Graphisoft Park SE

Annual Financial Statements

31 December 2016

Table of Contents

Translation of the Independent Auditors' Report

Balance Sheet

Profit and loss statement

Supplementary notes

Business Report

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This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság

Opinion

We have audited the accompanying 2016 annual financial statements of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság ("the Company"), which comprise the balance sheet as at 31 December 2016 - showing a balance sheet total of EUR 15,061,617 and a profit after tax for the year of EUR 10,924,936 -, the related profit and loss account for the financial year then ended and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion the annual financial statements give a true and fair view of the equity and financial position of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság as at 31 December 2016 and of the results of its operations for the financial year then ended in accordance with the Act C of 2000 on Accounting ("Hungarian Accounting Law").

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the annual financial statements" section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of annual financial statements in Hungary, and we have fulfilled our ethical responsibilities in accordance with these requirements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the annual financial statements section of our report, including in

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relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the annual financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying annual financial statements.

Valuation of long term participations in affiliated companies

The Company's participations in affiliated companies represents EUR 11.7 million, and represents approximately 78% of total assets. Valuation of investment in subsidiaries is a significant judgmental area. Management annually assesses if these investments are impaired in accordance with Hungarian Accounting Law. This is a key audit matter as significant judgement is involved to determine if the investments are impaired or not.	Our audit procedures included, among others, evaluating assumptions and methodologies used by the Company to evaluate whether participations in affiliated companies are impaired. We have assessed the adequacy of the Company's disclosures about participations in affiliated companies in accordance with the Hungarian Accounting Law including the information how the impairment is evaluated by the Company. The Company's accounting policy and disclosures about its participations in affiliated companies and related impairment are included in Note 3 and Note II. 1.2.

Other information

Other information consists of the 2016 business report of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the annual financial statements does not cover the business report.

In connection with our audit of the annual financial statements, our responsibility is to read the business report and, in doing so, consider whether 1) the business report is materially inconsistent with the consolidated annual financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and 2) the business report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any.

Our opinion on the business report should include the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law and we are required to confirm also whether the information prescribed in Subsection (2) a)-d) and g) of Section 95/B of the Hungarian Accounting Law have been made available.

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In our opinion, the business report of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság , including the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law for 2016 corresponds to the 2016 annual financial statements of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság and has been prepared in accordance with the Hungarian Accounting Law.

Since no other legal regulations prescribe for the Company further requirements with regard to its business report, our opinion on the business report does not include opinion in this regard as required by Subsection (5) h) of Section 156 of the Hungarian Accounting Law.

We also confirm that the Company have made available the information required according to Subsection (2) a)-d) and g) of Section 95/B of the Hungarian Accounting Law.

Further to the above, based on the knowledge we have obtained about the Company and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the business report, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the Hungarian Accounting Law, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the annual financial statements

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

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As part of an audit in accordance with Hungarian National Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes

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public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Budapest, March 20, 2017

Szabó Gergely
Engagement partner
Ernst & Young Kft.
1132 Budapest, Váci út 20.
Registration No. 001165

Bodócsy Ágnes
Registered auditor
Chamber membership No.: 007117

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1	3	7	8	3	8	2	2	6	9	2	0	1	4	1	0	1

Statistical code

C	G	0	1	2	0	0	0	0	0	0	2

Company registration number

Graphisoft Park SE Company name

1031 Budapest Záhony utca 7., 815-3400 Address, telephone

December 31, 2016

Financial Statements

This is a translation of the Hungarian language Financial Statements.
The original Hungarian language version has been signed.

Budapest, March 20, 2017

Director of Company

Statistical code: 13783822-6920-141-01

Company registration number: 01-20-000002

Graphisoft Park SE

December 31, 2016

"A" Balance sheet

Assets

amounts in EUR

Code	Description	Previous year 31.12.2015	Modifi-cations	Current year 31.12.2016
a	b	c	d	e
1.	**A. FIXED ASSETS**	**3 462 239**		**11 809 113**
2.	I. INTANGIBLE ASSETS	0		0
3.	Capitalised foundation/restructuring			
4.	Capitalised research and development			
5.	Concessions, licenses and similar rights			0
6.	Trade-marks, patents and similar assets			
7.	Goodwill			
8.	Advance payments for intangible assets			
9.	Value adjustment of intangible assets			
10.	II. TANGIBLE ASSETS	125 152		95 194
11.	Land and buildings and related property rights			
12.	Plant, machinery, equipment and vehicles			
13.	Other equipment, fixtures and fittings, vehicles	125 152		95 194
14.	Breeding stock			
15.	Assets in the course of construction			
16.	Prepayments for capital expenditures			
17.	Value adjustment of tangible assets			
18.	III. LONG-TERM FINANCIAL ASSETS	3 337 087		11 713 919
19.	Long-term participations in related parties	3 337 087		11 713 919
20.	Long-term loans granted to related parties			
21.	Long-term significant participating interests			
22.	Loans to undertakings linked by virtue of sign. part. int.			
23.	Other long-term investments			
24.	Long-term loans granted to other investments			
25.	Other long-term loans granted			
26.	Long-term debt securities			
27.	Value adjustment of financial investments			
28.	Valuation difference of financial investments			

Budapest, March 20, 2017

Director of Company

Statistical code: 13783822-6920-141-01

Company registration number: 01-20-000002

Graphisoft Park SE

December 31, 2016

"A" Balance sheet

Assets

amounts in EUR

Code	Description	Previous year 31.12.2015	Modifi-cations	Current year 31.12.2016
a	b	c	d	e
29.	**B. CURRENT ASSETS**	**3 108 881**		**3 242 864**
30.	I. STOCKS	0		0
31.	Raw materials and consumables			
32.	Work in progress and semi-finished products			
33.	Animals for breeding, fattening and other livestock			
34.	Finished products			
35.	Goods			
36.	Advance payments for stocks			
37.	II. RECEIVABLES	1 988 188		1 985 042
38.	Trade debtors			
39.	Receivables from related companies	1 986 688		1 977 145
40.	Rec. from undertakings linked by virtue of sign. part. int.			
41.	Receivables from other investments			
42.	Bills of exchange receivables			
43.	Other receivables	1 500		7 897
44.	Valuation difference of receivables			
45.	Positive valuation difference of derivative transactions			
46.	III. SECURITIES	944 561		950 938
47.	Participations in related companies			
48.	Significant participating interests			
49.	Other participations			
50.	Treasury shares and own participation	944 561		950 938
51.	Marketable debt securities			
52.	Valuation difference of securities			
53.	IV. LIQUID ASSETS	176 132		306 884
54.	Cash, cheques			
55.	Bank deposits	176 132		306 884
56.	**C. PREPAID EXPENSES AND ACCRUED INCOME**	**10 781**		**9 640**
57.	Accrued income			
58.	Prepaid expenses	10 781		9 640
59.	Deferred expenses			
60.	**TOTAL ASSETS**	**6 581 901**		**15 061 617**

Budapest, March 20, 2017

Director of Company

Statistical code: 13783822-6920-141-01

Company registration number: 01-20-000002

Graphisoft Park SE

December 31, 2016

"A" Balance sheet

Shareholders' equity and liabilities

amounts in EUR

Code	Description	Previous year 31.12.2015	Modifi-cations	Current year 31.12.2016
a	b	c	d	e
61.	**D. SHAREHOLDERS' EQUITY**	**6 464 645**		**14 933 542**
62.	I. ISSUED CAPITAL	250 157		250 157
63.	Of which: treasury shares redeemed at face value	10 982		10 982
64.	II. ISSUED CAPITAL NOT PAID (-)			
65.	III. CAPITAL RESERVE			
66.	IV. RETAINED EARNINGS / (LOSSES)	2 897 504		2 807 511
67.	V. ALLOCATED RESERVES	944 561		950 938
68.	VI. VALUATION RESERVE			
69.	Valuation reserve from revaluations			
70.	Valuation reserve from fair valuation			
71.	VII. PROFIT OR LOSS FOR THE YEAR AFTER TAX	2 372 423		10 924 936
72.	**E. PROVISIONS**	**0**		**0**
73.	Provisions for contingent liabilities			
74.	Provisions for future committments			
75.	Other provisions			
76.	**F. LIABILITIES**	**99 822**		**116 774**
77.	I. SUBORDINATED DEBTS	0		0
78.	Subordinated debts to related parties			
79.	Sub. debts to undertakings linked by virtue of sign. part. int.			
80.	Subordinated debts to other investments			
81.	Subordinated debts to third parties			

Budapest, March 20, 2017

Director of Company

Statistical code: 13783822-6920-141-01

Company registration number: 01-20-000002

Graphisoft Park SE

December 31, 2016

"A" Balance sheet

Shareholders' equity and liabilities

amounts in EUR

Code	Description	Previous year 31.12.2015	Modifi-cations	Current year 31.12.2016
a	b	c	d	e
82.	II. LONG-TERM LIABILITIES	0		0
83.	Long-term borrowings			
84.	Convertible and converting bonds			
85.	Debts from the issue of bonds			
86.	Investment and development loans			
87.	Other long-term loans			
88.	Long-term debts to related parties			
89.	Long-term debts to undertakings link.by virtue of sign. part. int.			
90.	Long-term debts to other investments			
91.	Other long-term liabilities			
92.	III. CURRENT LIABILITIES	99 822		116 774
93.	Short-term borrowings			
94.	Of which: convertible and converting bonds			
95.	Other short-term loans			
96.	Advance payments received from debtors			
97.	Trade creditors	21 300		41 954
98.	Bills of exchange payable			
99.	Short-term debts to related parties			
100.	Short-t. debts to undertakings link.by virtue of sign. part. int.			
101.	Short-term debts to other investments			
102.	Other current liabilities	78 522		74 820
103.	Valuation difference of liabilities			
104.	Negative valuation difference of derivative transactions			
105.	**G. ACCRUED EXPENSES AND DEFERRED INCOME**	**17 434**		**11 301**
106.	Deferred income			
107.	Accrued expenses	17 434		11 301
108.	Deferred extraordinary revenues and negative goodwill			
109.	**TOTAL LIABILITIES**	**6 581 901**		**15 061 617**

Budapest, March 20, 2017

Director of Company

Statistical code: 13783822-6920-141-01

Company registration number: 01-20-000002

Graphisoft Park SE

December 31, 2016

"A" Profit & Loss Statement
(total cost method)
Period: 01.01.2016 - 31.12.2016
2 / 1

amounts in EUR

Code	Description	Previous year 31.12.2015	Modifi-cations	Current year 31.12.2016
a	b	c	d	e
1.	Net domestic sales revenues	739 499		850 446
2.	Net export sales revenues			
I.	NET SALES REVENUES	739 499	0	850 446
3.	Movements in self-produced stocks			
4.	Capitalised self-manufactured assets			
II.	CAPITALISED OWN PERFORMANCE			
III.	OTHER OPERATING INCOME	24 583		2 058
III/a.	Of which: reserved diminution in value			
5.	Material costs	17 628		20 113
6.	Services used	207 385		235 686
7.	Other services	30 102		30 002
8.	Cost of goods sold			
9.	Provision of (consignment) services			
IV.	MATERIAL-TYPE EXPENSES	255 115		285 801
10.	Wages and salaries	236 429		272 192
11.	Other payments to personnel	28 916		37 731
12.	Social security and similar deductions	66 357		76 877
V.	PERSONNEL EXPENSES	331 702		386 800
VI.	DEPRECIATION	36 127		34 074
VII.	OTHER OPERATING EXPENSES	26 233		18 888
VII/a.	Of which: diminution in value			
A.	**PROFIT OR LOSS FROM OPERATING ACTIVITIES**	**114 905**		**126 941**

Budapest, March 20, 2017

Director of Company

Statistical code: 13783822-6920-141-01

Company registration number: 01-20-000002

Graphisoft Park SE

December 31, 2016

"A" Profit & Loss Statement
(total cost method)
Period: 01.01.2016 - 31.12.2016
2 / 2

amounts in EUR

Code	Description	Previous year 31.12.2015	Modifi-cations	Current year 31.12.2016
a	b	c	d	e
13.	Dividends received or due	2 200 000		2 400 000
13/a.	Of which: from related companies	2 200 000		2 400 000
14.	Revenues and exchange gains from participating interests			9 993 880
14/a.	Of which: from related companies			
15.	Revenues and capital gains from long-term financial assets			
15/a.	Of which: from related companies			
16.	Other interest and similar income (received or due)	20 734		19 989
16/a.	Of which: from related companies	20 194		19 985
17.	Other revenues from financial transactions	45 648		27 626
17/a.	Of which: valuation difference			
VIII.	FINANCIAL REVENUES	2 266 382		12 441 495
18.	Expenditures and exchange losses on participating interests			1 617 048
18/a.	Of which: to related parties			
19.	Expenditures and exchange losses on long-term financial assets			
19/a.	Of which: to related parties			
20.	Interest payable and similar charges			
20/a.	Of which: to related parties			
21.	Impairment loss of part. interests, securities and bank deposits			
22.	Other expenditures on financial transactions	4 345		18 612
22/a.	Of which: valuation difference			
IX.	FINANCIAL EXPENSES	4 345		1 635 660
B.	**FINANCIAL PROFIT OR LOSS**	**2 262 037**		**10 805 835**
C.	**PROFIT OR LOSS BEFORE TAX**	**2 376 942**		**10 932 776**
XII.	Tax payable	4 519		7 840
D.	**PROFIT AFTER TAX**	**2 372 423**		**10 924 936**

Budapest, March 20, 2017

Director of Company

GRAPHISOFT PARK SE

SUPPLEMENTARY NOTES

to the Financial Statements for the year 2016

I. General information

1. The Company

1.1 Form of the Company

European Public Limited Company

1.2 Date of foundation

The Company was established through a demerger from Graphisoft SE. The Company was incorporated on August 21, 2006 by Court of Budapest as Court of Registration under registration number 01-20-000002.

1.3 Registered address

1031 Budapest, Záhony u. 7.

1.4 Activities

6920'08	Accounting, bookkeeping and auditing activities; tax consultancy (main activity)
6399'08	Other information service activities n.e.c.
6820'08	Renting and operating of own or leased real estate
6832'08	Management of real estate on a fee or contract basis
7490'08	Other professional, scientific and technical activities n.e.c.
7740'08	Leasing of intellectual property and similar products, except copyrighted works
8110'08	Combined facilities support activities
8230'08	Organisation of conventions and trade shows
8299'08	Other business support service activities n.e.c.

1.5 Shareholders

Ordinary shares of the Company are publicly traded at Budapest Stock Exchange ('BSE') from August 28, 2006. The share capital of the Company (issued and fully paid) of 250,157 EUR 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.

The share ownership structure is the following according to the Company's shareholder records*:

Shareholder	December 31, 2015 Shares (pcs)	December 31, 2015 Share (%)	December 31, 2016 Shares (pcs)	December 31, 2016 Share (%)
ORDINARY SHARES:	**10,631,674**	**85.00**	**10,631,674**	**85.00**
Directors and management	**3,514,538**	**28.11**	**3,424,082**	**27.38**
Bojár Gábor - Chairman of the BoD	3,185,125	25.47	3,185,125	25.47
Dr. Kálmán János - Member of the BoD	13,500	0.11	13,500	0.11
Szigeti András - Member of the BoD	126,000	1.01	126,000	1.01
Kocsány János - Member of the BoD, CEO	180,913	1.45	90,457	0.72
Hajba Róbert - CFO	9,000	0.07	9,000	0.07
Shareholders over 5% share	**2,139,524**	**17.10**	**2,608,406**	**20.86**
Concorde Alapkezelő Zrt.	1,643,881	13.14	1,602,963	12.82
AEGON Magyarország Befektetési Alapkezelő Zrt. **	495,643	3.96	1,005,443	8.04
Other shareholders	**4,428,536**	**35.40**	**4,050,110**	**32.37**
Treasury shares	**549,076**	**4.39**	**549,076**	**4.39**
EMPLOYEE SHARES:	**1,876,167**	**15.00**	**1,876,167**	**15.00**
Kocsány János - Member of the BoD, CEO	1,250,778	10.00	1,250,778	10.00
Hajba Róbert - CFO	625,389	5.00	625,389	5.00
SHARES TOTAL:	**12,507,841**	**100.00**	**12,507,841**	**100.00**

* Presented in ordinary shares (shareholders holding more than 5% of total shares, other shareholders and treasury shares) and employee shares breakdown.

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

** AEGON Magyarország Befektetési Alapkezelő Zrt. has acquired 500,000 Graphisoft Park SE ordinary shares on February 24, 2016 through its managed funds in an over the counter transaction.

Class „B" employee shares bear different (reduced) rights to dividend at the proportion of one third of their face value, and are governed by the provisions of the Articles of Association and the Management Share Ownership Plan.

The transfer of shares and the exercise of shareholder rights is determined by the Articles of Association of 7 and 8.

1.6 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.

1.6.1 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: graphisoftpark.com/corporate-governance):

- 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.

1.6.2 Board of Directors

The Board of Directors 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 6 years. Presently Graphisoft Park SE operates with 5 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 3 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, 2018
Dr. Kálmán János	Member	August 21, 2006	May 31, 2018
Kocsány János	Member	April 28, 2011	May 31, 2018
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2018
Szigeti András	Member	July 21, 2014	May 31, 2018

1.6.3 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.

The Audit Committee shall have as many as necessary but at least four meetings each year. 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, 2018
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2018
Szigeti András	Member	July 21, 2014	May 31, 2018

2. Related party disclosure

Related parties of the Company as of December 31, 2016 (data in thousand HUF or EUR):

	Foundation	Share capital	Shareholders' equity	Net profit
Graphisoft Park Kft.	November 11, 2005	1,846,108 EUR	11,425,579 EUR	3,256,059 EUR
Graphisoft Park Services Kft.	October 29, 2008	10,000 thousand HUF	33,178 thousand HUF	7,778 thousand HUF
Graphisoft Park South I. Kft.*	September 30, 2016	20,000 EUR	8,327,030 EUR	2,983 EUR
Graphisoft Park South II. Development Kft.*	September 30, 2016	20,000 EUR	1,658,389 EUR	-11,444 EUR

* Two project companies, Graphisoft Park South I. Kft. (1031 Budapest, Záhony u. 7; reg.no: 01-09-286801, tax no: 25744020-2-41) and Graphisoft Park South II. Development Kft. (1031 Budapest, Záhony u. 7; reg.no: 01-09-286800, tax no: 25743988-2-41) demerged from Graphisoft Park Kft. in a transaction within the Group on September 30, 2016. The transaction left the ownership structure of the companies unchanged as all companies remained in Graphisoft Park SE's sole ownership after the demerger as well. Graphisoft Park SE is the 100% owner of Graphisoft Park Kft., Graphisoft Park South I. Kft. and Graphisoft Park South II. Development Kft., while Graphisoft Park Kft. is the exclusive owner of Graphisoft Park Services Kft.

Registered address of the subsidiaries: 1031 Budapest, Záhony utca 7.

The Company prepares consolidated financial statements. The Consolidated Financial Statements for the year 2016 were published at the official website of the Budapest Stock Exchange (www.bet.hu) as well as the official website of the Company (www.graphisoftpark.com).

3. Main elements of the accounting policy

The books of the Company are kept with double-entry bookkeeping, in line with the provisions of the Accounting Act. The financial year corresponds to the calendar year.

The Company keeps its books in Euro (EUR). For purpose of determining the EUR value of the assets and liabilities denominated in other currencies, the foreign exchange rate published by the National Bank of Hungary shall be applied.

The Company prepares a type 'A' financial statements. The balance sheet is not detailed more than described in the Accounting Act, the individual items marked by Arabic numerals are not merged within the different groups, and similarly, The Company do not omit those lines marked with Arabic numerals which contained no data during the current year and the previous year.

The operating profit is determined as the difference between the net sales revenue accounted for in the financial year, the value of own work capitalized, other income and the total amount of material costs, personnel expenses, depreciation, other operating expenses accounted for in the financial year (with total costs method).

Depreciation is provided using the straight-line method over the estimated useful lives of the assets. General depreciation rules are stated as follows:

Type of asset	Depreciation
Own-development software	2 years
Purchased trade-marks, patents	3 years
Goodwill	7 years
Concessions, licenses and similar rights	5 years
Capitalized foundation	5 years
Assets in the course of construction	not depreciated
Land and buildings and related property rights	50 years
Machinery and equipment	3-7 years
Office equipment	3-7 years
Vehicles	5 years - 20% residual value

When accounting depreciation, the Company apply the depreciation rates determined on the basis of the expected useful life of the assets. Tangible assets of small value are accounted in full as costs upon their commissioning.

Long term investments in subsidiaries are recorded at cost when established or at original purchase price less goodwill when acquired. At the end of the financial year, the Company's investments are impaired if the market value (net asset value) of the equity investment is permanently and significantly lower than its book value. The impairment review is carried out on an individual basis.

The unrealized exchange rate differences shall be accounted by the Company in the profit and loss statement, regardless of the value limits.

The Company does not deviate from the principles determined in the Accounting Act.

Changes in accounting policies:

Dividend:

In accordance with changes in the Hungarian Act of Accounting regarding accounting treatment of dividends effective from 2016:

- dividend payable is recorded as a liability and debited against equity in the period in which the dividend is approved by the shareholders,
- dividend receivable (due) is recognized when the Company's right to receive the payment is established.

Comparative figures were restated and reclassified to conform with presentation in the current period as follows:

Description	**31.12.2015 original**	**31.12.2015 modified**	**Change**
Receivables from related parties	4,386,688	1,986,688	-2,400,000
Receivables			**-2,400,000**
Retained earnings	5,185,576	2,897,504	-2,288,072
Profit after tax	22,116	2,372,423	2,350,307
Shareholders' equity total			**62,235**
Other short-term liabilities	2,540,757	78,522	-2,462,235
Liabilities			**-2,462,235**
Dividend	2,400,000	2,200,000	-200,000
Other revenues of financial transactions	8,827	45,648	36,821
Other financial expenses	55,596	4,345	-51,251
Financial profit			**111,928**

IFRS transition:

The Company prepares its single entity financial statements in accordance with International Financial Reporting Standards (IFRS) from 2017. The Company fulfilled all obligations related to the transition to IFRS in 2016.

4. Equity and financial position

Ratios on the equity, financial and liquidity position of the Company are disclosed in the tables of Appendix 1.

II. Notes to the Balance Sheet

1. Fixed assets

1.1 Property, plant and equipment and intangible assets

Value of intangible and tangible assets worked out in the reporting period as presented in Appendix 2.

1.2 Long-term financial investments

Company	31.12.2015	31.12.2016
Graphisoft Park Kft.	3,337,087	1,720,038
Graphisoft Park South I. Kft.	-	8,324,047
Graphisoft Park South II. Development Kft.	-	1,669,833
Long-term investments in related parties	**3,337,087**	**11,713,919**

Two project companies, Graphisoft Park South I. Kft. and Graphisoft Park South II. Development Kft. demerged from Graphisoft Park Kft. in a transaction within the Group on September 30, 2016. The transaction left the ownership structure of the companies unchanged as all companies remained in Graphisoft Park SE's sole ownership after the demerger as well. Graphisoft Park SE is the 100% owner of Graphisoft Park Kft., Graphisoft Park South I. Kft. and Graphisoft Park South II. Development Kft.

After-the-demerger shareholding figures were stated as follows based on the transformation final balance sheet in accordance with the prescriptions of the Hungarian Act of Accounting:

- Graphisoft Park Kft's (the surviving company) shareholding figure was stated based on the before-the-demerger book value taking into consideration in the proportion of the after-the-demerger equity per the before-the-demerger equity figure of the company; the difference was accounted for in the income statement as "Expenditures and exchange losses on participating interests".

- Graphisoft Park South I. Kft's and Graphisoft Park South II. Development Kft's (the demerging companies) shareholding figure was recorded in the amount of the equity of the company; this amount was accounted for in the income statement as "Revenues and exchange gains from participating interests"

At the end of the financial year the Company's investments were tested for impairment, and according to the results of this test no impairment losses were accounted for.

2. Current assets

2.1 Receivables

Description	31.12.2015	31.12.2016
Receivables from related parties	1,986,688	1,977,145
Other receivables	1,500	7,897
Receivables	**1,988,188**	**1,985,042**

Receivables from related parties consists of the following as of 31.12.2016: 1,836,841 EUR loan provided to Graphisoft Park Kft. and 140,304 EUR trade receivable.

Comparative figures are presented with the modification as detailed in point I/3.

2.2 Securities

Description	31.12.2015	31.12.2016
Treasury shares (ordinary shares)	944,561	950,938
Securities	**944,561**	**950,938**

Securities consist of 226,514 pieces of treasury shares at 0 EUR book value (acquired in year 2006), 252,562 pieces of treasury shares at 820 HUF per share totaling 207,100,840 HUF (purchased in year 2011), 30,000 pieces of treasury shares at 1,142 HUF per share totaling 34,260,000 HUF, and 40,000 pieces of treasury shares at 1,360 HUF per share totaling 54,400,000 HUF; 950,938 EUR in total on the exchange rate 311.02 EUR/HUF of December 31, 2016.

Graphisoft Park SE ordinary shares are publicly traded at Budapest Stock Exchange ('BSE'). Shares and dividend payables are denominated in HUF.

2.3. Prepayments

Description	31.12.2015	31.12.2016
Prepaid costs and expenses	9,225	8,515
Prepaid costs and expenses, related parties	1,556	1,125
Prepayments	**10,781**	**9,640**

3. Shareholders' equity and liabilities

3.1. Shareholders' equity

Description	31.12.2015	31.12.2016	Change
Issued capital	250,157	250,157	0
Retained earnings	2,897,504	2,807,511	-89,993
Allocated reserves	944,561	950,938	6,377
Profit after tax	2,372,423	10,924,936	8,552,513
Shareholders' equity total	**6,464,645**	**14,933,542**	**8,468,897**

Comparative figures are presented with the modification as detailed in point I/3.

Allocated reserves consist solely of the book value of the treasury shares. (See details in section II/2.2.)

Treasury share details are as follows:

Description	31.12.2015	31.12.2016
Number of shares	549,076	549,076
Face value per share (EUR)	0.02	0.02
Total face value	10,982	10,982

3.2. Current liabilities

Description	31.12.2015	31.12.2016
Suppliers	21,300	41,954
Others	78,522	74,820
Current liabilities	**99,822**	**116,774**

Comparative figures are presented with the modification as detailed in point I/3.

3.3. Accrued expenses and deferred income

Description	31.12.2015	31.12.2016
Audit fee	10,500	10,500
Other accruals	6,934	801
Accrued expenses and deferred income	**17,434**	**11,301**

4. Related party balances

Description	31.12.2015	31.12.2016
Domestic customers, related parties	169,832	140,304
Receivables from related parties (loan)	1,816,856	1,836,841
Prepaid costs and expenses, related parties	1,556	1,125
Receivables from related parties	**1,988,244**	**1,978,270**

Comparative figures are presented with the modification as detailed in point I/3.

III. Notes to the Profit and Loss Statement for the period from 01.01.2016 until 31.12.2016

1. Net sales revenues

Description	31.12.2015	31.12.2016
Administration and management services. related parties	718,227	820,685
Other rental fees. related parties	14,289	22,821
Administration services	6,983	6,940
Net sales revenues	**739,499**	**850,446**

The Company has solely domestic revenues.

2. Value of services used

Description	31.12.2015	31.12.2016
Audit services	25,200	25,200
Stock exchange services	47,058	50,307
Payroll services	5,719	2,322
Legal services	30,587	41,010
Information technology services	18,291	18,766
Other services used	30,761	52,782
Other services used. related parties	49,769	45,299
Value of services used	**207,385**	**235,686**

The Company did not account for research and development costs, and did not receive subsidies.

3. Financial profit

Description	2015.12.31	2016.12.31
Dividends received from related parties	2,200,000	2,400,000
Revenues and exchange gains from participating interests	-	9,993,880
Other interests received	540	4
Other interest received from related parties	20,194	19,985
Exchange rate gain realized	45,648	27,626
Financial revenues	**2,266,382**	**12,441,495**
Description	**2015.12.31**	**2016.12.31**
Expenditures and exchange losses on participating interests	-	1,617,048
Exchange rate loss realized	4,345	9,333
Exchange rate loss not realized	-	9,279
Financial expenses	**4,345**	**1,635,660**

4. Incomes and expenditures with related parties

Description	31.12.2015	31.12.2016
Net sales revenues	732,516	843,506
Dividend	2,200,000	2,400,000
Interest	20,194	19,985
Revenues total	**2,952,710**	**3,263,491**
Description	**31.12.2015**	**31.12.2016**
Rental fees	40,442	36,862
Operation and utility charges	15,970	14,731
Expenditures total	**56,412**	**51,593**

Comparative figures are presented with the modification as detailed in point I/3.

5. Corporate income tax

	31.12.2015	31.12.2016
Profit before taxation	**2,488,870**	**10,932,776**
Tax base decreasing items	**2,517,191**	**10,111,689**
Depreciation - according to tax law	42,097	39,404
Depreciation written off – according to accounting law	29,906	-
Revenues and exchange gains from participating interests *	-	9,993,880
Dividend receivable	2,400,000	-
Tax loss carried forward	45,188	78,405
Tax base increasing items	**73,509**	**1,651,122**
Depreciation - according to accounting law	36,127	34,074
Depreciation written off - according to tax law	37,382	-
Expenditures and exchange losses on participating interests *	-	1,617,048
Tax base	**45,188**	**78,405**
Corporate income tax	**4,519**	**7,840**
Profit after taxation	**2,484,351**	**10,924,936**

* In accordance with the Act LXXXI of 1996 on Corporate Tax and Dividend Tax 7. § (1) gy) and 8. § (1) r). Details are disclosed in point II.1.2 (Long term financial investments).

6. Dividend receivable

Graphisoft Park Ingatlanfejlesztő Kft. (subsidiary of the Company) pays 2,500,000 EUR dividend for the Company from its profit after taxation for the year 2016.

IV. Other information

1. Headcount, remuneration

Headcount and remuneration data of the Company are summarized in the following table:

	Average headcount (person)		Wages and salaries (EUR)		Other personnel expenses (EUR)	
	2015	**2016**	**2015**	**2016**	**2015**	**2016**
Employees	7	7	189,864	207,566	22,032	19,669
Executive officers	5	5	46,565	64,626	-	-

Amounts paid to executive officers include payments made to the members of the Board of Directors and the Audit Committee.

Other personnel expenses in the Profit & Loss Statement contain entertainment allowance amounting to 18.062 EUR.

Average headcount of the subsidiaries of the Company (persons):

Company	**2015**	**2016**
Graphisoft Park Kft.	5	5
Graphisoft Park Services Kft.	6	7
Graphisoft Park South I. Kft.	-	-
Graphisoft Park South II. Development Kft.	-	-

2. Board of Directors, Audit Committee, Management

Members of the Board of Directors (BoD):

Bojár Gábor	chairman	(1125 Budapest. Lóránt u. 14.)
Dr. Martin Hajdu György	member	(1026 Budapest. Széplak u. 11.)
Dr. Kálmán János	member	(1122 Budapest. Rókushegyi lépcső 14.)
Kocsány János	member	(1031 Budapest. Almási Balogh Lóránd u. 1. D.)
Szigeti András	member	(1037 Budapest. Góbé u. 18.)

Members of the Audit Committee (AC):

Dr. Kálmán János	chairman	(1122 Budapest. Rókushegyi lépcső 14.)
Dr. Martin Hajdu György	member	(1026 Budapest. Széplak u. 11.)
Szigeti András	member	(1037 Budapest. Góbé u. 18.)

The Chief Executive Officer of the Company is Kocsány János (1031 Budapest. Almási Balogh Lóránd u. 1. D.).

Interests of the board of directors and the key management personnel in Graphisoft Park SE:

	December 31, 2015		December 31, 2016	
Name, position	**Shares**	**Share**	**Shares**	**Share**
	(pcs)	**(%)**	**(pcs)**	**(%)**
ORDINARY SHARES:	**3,514,538**	**28.11**	**3,424,082**	**27.38**
Bojár Gábor – BoD chairman	3,185,125	25.47	3,185,125	25.47
Dr. Kálmán János – BoD member	13,500	0.11	13,500	0.11
Szigeti András – BoD member	126,000	1.01	126,000	1.01
Kocsány János - BoD member. CEO	180,913	1.45	90,457	0.72
Hajba Róbert - CFO	9,000	0.07	9,000	0.07
EMPLOYEE SHARES:	**1,876,167**	**15.00**	**1,876,167**	**15.00**
Kocsány János - BoD member. CEO	1,250,778	10.00	1,250,778	10.00
Hajba Róbert - CFO	625,389	5.00	625,389	5.00
SHARES TOTAL:	**5,390,705**	**43.11**	**5,300,249**	**42.38**

* Share ownership of Kocsány János decreased in the first quarter of 2016 due to division of assets between family members.

3. Environmental protection

The Company does not possess tangible assets used for environmental protection, hazardous waste, or substances dangerous for the environment.

4. Preparation of financial statements, auditing

The chief financial officer of the Company (Hajba Róbert. MKVK registration number: 006773) and the bookkeeper of the Company (Goór Ágnes. reg.no: 192592) prepared these financial statements. The chief executive officer (Kocsány János) signs these financial statements.

The Company is subject to compulsory audit. The independent auditor of the Company is Ernst and Young Kft. (1132. Budapest. Váci út 20.). Bodócsy Ágnes (MKVK registration number: 007117). The audit fee of these financial statements and the consolidated financial statements of the Company is 18.000 EUR. The auditor provided other accountancy services amounting to 7.200 EUR for the Company in the course of the financial year.

5. Approval of financial statements

The Financial Statements of the Company for the year 2016 are authorized for issue in accordance with the resolution of the Board of Directors on March 20, 2017. Together with the approval of the financial statements for issue, the Board proposes dividend distribution of 78 HUF per ordinary share, 786,443 thousand HUF in total (2,529 thousand EUR on the exchange rate of December 31, 2016), and 26 HUF per employee share, 48,780 thousand HUF in total (157 thousand EUR on the exchange rate of December 31, 2016) to be approved by the Annual General Meeting of Graphisoft Park SE of April 20, 2017. The Annual General Meeting has the power to amend the financial statements.

V. Cash-flow statement

Line	Description	Sign	31.12.2015	31.12.2016
1.	Profit before taxation	+ / -	2,488,870	10,932,776
2.	Depreciation	+	36,127	34,074
3.	Impairment and reversal of impairment	+	-	-
4.	Provision recognition and release, net	+ / -	-	-
5.	Gain or loss realized on sale of non-current assets	+ / -	-	-
6.	Change of liabilities to suppliers	+ / -	2,653	20,654
7.	Change of other short-term liabilities	+ / -	424,428	-3,702
8.	Change of accruals	+ / -	-7,687	-6,133
9.	Change of trade receivables	- / +		-
10.	Change of current assets (excluding trade receivables and cash)	- / +	-2,670,271	-3,232
11.	Change of prepayments	- / +	4,519	1,141
12.	Corporate tax paid, payable	-	-4,519	-7,840
13.	Dividend paid, payable	-	-2,462,235	-2,456,038
I.	**Operating cash-flow**		**-2,188,115**	**8,511,700**
14.	Purchase of non-current assets	-	-70,435	-4,116
15.	Sale of non-current assets	+	11,000	-
16.	Dividend received	+	2,400,000	-
II.	**Investment cash-flow**		**2,340,565**	**-4,116**
17.	Proceeds from the issue of shares (capital increase)	+	-	-
18.	Proceeds from the issue of bonds	+	-	-
19.	Exchange gain or loss from participating interests	+	-	-8,376,832
20.	Repayment of long-term loans	+	-	-
21.	Cash received free of charge	+	-	-
22.	Withdrawal of shares (capital decrease)	-	-	-
23.	Repayment of bonds	-	-	-
24.	Repayment of loans	-	-	-
25.	Long-term loans granted	-	-	-
26.	Cash given free of charge	-	-	-
27.	Change of liabilities to founders	-	-	-
III.	**Financing cash-flow**		**0**	**-8,376,832**
IV.	**Change of cash**		**152,450**	**130,752**

Budapest, March 20, 2017

Director of the Company

Graphisoft Park SE

Business year: 2016

Appendix 1

RATIOS ON EQUITY POSITION

Description	Calculation	Previous year EUR	Current year EUR	Previous year %	Current year %	Rate %
Fixed assets ratio	Fixed assets / Total assets	3 462 239 / 6 581 901	11 809 113 / 15 061 617	52,60	78,41	149,05
Current assets ratio	Current assets / Total assets	3 108 881 / 6 581 901	3 242 864 / 15 061 617	47,23	21,53	45,58
Fixed assets coverage	Shareholders' equity / Fixed assets	6 464 645 / 3 462 239	14 933 542 / 11 809 113	186,72	126,46	67,73
Tangible assets coverage	Shareholders' equity / Property, plant and equipment	6 464 645 / 125 152	14 933 542 / 95 194	5165,43	15687,48	303,70
Shareholders' equity ratrio	Shareholders' equity / Total equity and liabilities	6 464 645 / 6 581 901	14 933 542 / 15 061 617	98,22	99,15	100,95
Liabilities ratio	Liabilities / Total equity and liabilities	99 822 / 6 581 901	116 774 / 15 061 617	1,52	0,78	51,12

RATIOS ON LIQUIDITY POSITION

Description	Calculation	Previous year EUR	Current year EUR	Previous year %	Current year %	Rate %
Liquidity ratio (current ratio)	Current assets / Short-term liabilities	3 108 881 / 99 822	3 242 864 / 116 774	3114,42	2777,04	89,17
Liquidity ratio	Liquid assets / Short-term liabilities	176 132 / 99 822	306 884 / 116 774	176,45	262,80	148,94

RATIOS ON FINANCIAL POSITION

Description	Calculation	Previous year EUR	Current year EUR	Previous year %	Current year %	Rate %
Short-term liabilities coverage ratio	Receivables / Short-term liabilities	1 988 188 / 99 822	1 985 042 / 116 774	1991,73	1699,90	85,35
Indebtedness ratio	Liabilities / Total assets	99 822 / 6 581 901	116 774 / 15 061 617	1,52	0,78	51,12

Graphisoft Park SE
Business year: 2016

Appendix 2

Changes in gross value, accumulated depreciation and net value of intangible and tangible assets

amounts in EUR

Description	Gross value					Depreciation							Net value
	Opening balance	Increase	Decrease	Reclassi-fication	Closing balance	Opening balance	Increase			Decrease	Reclassi-fication	Closing balance	
							Normal	Extraordinary	Low-value				
Capitalised foundation/restructuring					0							0	0
Capitalised research and development					0							0	0
Concessions, licenses and similar rights	40 519				40 519	40 519						40 519	0
Trade-marks, patents and similar assets					0							0	0
Goodwill					0							0	0
Advance payments for intangible assets					0							0	0
Value adjustment of intangible assets					0							0	0
Low-value intangible assets					0							0	0
INTANGIBLE ASSETS	40 519	0	0	0	40 519	40 519	0	0	0	0	0	40 519	0
Land and buildings and related property rights					0							0	0
Plant, machinery, equipment and vehicles					0							0	0
Other equipment, fixtures and fittings, vehicles	215 671	4 116			219 787	90 519	34 074					124 593	95 194
Breeding stock					0							0	0
Assets in the course of construction		4 116	4 116		0							0	0
Prepayments for capital expenditures					0							0	0
Value adjustment of tangible assets					0							0	0
Low-value assets					0							0	0
PROPERTY, PLANT AND EQUIPMENT	215 671	8 232	4 116	0	219 787	90 519	34 074	0	0	0	0	124 593	95 194
Total:	256 190	8 232	4 116	0	260 306	131 038	34 074	0	0	0	0	165 112	95 194

BUSINESS REPORT

on the activity of Graphisoft Park SE during year 2016

General Overview

Graphisoft Park SE carries out its real estate development, leasing and operation activity, being the sole activity of the company group, via its subsidiaries specialized in real estate development and operation. The detailed presentation of the business activities of Graphisoft Park Group are contained in the consolidated financial statements of Graphisoft Park SE.

Graphisoft Park SE had the following individual activities during 2016:

- managing Graphisoft Park Group by performing the holding functions, including in particular the following: strategic management of the group, preparation of group level reports, liaising with the stock exchange and investors.

- provision of management and administrative services (controlling, book-keeping, other financial and general administration) to the subsidiaries.

Events in 2016

Two project companies, Graphisoft Park South I. Kft. (1031 Budapest, Záhony u. 7; reg.no: 01-09-286801, tax no: 25744020-2-41) and Graphisoft Park South II. Development Kft. (1031 Budapest, Záhony u. 7; reg.no: 01-09-286800, tax no: 25743988-2-41) demerged from Graphisoft Park Kft. in a transaction within the Group on September 30, 2016. The transaction left the ownership structure of the companies unchanged as all companies remained in Graphisoft Park SE's sole ownership after the demerger as well. Graphisoft Park SE is the 100% owner of Graphisoft Park Kft., Graphisoft Park South I. Kft. and Graphisoft Park South II. Development Kft., while Graphisoft Park Kft. is the exclusive owner of Graphisoft Park Services Kft.

The Company performed all the management and administrative activities of the company group during 2016. The Company's annual sales revenue in the amount of EUR 850 thousand largely originates from the services provided to the subsidiaries and accounted at arm's length prices.

Plans for 2017

The Company does not plan any changes for 2017 in terms of its activities. We have not identified any factors of risk or uncertainty that could have a substantial impact on the business processes of the Company.

General information

Graphisoft Park Group

Graphisoft Park SE Real Estate Development European Company Limited by Shares (the "Company" or "Graphisoft Park SE") with its subsidiaries form the Graphisoft Park Group ("the Group" or "Graphisoft Park"). Graphisoft Park SE and subsidiaries are 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.

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: graphisoftpark.com/corporate-governance):

- 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 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 6 years. Presently Graphisoft Park SE operates with 5 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 3 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, 2018
Dr. Kálmán János	Member	August 21, 2006	May 31, 2018
Kocsány János	Member	April 28, 2011	May 31, 2018
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2018
Szigeti András	Member	July 21, 2014	May 31, 2018

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.

The Audit Committee shall have as many as necessary but at least four meetings each year. 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, 2018
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2018
Szigeti András	Member	July 21, 2014	May 31, 2018

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, 2015		December 31, 2016	
Shareholder	**Shares (pcs)**	**Share (%)**	**Shares (pcs)**	**Share (%)**
ORDINARY SHARES:	**10,631,674**	**85.00**	**10,631,674**	**85.00**
Shareholders over 5% share	**5,324,649**	**42.57**	**5,793,531**	**46.33**
Bojár Gábor	3,185,125	25.47	3,185,125	25.47
Concorde Zrt.	1,643,881	13.14	1,602,963	12.82
AEGON Zrt.	495,643	3.96	1,005,443	8.04
Other shareholders	**4,757,949**	**38.04**	**4,289,067**	**34.28**
Treasury shares*	**549,076**	**4.39**	**549,076**	**4.39**
EMPLOYEE SHARES:**	**1,876,167**	**15.00**	**1,876,167**	**15.00**
SHARES TOTAL:	**12,507,841**	**100.00**	**12,507,841**	**100.00**

* Treasury shares possessed by the Company do not pay dividend and bear no voting rights.
** Class „B" employee shares bear different (reduced) rights to dividend at the proportion of one third of their face value, and are governed by the provisions of the Articles of Association and the Management Share Ownership Plan.

The information not essential for the comprehensive presentation of the development, performance and situation of the Company are provided in the notes to the financial statements. Those information are presented in the financial statements and in the business report which are relevant and concern the Company.

Statement *- The accompanying Financial Statements which have been prepared 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 20, 2017

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Kocsány János
Chief Executive Officer