Business Report

Overview

Graphisoft Park SE (the "Company") carries out its real estate development, leasing and operation activity, being the sole activity of the Graphisoft Park group, via its subsidiaries specialized in real estate development and operation. The detailed description of the business activities of Graphisoft Park Group is presented in the consolidated financial statements of Graphisoft Park SE.

Graphisoft Park SE had the following individual activity during 2021:

- Revenues from dividends from the subsidiaries.

Events in 2021

The Company has five fully owned subsidiaries as of December 31, 2021, as set out below:

	Ownership / Voting right (%)	December 31, 2020	December 31, 2021
Graphisoft Park Kft.	100	1,720,039	1,720,039
Graphisoft Park South I. Kft.	100	7,849,863	7,849,863
Graphisoft Park South II. Development Kft.	100	1,009,449	1,009,449
Graphisoft Park Services Kft.	100	107,418	107,418
Graphisoft Park Engineering & Management Kft.	100	289,350	289,350
Investment value (EUR)		**10,976,119**	**10,976,119**

The Company recognized revenues from dividends from its subsidiaries in amount of 3,677,624 EUR in 2021 (42,015,709 EUR in 2020).

Plans for 2022

Graphisoft Park SE will continue solely generating revenues from dividends paid by its subsidiaries.

We have not identified any significant factors of risk or uncertainty that could have a substantial impact on the business processes of the Company.

General information

Graphisoft Park SE

Graphisoft Park SE Real Estate Development European Company Limited by Shares (the "Company" or “Graphisoft Park SE”) is incorporated under the laws of Hungary. The court registration number of Graphisoft Park SE is CG 01-20-000002. The registered address of the Company is H-1031 Budapest, Záhony utca 7, Hungary; its website is www.graphisoftpark.com.

Corporate Governance

Public companies are increasingly expected to state clearly their corporate governance principles and to what extent those principles are implemented. As a company listed on the Budapest Stock Exchange (BSE), we are highly committed to meeting these expectations and legal and stock exchange requirements (publicly available at BSE website: bse.hu).

The Statutes of Graphisoft Park SE provides as governing bodies the general meeting of shareholders and the Board of Directors (single-tier system). Under the single-tier system, the SE is managed by the Board of Directors. The members of the Board of Directors have the power to represent the company in dealings with third parties. Under the single-tier system the Board of Directors may delegate the power of management to one or more of its members. The independent members of the Board of Directors form the Audit Committee.

General Meeting

The General Meeting is the principal body of the Company, which comprises all the shareholders. The following activities shall fall within the exclusive authority of the General Meeting (inter alia, see details in the Articles of Association):

- Decision on the establishment of, and amendment to these Articles, unless otherwise provided by the Companies Act;
- Electing and dismissing the members and chairman of the Board of Directors, the auditor, and determining their remuneration, including their service as members of the committees of the Board of Directors.

Board of Directors

The Board of Directors (BoD) is responsible for the Company's management and decides on matters other than those that must be determined by shareholders. The Board of Directors is required to report annually to the shareholders at the annual general meeting of the shareholders.

Pursuant to the Company's Articles of Association, the Board of Directors consists of a minimum of 5 and a maximum of 11 members elected at the annual general meeting of the shareholders for a term not to exceed of 5 years. Presently Graphisoft Park SE operates with 6 members of Board.

Meetings of the Board of Directors are held at least four times a year. Meetings of the Board of Directors require the presence of major for a quorum. Each member has one vote. The Board of Directors passes resolutions by simple majority vote.

Members of the Board of Directors:

Name	Position	From	Until
Bojár Gábor	Chairman	August 21, 2006	May 31, 2022
Dr. Kálmán János	Member	August 21, 2006	May 31, 2022
Kocsány János	Member	April 28, 2011	May 31, 2022
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2022
Szigeti András	Member	July 21, 2014	May 31, 2022
Hornung Péter	Member	April 20, 2017	May 31, 2022

Audit Committee

The Audit Committee assists in the appointment of independent auditors to be elected by the annual general meeting and reviews the scope of external audit services. It must pre-approve all audit and non-audit services to be performed by the external auditor.

The Audit Committee also reviews the annual financial statements of Graphisoft Park, taking into account the results of the audits and reviews performed by the independent auditors. The Audit Committee also reviews financial reports submitted to the stock exchanges, banks and regulatory bodies.

Audit Committee members are appointed from the independent members of the Board of Directors by the general meeting of the company.

Members of the Audit Committee:

Name	Position	From	Until
Dr. Kálmán János	Chairman	August 21, 2006	May 31, 2022
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2022
Hornung Péter	Member	April 20, 2017	May 31, 2022

Stock information

Graphisoft Park SE's share capital consists of 10,631,674 class "A" ordinary shares of 0.02 euro face value, each representing equal and identical rights, and 1,876,167 class "B" employee shares of 0.02 euro face value. Ordinary shares of the Company are publicly traded at Budapest Stock Exchange from August 28, 2006. The share ownership structure is the following according to the Company's shareholder records:

	December 31, 2020			December 31, 2021		
Shareholder	**Shares (pcs)**	**Share (%)**	**Voting right (%)**	**Shares (pcs)**	**Share (%)**	**Voting right (%)**
ORDINARY SHARES:	**10,631,674**	**100.00**	**87.92**	**10,631,674**	**100.00**	**94.23**
Directors and management	**1,789,082**	**16.83**	**15.60**	**1,789,082**	**16.83**	**16.72**
Bojár Gábor - Chairman of the BoD	1,685,125	15.85	14.69	1,685,125	15.85	15.75
Dr. Kálmán János - Member of the BoD	13,500	0.13	0.12	13,500	0.13	0.13
Kocsány János - Member of the BoD, CEO	90,457	0.85	0.79	90,457	0.85	0.85
Shareholders over 5% share	**3,156,576**	**29.69**	**27.53**	**2,938,288**	**27.64**	**27.46**
HOLD Alapkezelő Zrt.	653,104	6.14	5.70	662,704	6.23	6.19
AEGON Magyarország Befektetési Alapkezelő Zrt.	1,003,472	9.44	8.75	775,584	7.30	7.25
B.N.B.A. Holding Zrt.	1,500,000	14.11	13.08	1,500,000	14.11	14.02
Other shareholders	**5,136,940**	**48.32**	**44.79**	**5,355,228**	**50.37**	**50.05**
Treasury shares (1)	**549,076**	**5.16**	**-**	**549,076**	**5.16**	**-**
EMPLOYEE SHARES (2):	**1,876,167**	**-**	**12.08**	**1,876,167**	**-**	**5.77**
Kocsány János - Member of the BoD, CEO (3)	1,384,819	-	12.08	518,443	-	4.85
Bihari Sándor – CFO (3)	-	-	-	99,262		0.93
Employee treasury shares (1)	491,348	-	-	1,258,462	-	-
SHARES TOTAL:	**12,507,841**	**100.00**	**100.00**	**12,507,841**	**100.00**	**100.00**

(1) Treasury shares possessed by the Company do not pay dividend and bear no voting rights.

(2) Class „B" employee shares are not marketable, connected to employment, may be withdrawn by the Board of Directors at any time, have no voting rights in decisions that require qualified majority and bear reduced rights to dividend at the proportion of one third of their face value. In the financial statements of the Company these payments are accounted as employee related expense instead of dividend. The Articles of Association and the Management Share Ownership Plan govern all other matters related to the employee shares.

(3) As announced on May 20, 2021, the Company bought back 866,376 employee shares from Kocsány János, CEO and transferred 99,262 employee shares to Bihari Sándor, CFO.

Human resources

We ensure the continuous development of our employees; in addition we pay particular attention to special labor safety prescriptions.

Diversity policy

Graphisoft Park SE prohibits discrimination against any person based on gender identity, age, disability, race or ethnicity, gender preferences and religion and will not tolerate any form of discrimination in the workplace. The Holding is committed to provide a working environment free from discrimination and equal opportunities to all of its employees, with regards to its cultural and legal environment.

The Company will designate its managing officers and persons responsible for controlling its operation in accordance with its policies and commitments. The Company is committed to promoting and endeavors to achieve the highest level of diversity through the consistent practical implementation of its HR policies.

Environment protection

Based on the activity of the Company it has no environmental risks or liabilities.

Events after the balance sheet date

Proposed dividend by the Board

The annual financial statements of the Company for the year 2021 prepared in accordance with International Financial Reporting Standards (IFRS) are authorized for issue in accordance with the resolution of the Board of Directors on March 21, 2022. The Board proposes dividend distribution of 0.43 EUR per ordinary share to be approved by the Annual General Meeting of Graphisoft Park SE of April 21, 2022. The Board also proposes altogether 268 917 EUR dividend for employee shares. The HUF amount of the dividend will be determined on the date of the AGM, based on the euro foreign exchange rate on which the amount will be purchased by the Company's main bank. The Annual General Meeting has the power to amend the annual financial statements.

Russian-Ukrainian war

Based on our current information, the significant weakening of the forint after the outbreak of the war, the increase in energy prices or the economic sanctions imposed on Russia have no direct significant impact on the Company's activities.

Forward-looking statements *- The forward-looking statements contained in this Annual Report involve inherent risks and uncertainties, may be determined by additional factors, other than the ones mentioned above, therefore the actual results may differ materially from those contained in any forecast.*

Statement of responsibility *- We declare that the attached Financial Statements which have been prepared in accordance with International Financial Reporting Standards and to the best of our knowledge, give a true and fair view of the assets, liabilities, financial position and profit or loss of Graphisoft Park SE, and the Business Report gives a fair view of the position, development and performance of Graphisoft Park SE, together with a description of the principal risks and uncertainties of its business.*

Budapest, March 21, 2022

Kocsány János
Chief Executive Officer