.

15. DEPRECIATION

Depreciation presented in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Depreciation included in :				
- Administrative expenses (note 7)	589.753,14	541.487,17	567.945,85	535.922,77
- Sales & Distribution expenses (note 8)	288.459,99	305.033,46	236.174,43	254.408,05
	878.213,13	**846.520,63**	**804.120,28**	**790.330,82**

The above depreciation charges refer to the following asset categories:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Depreciation				
- of tangible assets (note 17)	717.818,48	695.190,58	644.955,63	640.086,41
- intangible assets (note 18)	160.394,65	151.330,05	159.164,65	150.244,41
	878.213,13	**846.520,63**	**804.120,28**	**790.330,82**

All depreciation charged in 2016 and 2015 has been included in the financial statements for the respective years.

16. EARNINGS/(LOSSES) PER SHARE

Basic earnings/losses per share were calculated by dividing the net earnings attributable to the parent company's shareholders by the weighted average number of trading shares during the year, except for the average of ordinary shares acquired as own shares. Diluted earnings/losses per share were calculated by dividing the net earnings/losses attributable to the parent company's shareholders by the weighted average number of trading shares as above, adapted to the effect of the possible allocation of free shares, except for the average of ordinary shares acquired as own shares.

16. EARNINGS/LOSSES PER SHARE (continued)

	GROUP		COMPANY	
	1.1 – 31.12.2016	**1.1 – 31.12.2015**	**1.1 – 31.12.2016**	**1.1 – 31.12.2015**
Earnings/ (Losses) used for the calculation of basic / diluted earnings per share	**912.142,51**	**413.301,83**	**659.731,24**	**349.977,75**
Shares' weighted average				
Total Shares	11.700.000	11.700.000	11.700.000	11.700.000
Less: Weighted average of own share purchase	-	65.134	-	65.134
Basic weighted average of shares	**11.700.000**	**11.634.866**	**11.700.000**	**11.634.866**
Total Shares	11.700.000	11.700.000	11.700.000	11.700.000
Less: Weighted average of own share purchase	-	65.134	-	65.134
Plus: Weighted average of reserves for allocation of free shares to directors	-	300.000	-	300.000
Diluted	**11.700.000**	**11.934.866**	**11.700.000**	**11.934.866**
Earnings per share (in Euro):				
Basic	0,0780	0,0355	0,0564	0,0301
Diluted	0,0780	0,0346	0,0564	0,0293

17. TANGIBLE FIXED ASSETS

The tangible fixed assets presented in the accompanying financial statements are analyzed as follows:

	Land	Buildings	Machinery	Transport Means	Furniture & Fixtures	Total
Value at Acquisition						
01 January 2015	**401.047,37**	**3.158.123,65**	**703.681,44**	**2.256.963,66**	**4.279.264,52**	**10.799.080,64**
Additions	-	-	12.973,77	830.041,60	63.273,42	**906.288,79**
Foreign exchange differences	-	-	(93,07)	(656,06)	(1.910,48)	**(2.659,61)**
Sales	-	-	(5.947,20)	(451.862,25)	-	**(457.809,45)**
Disposals-Items Written off	-	-	-	(15.100,00)	-	**(15.100,00)**
31 December 2015	**401.047,37**	**3.158.123,65**	**710.614,94**	**2.619.386,95**	**4.340.627,46**	**11.229.800,37**
Additions	-	15.776,74	27.002,47	1.308.970,54	90.130,60	**1.441.880,35**
Foreign exchange differences	-	-	(45,27)	(235,50)	(724,04)	**(1.004,81)**
Sales	-	-	-	(913.409,29)	(2.327,90)	**(915.737,99)**
Disposals-Items Written off	-	-	-	-	(4.537,41)	**(4.537,41)**
31 December 2016	**-**	**3.173.900,39**	**737.571,34**	**3.014.712,70**	**3.616.940,00**	**11.750.400,50**
Accumulated Depreciation						
01 January 2015	**-**	**1.435.112,57**	**448.784,59**	**858.250,98**	**3.415.476,60**	**6.157.624,74**
Depreciation for the year (note 15)	-	174.346,80	79.290,99	237.982,01	203.570,78	**695.190,58**
Disposals-Items Written off	-	-	-	(15.099,98)	-	**(15.099,98)**
Foreign exchange differences	-	-	(45,27)	(661,92)	(2.107,38)	**(2.859,98)**
Sales	-	-	-	(134.422,48)	-	**(134.571,18)**
31 December 2015	**-**	**1.609.459,37**	**527.839,20**	**946.048,61**	**3.616.940,00**	**6.700.284,18**
Depreciation for the year (note 15)	-	174.106,76	74.674,23	309.700,10	159.337,39	**717.818,48**
Disposals-Items Written off	-	-	-	74,05	4.537,41	**4.611,46**
Foreign exchange differences	-	-	(40,78)	(240,40)	(453,65)	**(734,83)**
Sales	-	-	-	(199.069,51)	378,02	**(199.447,53)**
31 December 2016	**-**	**1.783.566,13**	**602.469,65**	**1.056.364,75**	**3.770.908,31**	**7.213.308,84**
Net Book Value						
31 December 2014	**401.047,37**	**1.723.011,08**	**254.896,85**	**1.398.712,68**	**863.787,92**	**4.641.455,90**
31 December 2015	**401.047,37**	**1.548.664,28**	**182.778,74**	**1.673.338,34**	**723.687,46**	**4.529.516,19**
31 December 2016	**401.047,37**	**1.390.334,26**	**135.101,69**	**1.958.347,95**	**652.260,40**	**4.537.091,67**

17. TANGIBLE FIXED ASSETS (continued)

The tangible fixed assets presented in the accompanying financial statements are analyzed as follows:

	Land	Buildings	Machinery	Transport Means	Furniture & Fixtures	Total
Value at Acquisition						
01 January 2015	**401.047,37**	**2.643.709,61**	**620.388,51**	**2.124.631,12**	**3.317.773,91**	**9.107.550,52**
Additions	-	-	9.403,35	830.041,60	43.903,54	**883.348,49**
Sales	-	-	(5.947,20)	(444.621,38)	-	**(450.568,58)**
Disposals-Items Written off	-	-	-	(15.100,00)	-	**(15.100,00)**
31 December 2015	**401.047,37**	**2.643.709,61**	**623.844,66**	**2.494.951,34**	**3.361.677,45**	**9.525.230,43**
Additions	-	15.776,74	27.002,47	1.035.263,24	66.932,29	**1.144.974,74**
Sales	-	-	(0,80)	(910.412,73)	(2.327,90)	**(912.741,43)**
31 December 2016	**401.047,37**	**2.659.486,35**	**650.846,33**	**2.619.801,85**	**3.426.281,84**	**9.757.463,74**
Accumulated Depreciation						
01 January 2015	**-**	**992.278,11**	**371.087,81**	**802.781,02**	**2.462.908,28**	**4.629.055,22**
Depreciation for the year (note 15)	-	158.846,28	75.816,21	218.882,54	186.541,38	**640.086,41**
Sales	-	-	(148,70)	(131.503,05)	-	**(131.651,75)**
Disposals-Items Written off	-	-	-	(15.099,98)	-	**(15.099,98)**
31 December 2015	**-**	**1.151.124,39**	**446.755,32**	**875.060,53**	**2.649.449,66**	**5.122.389,90**
Depreciation for the year (note 15)	-	159.142,02	73.207,07	268.334,15	144.272,39	**644.955,63**
Sales	-	-	-	(196.015,70)	(378,02)	**(196.393,72)**
31 December 2016	**-**	**1.310.266,41**	**519.962,39**	**947.378,98**	**2.793.344,03**	**5.570.951,81**
Net Book Value						
31 December 2014	**401.047,37**	**1.651.431,50**	**249.300,70**	**1.321.850,10**	**854.865,63**	**4.478.495,30**
31 December 2015	**401.047,37**	**1.492.585,22**	**177.089,34**	**1.619.890,81**	**712.227,79**	**4.402.840,53**
31 December 2016	**401.047,37**	**1.349.219,94**	**130.883,94**	**1.672.422,87**	**632.937,81**	**4.186.511,93**

No liens or other commitments burden the Group and Company fixed assets.

18. INTANGIBLE ASSETS

Intangible assets include the software programmes and rights presented in the accompanying financial statements is analyzed as follows:

	GROUP			COMPANY		
	Software	**Rights**	**Total**	**Software**	**Rights**	**Total**
Value at Acquisition						
01 January 2015	**1.394.284,44**	**830.000,00**	**2.224.284,44**	**1.261.356,55**	**830.000,00**	**2.091.356,55**
Additions	54.478,29	-	**54.478,29**	54.478,29	-	**54.478,29**
Foreign exchange differences	(253,65)	-	**(253,65)**	-	-	**-**
31 December 2015	**1.448.509,08**	**830.000,00**	**2.278.509,08**	**1.315.834,84**	**830.000,00**	**2.145.834,84**
Depreciation for the year (note 15)	90.816,37	-	**90.816,37**	89.736,37	-	**89.736,37**
Foreign exchange differences	(91,21)	-	**(91,21)**	-	-	**-**
31 December 2015	**1.539.234,24**	**830.000,00**	**2.369.234,24**	**1.405.571,21**	**830.000,00**	**2.235.571,21**
Accumulated Depreciation						
01 January 2015	**1.028.362,59**	**302.995,48**	**1.331.358,07**	**899.295,61**	**302.995,48**	**1.202.291,09**
Depreciation for the year (note 15)	68.330,25	82.999,80	**151.330,05**	67.244,61	82.999,80	**150.244,41**
Foreign exchange differences	(253,65)	-	**(253,65)**	-	-	**-**
31 December 2015	**1.096.439,19**	**385.995,28**	**1.482.434,47**	**966.540,22**	**385.995,28**	**1.352.535,50**
Depreciation for the year (note 15)	77.394,85	82.999,80	**160.394,65**	76.164,85	82.999,80	**159.164,665**
Foreign exchange differences	(91,21)	-	**(91,21)**	-	-	**-**
31 December 2016	**1.173.742,83**	**468.995,08**	**1.642.737,91**	**1.042.705,07**	**468.995,08**	**1.511.700,15**
Net Book Value						
31 December 2014	**365.921,85**	**527.004,52**	**892.926,37**	**362.060,94**	**527.004,52**	**889.065,46**
31 December 2015	**352.069,89**	**444.004,72**	**796.074,61**	**349.294,62**	**444.004,72**	**793.299,34**
31 December 2016	**365.491,41**	**361.004,92**	**726.496,33**	**362.866,14**	**361.004,92**	**723.871,06**

19. INVENTORIES

The inventories presented in the attached financial statements are analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Cars	478.406,79	148.603,80	338.016,79	148.603,80
Car parts	359.703,07	347.030,82	359.703,07	347.030,82
Two – Wheelers	5.433.604,84	2.732.769,79	4.671.888,24	2.250.110,11
Marine products	1.316.231,62	1.272.085,09	1.173.481,87	1.115.766,55
YAMAHA parts	1.239.393,13	1.219.396,66	646.610,53	635.792,08
Accessories	685.099,11	616.144,00	403.636,19	375.738,63
Lubricants	105.059,73	100.541,18	82.719,73	77.899,75
Tyres	45.900,67	53.494,53	44.736,80	52.326,60
Other	45.180,51	168.832,04	-	120.651,66
Total	**9.708.579,47**	**6.658.897,91**	**7.720.793,22**	**5.123.920,00**
Provision for slow moving inventory	(637.271,00)	(569.886,00)	(449.139,00)	(388.104,00)
	9.071.308,47	**6.089.011,91**	**7.271.654,22**	**4.735.816,00**
Non custom clearance inventories	3.426.272,82	3.340.101,74	3.426.272,82	3.340.101,74
Goods in transit	1.140.125,84	1.235.947,13	1.140.125,84	1.235.947,13
Total Inventories	**13.496.018,55**	**10.665.060,78**	**11.838.052,88**	**9.311.864,87**

No liens exist on the Group and Company inventories.
The provision for impairment of inventories' value refers mostly to the spare parts and is formed whenever the management considers it appropriate, considering the safety stock for spare parts which the company is obligated to maintain for the total amount of products in circulation. The provision's movement is as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Beginning Balance	**(569.886,00)**	**(457.099,00)**	**(388.104,00)**	**(275.317,00)**
Additional provision	(67.385,00)	(112.787,00)	(61.035,00)	(112.787,00)
Ending Balance	**(637.271,00)**	**(569.886,00)**	**(449.139,00)**	**(388.104,00)**

20. TRADE RECEIVABLES

Trade receivables presented in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Open accounts	1.777.385,00	1.739.089,51	1.542.853,16	1.401.037,63
Cheques receivable:				
- in portfolio	599.123,80	1.000.467,11	598.510,11	949.865,84
- past due	308.306,39	324.452,11	167.440,68	183.586,40
Notes receivable:				
- past due	456.513,02	456.513,02	456.513,02	456.513,02
Doubtful accounts	14.078,74	14.125,42	-	-
	3.155.406,95	**3.534.647,17**	**2.765.316,97**	**2.991.002,89**
Less provisions for doubtful accounts	(500.675,22)	(509.379,79)	(275.321,89)	(283.979,78)
Trade balance	**2.654.731,73**	**3.025.267,38**	**2.489.995,08**	**2.707.023,11**

20. TRADE RECEIVABLES (continued)

Provision for doubtful accounts is made for specific client accounts which the management considers doubtful as to collection. The credit policy for collecting receivables ranges between 60-115 days and based on that the following balance maturation table has been drawn. There are no liens on receivables. This provision presented the following movement during the year:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Beginning Balance	**(509.379,79)**	**(569.338,34)**	**(283.979,78)**	**(343.808,51)**
Additional provision	(529,68)	59.323,14	226,53	59.323,14
Change of exchange rate	46,68	129,82	-	-
Receivable write – offs	9.187,57	505,59	8.431,36	505,59
Ending Balance	**(500.675,22)**	**(509.379,79)**	**(275.321,89)**	**(283.979,78)**

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Current receivables	1.620.926,92	2.123.975,75	1.456.190,27	1.805.731,48
Overdue :				
up to 30 days	211.784,67	186.375,98	211.784,67	186.375,98
31 – 90 days	95.395,85	43.689,76	95.395,82	43.689,76
91 – 180 days	47.713,52	19.766,89	47.713,52	19.766,89
more that 180 days	1.179.586,02	1.160.838,79	954.232,69	935.438,78
Total	**3.155.406,95**	**3.534.647,17**	**2.765.316,97**	**2.991.002,89**
Provision for doubtful clients	**(500.675,22)**	**(509.379,79)**	**(275.321,89)**	**(283.979,78)**
Total trade receivables	**2.654.731,73**	**3.025.267,38**	**2.489.995,08**	**2.707.023,11**

21. OTHER RECEIVABLES

Other receivables presented in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Advances and credits	31.086,43	27.882,17	11.134,25	11.633,75
Advances to suppliers	57.640,93	86.321,24	57.640,93	86.321,24
Greek State	29.607,65	19.456,70	29.607,65	19.456,70
Employee loans	11.486,26	23.751,96	11.486,26	23.751,96
Future years' expenses	186.405,14	181.903,32	170.385,74	173.405,60
Deferred long-term receivables (note 32)	152.763,77	122.500,00	152.763,77	122.500,00
Accrued income	36.768,04	28.460,38	36.768,04	28.460,38
Total other receivables	**505.758,22**	**490.275,77**	**469.786,64**	**465.529,63**

22. CASH & CASH EQUIVALENTS

Cash and cash equivalents presented in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Cash	15.839,04	14.809,20	6.174,40	5.811,39
Sight Deposits	196.096,30	349.382,61	34.850,39	24.143,98
Total	**211.935,34**	**364.191,81**	**41.024,79**	**29.955,37**

The interest rates of the aforementioned deposits range between 0,4% and 0,9% (floating rate). The following table analyzes cash and cash equivalents by currency (denominated in Euro):

22. CASH & CASH EQUIVALENTS (continued)

	GROUP		COMPANY	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Cash & cash equivalents in:				
- EURO	83.446,02	54.391,95	41.024,79	29.955,37
- Bulgarian Leva (BNG)	57.362,20	87.062,31	-	-
- Romanian Leu (RON)	71.127,12	222.737,55	-	-
Total	**211.935,34**	**364.191,81**	**41.024,79**	**29.955,37**

23. ALLOCATION OF BONUS SHARES TO DIRECTORS

The Ordinary General Meeting of Shareholders of 17 May 2011, in the framework of the approval of contracts under Article 23^{a} § 2 of Codified Law 2190/20, approved the granting of 300.000 company shares to the Managing Director and CEO, within the next three years, namely 100.000 shares for the years 2011-2013, amending the prior decision of the General Meeting of 2008 for the payment of 50.000 shares, in the framework of approval of the new contract. Also, the ordinary General Meeting of shareholders of June 26th 2012 approved the same share vesting program for years 2014 through 2016.

The fair value of the shares of the decisions, was calculated according to share capitalization on the contract's approval date by the Ordinary General Meeting.

The Ordinary General Meeting of June 26th 2012 decided, by virtue of the relevant decision of the General Meeting of May 17th 2011, to increase the share capital by €118.000,00 (one hundred and eighteen thousand Euro) with the issue of 200.000 common registered shares with a nominal value of €0,59 each, in order for it to be given to the Managing Director of the Company.
On 19/12/2016, the Company's Board of Directors decided, in accordance with the Ordinary General Meeting of 2012, to pay a cash equivalent to the Managing Director's pension plan for the years 2012 to 2016 instead of granting 100.000 shares per year.

24. SHARE CAPITAL

On December 31st 2009, 2008, 2007, 2006 and 2005, the share capital of the parent company amounted to €3.026.700,00, comprising 5.130.000 ordinary nominal shares of €0,59 nominal value each.

By decision of the extraordinary General Meeting dated October 26th, 2010, the following were determined:

That 130.000 treasury shares acquired in the context of the treasury share acquisition plan decided upon by the Ordinary General Shareholders' Meeting decision dated 23.04.2010, in conjunction with the General Meeting decision dated 30.05.2008, would be cancelled, resulting in the decrease of the Company's share capital (paid-up) by the amount €76.700, corresponding to the nominal value of 130.000 cancelled equity shares of the Company. The amount of € 169.234 that occurs from the difference between the average acquisition value and the nominal value of such shares shall decrease the "Share Premium" account.

That the Company's share capital would be increased by €3.835.000 by cash payment and issue of 6.500.000 new common registered shares, of nominal value of €0,59 each, with pre-emptive rights in favour of the old shareholders, at a selling price of €0,60 per share. Athens Stock Exchange approved the admission of the Company's new shares for trading on 31/12/2010 and their trading commenced on 07/01/2011.

Finally, the Company's share capital stood, on December 31st, 2010, as well as December 31st 2011 at €6.785.000,00, consisting of 11.500.000 common registered shares, each of €0,59 nominal value.

The Ordinary General Meeting of June 26th 2012, decided on the increase of the company's share capital, by the amount of €118.000 (one hundred and eighteen thousand Euro) with the issue of 200.000 common registered shares, each of a nominal value of €0,59. The amount of this increase originates from the capitalisation of non-distributed profits.

After this increase, the company's share capital, on 31st December 2015, amounts to €6.903.000, consisting of 11.700.000 common registered shares, each of nominal value €0,59.

According to the decision of the Company's Ordinary General Shareholders' Meeting of 30 May 2008 and its extension, according to the Ordinary General Meetings of 23 April 2010, 17 May 2011, 26 June 2012, 29 May 2013 and 05 June 2015, the Company proceeded, until 31 December 2015, to the purchase of 65.134 Treasury Shares amounting to € 23.653,33.

At its meeting on 17/10/2016 the company's Board of Directors decided to allocate the company's own shares to its personnel. The allocation price was set at € 0,35 per share. The total allocation value was € 22.796,90.

25. RESERVES

The reserves presented in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Ordinary Reserve	1.015.751,62	1.015.751,62	1.011.293,53	1.011.293,53
Special Reserve	15.568,80	15.568,80	15.568,80	15.568,80
Tax free reserves under special law	3.439,68	3.439,68	3.439,68	3.439,68
Reserves for allocation of free shares to directors (note 23)	160.727,43	253.527,43	160.727,43	253.527,43
Treasury Share Purchase (note 24)	-	(23.653,33)	-	(23.653,33)
	1.195.487,53	**1.264.634,20**	**1.191.029,44**	**1.260.176,11**

According to Greek commercial law, companies are obliged to set up a legal reserve for 5% of their annual net profits until this reserve reaches one third of their paid-in capital. Any distribution from the ordinary reserve is prohibited during the Company's life. For the year ended 31st December 2015, the parent has not formed additional ordinary reserves due to prior year losses.

Tax-free reserves under special laws refer to profits which exempted from taxation on the basis of special laws (on the assumption that sufficient profits for their formation exists). These reserves relate to investments and are not subject to distribution. In case of their distribution, income tax is paid for the distributed amounts based on the tax rates being in force. As provided for in IAS 12 «Income Taxes», no deferred tax liability has been recognised for the above reserves.

The special reserve of € 15.568,80 formed in the year 2009 corresponds to dividend on treasury shares held by the company on the date of the ordinary General Meeting which was not distributed due to technical problems.

26. DIVIDENDS

Pursuant to Greek law provisions, the companies are obliged to allocate on an annual basis dividends corresponding to at least 35% of profits after taxes, after having formed the statutory reserve pursuant to law. Non-payment of dividends has to be approved by all of the Company's shareholders.

In foreign subsidiaries, any profits are distributed according to the laws in force in each country.

At the suggestion of the Board of Directors, the Ordinary General Meeting of 30 May 2016 decided not to distribute dividends for the fiscal year 2015.

The parent company's Board of Directors decided, on approval of the accompanying financial statements of 3rd April 2017, to not distribute dividend for the year 2016.

27. PROVISION FOR STAFF RETIREMENT INDEMNITIES

On 31 December 2016 and 2015, the established provision for staff retirement indemnities refers to parent company and its Greek subsidiaries. In accordance with Greek labour law, employees are entitled to indemnities for dismissal or for retirement, the amount of which varies according to salary, years of service and the manner
of separation (retirement or dismissal). Employees who resign or are dismissed with proper justification are not entitled to an indemnity. Indemnity payable in case of retirements amounts to 40% of the indemnity
payable in case of dismissal without proper justification. Usually in Greece, according to the effective local practice, the staff compensation programs are not financed. These are defined benefit plans under IAS 19. The Group and the Company charges the accrued benefits in each period with a corresponding increase of the provision for the future liability due to retirement. Payments of retirement benefits for each period reduce the accumulated provision. We note that on 31/12/2016 there was no respective liability for the subsidiaries abroad.

Movement in the net liability for staff indemnities for the parent company and the Group is as follows:

27. PROVISION FOR STAFF RETIREMENT INDEMNITIES (continued)

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Net Liability at the beginning of the year	**481.618,84**	**506.012,34**	**385.138,43**	**397.328,28**
- Benefits paid	(19.564,67)	(46.916,34)	(4.666,67)	(6.316,34)
- Expense recognised in the income statement	168.213,31	55.039,98	152.630,87	23.610,69
- Expense to be posted in the comprehensive income statement (actuarial profit/losses)	28.208,15	(32.517,14)	24.351,67	(29.484,20)
Amounts from reallocations of funds	92.800,00	-	92.800,00	-
Net Liability at the end of the year	**751.275,63**	**481.618,84**	**650.254,30**	**385.138,43**

The parent company's obligation to pay indemnities due to retirement is based on an actuarial study drawn up by an independent firm of internationally acknowledged actuaries. A similar actuarial study was performed for Motodiktyo SA, a subsidiary which employs numerous personnel.

The details and principal assumptions of the actuarial study as at 31st December 2016 and 2015 are provided below:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Present value of liability as at 31st December	751.275,63	481.618,84	650.254,30	385.138,43
Net balance sheet liability as at 31 December	**751.275,63**	**481.618,84**	**650.254,30**	**385.138,43**
Income statement:				
Cost of current service	142.809,06	16.326,15	140.602,48	14.670,32
Interest costs	10.973,40	11.334,75	8.841,76	8.940,37
Cost of prior service losses/(profit) cutbacks and settlements	14.430,85	27.379,08	3.186,63	-
Total cost for entry in the income statement	**168.213,31**	**55.039,98**	**152.630,87**	**23.610,69**
Changes to present value of liability				
Present value of liability at beginning of year	481.618,84	506.012,34	385.138,43	397.328,28
Cost of current service	142.809,06	16.326,15	140.602,48	14.670,32
Interest costs	10.973,40	11.334,75	8.841,76	8.940,37
Benefits paid during the current year	(19.564,67)	(46.916,34)	(4.666,67)	(6.316,34)
Actuarial loss/(gain) on liability	28.208,15	(32.517,14)	24.351,67	(29.484,20)
Prior Service Cost	14.430,85	27.379,08	3.186,63	-
Amounts from reallocations of funds	92.800,00	-	92.800,00	-
Present value of liability at year end	**751.275,63**	**481.618,84**	**650.254,30**	**385.138,43**
Basic Assumptions:				
Discount rate	1,73%	2,16%	1.73%	2,16%
Rate of compensation increase	1,00%	1,00%	1,00%	1,00%
Average expected working life	20,80	21,20	21,20	21,40

27. PROVISION FOR STAFF RETIREMENT INDEMNITIES (continued)

The added cost of extra benefits refers to benefits paid to employees who were made redundant. Most of these benefits were not expected within the terms of this program and were therefore treated as an added retirement charge in the income statement.

Employers contribution to Defined Benefits Programs

The Group of Companies contributions to state social security funds for the period ending on 31 December 2016 and 2015 amounted to € 667.430,47 and € 615.178,62 respectively and are included in the payroll cost in the accompanying income statements.

The parent company's contributions to state social security funds for the period ending on 31 December 2016 and 2015 amounted to € 522.584,41 and € 479.414,17, respectively and are included in the payroll cost in the accompanying income statement.

28. TRADE PAYABLES

Trade payables in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Suppliers	7.683.793,62	6.038.670,96	7.617.392,61	5.970.594,85
Client advances	691.110,51	402.197,20	635.197,20	277.301,28
	8.374.904,13	**6.440.868,16**	**8.253.173,07**	**6.247.896,13**

29. LOANS

The loans presented in the attached financial statements are analyzed as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Short term bank loans				
Short term bank loans	5.700.000,00	6.150.000,00	5.700.000,00	6.150.000,00
Lines of credit	518.588,18	670.760,02	516.907,61	670.760,02
Total Short-term bank loans	**6.218.588,18**	**6.820.760,02**	**6.216.907,61**	**6.820.760,02**
Total loans	**6.218.588,18**	**6.820.760,02**	**6.216.907,61**	**6.820.760,02**

On 31 December 2016 and 2015, Motodynamics S.A. and its subsidiaries had concluded short-term loans and joint accounts, with the purpose of covering needs in working capital. The average borrowing cost (floating interest rates) was : a) for the Company 7,32% in 2016 and 7,32% in 2015 and b) for the Group 7,35% in 2016 and 7,34% in 2015. The average loan balance was a) for the Company €6.123.981 in 2016 and €6.122.731 in 2015 and b) for the Group €6.144.582 in 2016 and €6.172.630 in 2015.

It is noted that no liens on assets of the Company or the Group were created for granting such loans. Pursuant to the decision of the BoD as of 6/12/2011, MOTODYNAMICS SA has deposited the amount of €500.000 at a Bank as corporate security for its 100% subsidiary MOTODIKTYO SA. The fair value of the loans is the value presented in the books on 31/12/2016, given that the short-term loans are working capital constantly renewed. All loans are denominated in Euro.

29. LOANS (continued)

The borrowing limit available and the unutilised amount are as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Credit lines available	12.300.000,00	12.300.000,00	11.800.000,00	11.800.000,00
Unutilised amount	(6.081.411,82)	(5.479.239,98)	(5.583.092,39)	(4.979.239,98)
Utilised amount	**6.218.588,18**	**6.820.760,02**	**6.216.907,61**	**6.820.760,02**

30. OTHER SHORT TERM LIABILITIES

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Liabilities from taxes, duties	92.420,92	528.775,67	24.681,31	379.728,57
Social security	153.471,71	147.652,64	125.441,58	123.220,65
Board of Directors' Fees	700.000,00	540.072,00	700.000,00	540.072,00
Accrued period expenses	91.389,42	85.646,69	79.271,05	84.511,62
Sundry creditors	100.986,07	257.430,07	100.986,07	257.430,07
Other	349.458,26	227.563,56	324.689,53	218.005,19
Total	**1.487.726,38**	**1.787.140,63**	**1.355.069,54**	**1.602.968,10**

31. FINANCIAL RISK MANAGEMENT

(a) Credit Risk Concentration: There is no significant concentration of credit risk with any single counter party. The maximum exposure to credit risk is represented by the carrying amount of each asset. Motodynamics and its subsidiaries have settled criteria for customers who wish to trade on credit terms. These criteria are mainly based on client's activity "size" with parallel evaluation of clients relevant economical information. The Group and Parent company cover their credit risk with securities (mortgage etc.) or bank letters of guarantee and up to the amount which is considered as necessary.

(b) Fair value: The carrying amounts reflected in the balance sheets for cash and cash equivalents, receivables, and current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(c) Foreign Exchange Risk: The majority of transactions and balances are in Euro. As a result, the management currently estimates that there are no significant risks arising from exchange rate fluctuations.

(d) Interest Rate Risk: On 31/12/2016 the total loans of the Group amounted to € 6.218.588,18. Of this sum, the amount of € 5.700.000 represented interbank loans with a 3-month maturity, where the rate was fixed and unchanged for the respective maturities, and the amount of € 518.588,18 for the Company & for the Group were loans to open accounts with floating interest rate. It is noted that the Group's cash on hand on 31/12/2016 stood at € 211.935,34.

(e) ***Changes in interest rates*** **:**Working capital needs are financed, among other sources, by bank debt. The Company and the Group may borrow at satisfactory terms and to apply hedging techniques that protect against interest rate increases, by concluding Forward Rate Agreements (FRAs).
The following table presents the impact on the Pre-tax Earnings of a potential change in floating rates (with the remaining variables remaining stable) on the loans applicable on 31/12/2016. The impact on Net Worth is insignificant.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate increase/ decrease (in base units)	Effect on Profits before Taxes (in thousand €)
50	-30.6
75	-45.9
100	-61.2
-50	30.6
-75	45.9
-100	61.2

(f) ***Liquidity Risk:*** Sensible management of liquidity risk involves sufficient cash availability through a legitimate credit system and the capability to secure the Group with the right due date gathering of the accounts receivable. Due to the dynamic nature of the business, the Group Management aims at preserving flexibility in funding by maintaining adequate cash and open credit lines.

The Company's liquidity is monitored by the Group Management on a regular basis.
It is noted that the following loans mainly regard the Company, since the borrowings of other Group companies are negligible. Below follows a breakdown of maturities of liabilities:

	31 December 2016	**31 December 2015**
LONG – TERM LIABILITIES		
Other non-current liabilities		
1 - 2 years	-	10.633,08
2 - 5 years	-	-
Total	**-**	**10.633,08**
SHORT – TERM LIABILITIES		
Total short-term liabilities		
0 - 90 days	12.251.967,11	12.188.575,11
91 - 180 days	3.829.251,38	2.860.193,70
Total	**16.081.218,69**	**15.048.768,81**

Total short-term liabilities analyzes as follows:

Commercial liabilities		
0 - 90 days	5.764.240,93	4.791.506,48
91 - 180 days	2.610.663,20	1.649.361,68
Total	**8.374.904,13**	**6.440.868,16**
Short-term loans		
0 - 90 days	5.700.000,00	6.150.000,00
91 - 180 days	518.588,18	670.760,02
Total	**6.218.588,18**	**6.820.760,02**

31. FINANCIAL RISK MANAGEMENT (continued)

Other liabilities		
0 - 90 days	787.726,38	1.197.068,63
91 - 180 days	700.000,00	540.072,00
Total	**1.487.726,38**	**1.737.140,63**

(g) ***Capital Risk Management***: During the capital management the Group aims to maintain the ability of moving on its business in order to reassure the returns for its shareholders and to maintain an optimum capital structure. The Group manages capital structure and proceeds in necessary reactions according to its needs and to occasional economic evolutions. Capital sufficiency is being monitored with appropriate financial indexes. The table below analyzes indexes movements for annual periods 2016 and 2015:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Net average return on equity	12,73	5,18	7,90	3,30
Debt / Equity	1,81	1,89	1,43	1,40

The net average return on equity indicator is equal to the net profits for the year divided by the average equity of the last 2 years.

32. COMMITMENTS AND CONTINGENCIES

In the past, and up until 31 December 2016, the Group and the Company have concluded various leasing agreements, mainly related to the lease of buildings and expire on various dates up to 2024. The lease expenses included in the attached income statement of the period ended on 31 December 2016, amount to € 874.232,02 for the Group and to € 694.009,17 for the Company, while the respective amounts for the previous year were € 849.074,39 for the Group and € 669.581,09 for the Company.

The single contingent future liability derives from the possible early voluntary departure and termination of these rental agreements, which according to the applicable civil law, consists of payment of four rents at the time of departure.

The company has paid the amount of €1.480.000,00 as a guarantee and rent deposits concerning the safeguarding of future leasing of the building. Already, with the agreement of 3/08/2012 amending the lease agreement, the amount of €980.000, related to prepayment-guarantee of rentals, will be returned in 16 six-month installments of €61.250 each (€ 122.500 annually) starting on 1/3/2013, otherwise it will be offset against rents. The amount relating to annual refund of advance payment of rent on 31/12/2016 stands at € 122.500,00 and appears in Other receivables, while the balance of guarantees & deposits appears in Other non-current assets of the company.

The company has granted a loan of €1.900.000,00 related to working capital to a vehicle distribution representative. It is an interest-bearing loan, and the interest rate is set at a percentage equal to the six-month Euribor, increased by 6% annually. The loan balance as at 31 December 2016 stood at the amount of € 1.739.851,01.

Other non-current assets are broken down as follows:

	GROUP		COMPANY	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**
Guarantee for future building lease charges	867.500,00	990.000,00	867.500,00	990.000,00
Granted Loan	1.739.851,01	1.764.651,01	1.739.851,01	1.764.651,01
Other guarantees granted	146.014,97	165.754,15	103.156,91	122.446,22
Other non-current assets	**2.753.365,98**	**2.920.405,16**	**2.710.507,92**	**2.877.097,23**

33. REALLOCATION OF FUNDS

In 2016, the company proceeded with the reallocation of funds between distribution expenses relating to costs for the preparation of goods and the costs of sales. To facilitate comparability, the company proceeded with the reallocation of funds for 2015.

This effect on the 2015 financial statements is as follows:

	REALLOCATION	PRE REALLOCATION	REALLOCATION	PRE REALLOCATION
	GROUP		COMPANY	
Statement of Comprehensive Income				
Cost of Sales	37.223.867,49	36.970.506,66	36.585.608,27	36.332.247,44
Sales and distribution expenses	5.549.343,28	5.802.704,11	4.440.210,79	4.693.571,62

34. OPERATING SEGMENT REPORTING

The Group, due to its entry in the car business, revised its business segments as follows: the wholesale and retail markets for motorised two-wheelers and marine products (outboards, inflatable crafts etc.) which it considers as operating segments and for which it discloses the required information. Uniform accounting principles are followed for each of these segments. Home analyses per region are not reported due to the fact that sales and assets outside Greece represent less than 10% of the respective total sales and assets of the Group. (Certain items relating to operating segments of the previous year have been reclassified in order to become comparable to those of the closing year)

GROUP	**YAMAHA**		**RETAIL**		**CARS**		**Total**	
	31 December 2016	**31 December 2015**	**31 December 2016**	**31 December 2015**	**31 December 2016**	**31 December 2015**	**31 December 2016**	**31 December 2015**
Sales	30.992.640,14	28.300.728,01	6.568.400,24	6.265.378,43	12.530.596,47	11.309.554,63	50.091.636,85	45.875.661,07
Cost of sales	(24.402.392,17)	(22.600.089,10)	(5.430.212,16)	(5.338.397,06)	(10.276.727,34)	(9.285.381,33)	(40.109.331,67)	(37.223.867,49)
	6.590.247,97	**5.700.638,91**	**1.138.188,08**	**926.981,37**	**2.253.869,13**	**2.024.173,30**	**9.982.305,18**	**8.651.793,58**
Other income							759.858,68	845.846,91
Administrative expenses							(3.297.801,30)	(3.112.631,31)
Sales and distribution expenses							(6.038.986,87)	(5.549.343,28)
Other expenses							(83.469.06)	(59.496,54)
Finance income							131.841,36	184.628,88
Finance expenses							(529.551,32)	(584.195,14)
Profit / (loss) before taxes							**924.196,68**	**376.603,10**
Income tax							18.838,31	9.555,19
Net profit / loss							**943.034,99**	**386.158,29**
Depreciation							878.213,13	846.520,63
Inventories	11.563.791,34	9.185.579,66	730.999,79	669.638,53	1.201.227,42	809.842,59	13.496.018,55	10.665.060,78
Other assets							12.409.935,61	13.106.423,95
							25.905.954,16	**23.771.484,73**
Commercial liabilities	7.621.360,20	6.118.826,70	77.042,81	71.343,97	676.501,12	250.697,49	8.374.904,13	6.440.868,16
Other liabilities							8.457.590,19	9.100.152,57
Equity							9.073.459,84	8.230.464,00
							25.905.954,16	**23.771.484,73**
Capital expenditure							1.532.696,72	960.767,08

35. EVENTS AFTER THE DATEOF THE STATEMENT OF FINANCIAL POSITION

There are no later events which could have a significant effect on the Financial Statements of the Company and the Group.

Responsible for the preparation of the company's and the group's annual financial statements for the period ended on 31st December 2016 and approved by the Board of Directors on 03 April 2017 are the following:

Aspropyrgos, 03 April 2017

The BoD Chairman	The Managing Director	The Financial Director
Paris O. Kyriakopoulos ID NR: AK 638168	Sotirios D. Hatzikos ID NR: AK 026457	Anna G. Lizou – Spyratou License No. 0003870 Class A

TABLE OF REFERENCES TO THE INFORMATION OF ARTICLE 10 OF LAW 3401/2005

Date	Announcement	Web address	Remarks
Annual Financial Results 2015			
2016	Annual Financial Report of the Company & Group for the year from 1st January to 31st December 2015	http://www.motodynamics.gr/category/annual-financial-statements/	
H1 2016 Financial Results			
2016	Semi-Annual Financial Report of the Company & Group for the period from 1st January to 30th June 2016	http://www.motodynamics.gr/category/periodic-financial-statements/	
Treasury Share Purchase Announcements			
2016	Treasury Share Purchase Announcements	http://www.motodynamics.gr/category/oikonomikes-anakoinoseis/	
General Meetings			
16/03/2016	Invitation to Ordinary General Meeting of Shareholders	http://www.motodynamics.gr/category/genikes-sinelefsis/	
16/03/2016	Minority interest	http://www.motodynamics.gr/category/genikes-sinelefsis/	
16/03/2016	Power of Proxy form	http://www.motodynamics.gr/category/genikes-sinelefsis/	
16/03/2016	Draft Statutory General Meeting Decisions on each Agenda Item	http://www.motodynamics.gr/category/genikes-sinelefsis/	
16/03/2016	Total Number of Shares and Voting Rights	http://www.motodynamics.gr/category/genikes-sinelefsis/	
30/05/2016	Ordinary General Meeting Decisions	http://www.motodynamics.gr/category/genikes-sinelefsis/	

Other Communications			
Date	**Announcement**	**Web address**	**Remarks**
01/03/2016	Announcement of economic calendar 2016	www.motodynamics.gr/category/oikonomikes-anakoinoseis/	
08/04/2016	Announcement of economic calendar 2016 - Amendment	www.motodynamics.gr/category/oikonomikes-anakoinoseis/	
30/05/2016	Ordinary General Meeting Decisions	ww.motodynamics.gr/category/oikonomikes-anakoinoseis/	
30/06/2016	Financial Statements	www.motodynamics.gr/category/oikonomikes-anakoinoseis/	
15/07/2016	Communication of Change in BoD Composition – Correction of announcement / Repetition	www.motodynamics.gr/category/oikonomikes-anakoinoseis/	
18/10/2016	Allocation of MOTODYNAMICS SA's own shares to its personnel	www.motodynamics.gr/category/oikonomikes-anakoinoseis/	
20/10/2016	Allocation of MOTODYNAMICS SA's own shares to its personnel	www.motodynamics.gr/category/oikonomikes-anakoinoseis/	

Notes: The announcements of the table of references are also posted on the Athens Exchange *http://www.athexgroup.gr/el/*

AVAILABILITY OF FINANCIAL STATEMENTS

The annual financial statements, the certified auditor certificates and the reports of the Boards of the companies incorporated in the Company's consolidated financial statements are posted on the Company's websitewww.motodynamics-ir.gr where they will be available to investors for a minimum period of five (5) years from the date of preparation and publication.