Graphisoft Park SE   Annual Report 2023

This is the TRANSLATION of the Hungarian report

Executive Summary

Our **pro forma net result for 2023 is 7.86 million euros**, which exceeds the prior year result by about 1.8 million euros, that is 31%, and by almost 700 thousand euros our preliminary forecast published last November. The reasons for the deviation compared to our previous expectations are as follows:

(1) We achieved savings of nearly 100 thousand euros in operating costs compared to the preliminary budget,
(2) foreign exchange rates and our interest income on our liquid assets were also favorable at the end of the year, so the financial results were 200 thousand euros better than our conservative estimate in November,
(3) furthermore, in the "other income" line, some income originally expected only for 2024 was already realized in 2023, which meant an additional income of 400 thousand euros in 2023.

Based on all of this, the Board of Directors plans to make a proposal to the General Meeting to pay a dividend of approximately 7.1 million euros, corresponding to 90% of the pro forma result for 2023, i.e. approximately **70 eurocents per ordinary share**. Based on the Company's announcement of February 9, 2024, **the dividend will be paid to shareholders in euros**. Once again, the Company draws the attention of the Shareholders to ask their securities account manager about the technical and cost impact of the change, especially the process of receiving and crediting dividends received in euros, which may differ at each service provider.

Leased properties, occupancy

In addition to the oversupply in the office market, the uncertain economic environment causes a noticeable decrease in demand on the office market; in the case of tenants, the integration of the home office option and the flexible shaping of the function of the existing office areas came to the fore. Among our tenants, we see that research and development work with a high degree of creativity and intensive collaboration cannot be without personal presence at least partially, but the flexible use of communal spaces, meeting rooms and hybrid working overall reduces the size of the required rental properties. The effect of the trend is also reflected in the **utilization** of Graphisoft Park: during the year 2023, it **decreased** from an exceptionally high 97-98% to **95%** by the end of the year. However, considering the Budapest average, this is still extremely favorable, since according to some surveys, the average vacancy rate in Budapest reached 14% by the end of 2023, and a further increase is expected in 2024. This is also helped by the fact that the tenants of Graphisoft Park commit to a longer period of time compared to the national average, due to the park's unique natural environment, the technological and IT focus, and the possibility of flexible office design. The **average lease term** in the Park calculated with the starting date of current tenants' earliest lease agreements is **15.2 years**.

Requests for changes to the leased areas are mostly renegotiated when the contracts expire. However, in the case of some tenants, an agreement was reached in the second half of 2023 before the expiration of the contract, and they already affect the 2024 financial year. A significant part of the area reductions before the contract expires will be compensated by the tenants in a lump sum, which will increase the “other income” line, partly already in 2023 but also in 2024.

Pro forma results and forecast

Our "pro forma" results for **2023** are outstanding: as a result of the generally high utilization during the year and the euro-based indexation applied, **revenues exceeded the previous year by 1.3 million euros, or about 8%**. The other income partly reflects the result of the construction and renovation of rental properties requested and financed by the tenants during the period, which was also increased by extraordinary items (among other things, compensation paid for some returned rental property areas). **Operating costs** increased by 13% compared to the previous year, which, in addition to a small increase in personnel costs, primarily reflects the inflationary increase in the fees for some services used. **Depreciation**, due to the depletion of some older assets, decreased slightly compared to the previous year. The **significant increase in the financial result** is the combined result of several effects: the interest to be paid on the loans outstanding (which went down due to the repayments) decreased, the interest income realized on free funds significantly exceeded the previous ones, and the exchange rate difference of assets held in forint also developed more favorably.

As a result of the above, in 2023 the **EBITDA exceeded the previous year by 1,047 thousand euros, about 7%, and the profit after tax by 1,842 thousand euros, or 31%**.

For the 2024 financial year, **we do not change** our previously published forecast in this report for now.

(million euros)	2022 actual	2023 actual	*2024 forecast*
Rental revenue	**15.54**	**16.85**	***16.6***
Other income (net)	0.64	0.57	*0.6*
Operating expense	(1.42)	(1.61)	*(1.9)*
EBITDA	**14.76**	**15.81**	***15.3***
Depreciation	(7.01)	(6.94)	*(6.6)*
Operating profit	**7.75**	**8.87**	***8.7***
Net financial result	(1.71)	(0.99)	*(1.6)*
Profit before tax	**6.04**	**7.88**	***7.1***
Income tax expense	(0.02)	(0.02)	*(0.0)*
Net profit	**6.02**	**7.86**	***7.1***

In 2024, due to changes in some lease contracts, we expect a decrease in leased areas, but at the same time, we expect occupancy to remain above 90% throughout the year. The downward indexation of rents compensates only a part of the lost income, so overall, by 2024, we expect **rental revenue of 16.6 million euros, 1.5% less than this year**. A significant part of the area reductions before the contract expires is compensated by the tenants, which is accounted as one-time income among other income. We expect a significant **18% increase in operating costs**, due to further increases in service fees, increases in personal payments and new cost elements arising in connection with the goals defined in the ESG strategy. **Depreciation** is expected to **decrease by 300 thousand euros** in 2024 due to the depletion of certain assets. At the same time, the **financial result is expected to be less favorable** than in the previous year: although the interest payable on the decreasing loans outstanding will decrease, due to the changes in the forint interest rate environment, we can no longer count on interest income of the same level as in 2023, and the volatility of the forint may also cause exchange rate losses. Overall, we expect a **pro forma after-tax result of 7.1 million euros for 2024**, which is about 10% lower than the outstanding results of 2023 due to one-off factors but exceeds the net result of 2022 by almost 18%.

Property portfolio and fair value of net assets

At the end of 2023, the independent valuer estimated the **fair value of the real estate portfolio at 225.5 million euros**, which represents a more than **5 million euro decrease** compared to the end of 2022. In more detail, the **fair value of the completed and delivered properties decreased by 3.3 million euros** compared to the end of the previous year. The reason for this is that the yield expectation increased during the year due to general market uncertainty and the development of an oversupply in the office market. In addition, although the tenant base in the office park is stable and the utilization of the buildings is above average, the small vacancy that occurred at the end of the year together with the previous ones caused a 1.5% decrease in the value of the properties. On the other hand, the **fair value of the development areas decreased by a significantly higher relative value of 13%, by 2 million euros**, mainly due to the prolonged and currently completely uncertain implementation of the remediation of the northern development area, and due to the expected cost increase of future developments and the narrowing of the demand for offices.

Due to the interest levels experienced in the eurozone, the **fair value**[1] **of the interest rate swap hedging transactions** concluded by the Company to fix the interest rates of its euro-based loans **is still favorable**, which increase is reflected in equity (net asset value). In the meantime, the Company's outstanding **loan portfolio** went down to **85 million euros** due to continuous repayments. **By the end of 2023,** following the 5.4 million euro dividend payment in May, the Company's **cash balance is nearly 14.5 million euro**, which will ensure the long-term safe operation of the company, the financing of individual tenant designs, building upgrades and renovations, and forms a reserve for the possible negative effects of the changing economic environment; and if the economic conditions are favorable and there is a need for new developments, the reserve can provide cover for this as well.

Overall, despite the decrease in the fair value of the real estate portfolio, thanks to the increasing cash reserves in addition to the decreasing loan balances, the **net asset fair value** of the Company **exceeded the previous yearend's value by 651 thousand euros and reached 158 million euros**.

[thousands of EUR]

	Dec 31, 2022	March 31, 2023	June 30, 2023	Sept 30, 2023	Dec 31, 2023
Completed, delivered properties	215,105	214,838	214,485	213,004	211,762
Development lands	15,760	15,620	15,620	14,880	13,710
Estimated fair value of the entire property portfolio	**230,865**	**230,458**	**230,105**	**227,884**	**225,472**
Net asset value at estimated fair value	**157,577**	**160,079**	**157,938**	**159,203**	**158,228**
Net asset value at fair value per share (EUR)	15.63	15.88	15.66	15.79	15.69

Decarbonization strategy

In addition to the transformation of the function of the office spaces, an important aspect and goal is the continuous reduction of the carbon footprint of the buildings, as well as the development and implementation of the Park's decarbonization strategy together with the tenants. The Company's relevant considerations, the main elements and aspects of its strategy and the results already achieved in 2022 were published in the first ESG report issued in 2023.

Developments aimed at carbon reduction are the defining elements of our strategy. As part of this, **solar panel systems and heat pumps were installed** in some buildings in 2023, in accordance with the needs and decarbonization goals of the respective tenants. In addition, it is equally important to implement efficient building operations and **encourage conscious energy consumption**. In 2023, compared to the previous year, in cooperation with the tenants, we managed to achieve **savings of around 20% in both gas and electricity consumption**, which cooperation and intensive relationship we aim to maintain in the future. In addition to improving energy efficiency, our goal is to prioritize the aspects of conscious material use (e.g. lifecycle, quality, recyclability), minimize waste generated during office design and operation, and maintain and develop the green park and environment that gives the Park its unique character.

[1] The fair value of hedges is intended, among other things, to estimate how much more expensive (in the case of a negative fair value, cheaper) a similar loan could be obtained today. In addition to the current market interest rate environment, the fair value is influenced by several external factors (HUF/EUR exchange rate, monetary policy measures or future interest rate expectations). The development of these factors may result in a significant and in some cases unpredictable changes in the direction and degree of change in the fair value.

In recognition of our achievements so far, we recently received two awards:

- In 2023, the BCSDH (Business Council for Sustainable Development in Hungary) Award for a Sustainable Future was given to Graphisoft Park in the Biodiversity Preservation and Restoration category.
- In January 2024, Graphisoft Park's first sustainability report won the Green Frog award founded by Deloitte. This award recognizes companies for which sustainability is part of the business strategy, organizational culture and company operations, and their report comprehensively illustrates this, both in the presentation of the achieved results and in the formulation of objectives and strategies.

* * *

Even now, we believe that the unique **office park** provided by Graphisoft Park, located **in a truly green environment**, will continue to be in demand by companies employing technology- and knowledge-based, highly qualified employees, and we can expect an occupancy rate of over 90%, which exceeds the Budapest office market. The Company's strategy articulated 28 years ago also works in the light of the "home office" practice that has become common in recent years. Although the way and extent of office use and the distribution of the various functions of the rented areas are undergoing significant changes, research and development activities that require a high degree of creativity and intensive cooperation cannot exist without at least partial personal presence. The target market defined by the Company at the beginning, which are **domestic and international enterprises dealing with technological development**, proved to be a good choice even during uncertain economic prospects, since the key to success in this field is **attracting talent**. This is greatly enhanced by the high-quality and environmentally conscious architecture, a uniquely quiet park rich in ancient trees, on the truly green bank of the Danube, surrounded by the monuments of the former Óbuda Gas Works and preserved in a modern way.

Kocsány János

Kocsány János
Chief Executive Officer

Financial highlights

IFRS, consolidated, thousand EUR

Results:

	Results	
	December 31, 2022	**December 31, 2023**
	12 months ended	
Rental revenue	**15,538**	**16,845**
Operating expense	(1,421)	(1,612)
Other income (net)	643	574
EBITDA	**14,760**	**15,807**
Depreciation and amortization	(7,013)	(6,937)
Operating profit	**7,747**	**8,870**
Net interest expense	(1,533)	(923)
Other financial result	(174)	(63)
Profit before tax	**6,040**	**7,884**
Income tax expense	(19)	(21)
Pro forma profit after tax (1)	**6,021**	**7,863**
Pro forma profit after tax per share (EUR) (2)	**0.60**	**0.78**
Valuation difference of investment properties	(4,014)	(4,422)
Unrecognized depreciation	6,779	6,721
Profit after tax according to financial statements	**8,786**	**10,162**
Profit after tax per share according to financial statements (EUR) (2)	**0.87**	**1.01**

(1) “Pro forma” results show profit and loss according to the cost model.

(2) Treasury shares possessed by the Company and employee shares are excluded when the earnings per share value is determined (refer to Note 1.3 to the financial statements).

IFRS, consolidated, thousand EUR

Asset value:

	December 31, 2022	December 31, 2023
Fair value of properties	**215,105**	**211,762**
-from this book value (1)	*213,612*	*210,186*
Fair value of development lands	**15,760**	**13,710**
- from this book value (1)	*8,354*	*8,354*
Entire property portfolio at estimated fair value	**230,865**	**225,472**
Net asset value at estimated fair value (2)	**157,577**	**158,228**
Net asset value at cost (1)	*149,619*	*152,157*
Number of ordinary shares outstanding (thousands)	10,083	10,083
Net asset value at fair value per share (euro) (2) (3)	**15.63**	**15.69**
Net asset value at book value per share (euro) (1) (3)	*14.84*	*15.09*

(1) Investment properties and investment properties under construction are fair valued in the financial statements, while development lands and owner-occupied property are stated at cost. Development lands are presented under "Investment properties" and owner-occupied properties under "(Owner-occupied) Property, plant and equipment" in the balance sheet. As a result, instead of accounting depreciation, current period change in fair value is presented in the profit or loss.

(2) Estimated net asset fair value contains both development lands and owner-occupied properties on fair value instead of cost.

(3) Treasury shares possessed by the Company and employee shares are excluded when the earnings per share value is determined (refer to Note 1.3 to the financial statements).

Net asset value at book value and net asset value at fair value (equity) are disclosed in Note 23 to the financial statements.

Detailed Analysis

In this business report, Graphisoft Park presents the progress made toward its goals in the following areas:

- 2023 results (“pro forma” results and results according to the financial statements),
- Utilization, occupancy,
- Modernization plans,
- Financing,
- Forecast for 2024,
- Real estate portfolio and development potential,
- Further growth opportunities

“Pro forma” results of 2023

“Pro forma” results of 2023 changed compared to 2022 because of the following main factors:

- **Rental revenue** (2023: 16,845 thousand euros; 2022: 15,538 thousand euros) grew by 1,307 thousand euros, or 8% compared to last year, due to the stable utilization of the office park and the increasing euro-based indexation of tenant contracts.

- **Operating expense** (2023: 1,612 thousand euros; 2022: 1,421 thousand euros) increased by 13% compared to the same period of last year, which was primarily caused by an inflation-following increase in certain property-related costs and other operating costs.

- **Other income** (2023: 574 thousand euros; 2022: 643 thousand euros) is, to a smaller extent, the result of periodical developments and refurbishments of the rental property based on the request and expense of the tenants, which was also increased by extraordinary items in both years (one-off compensations paid by tenants due to contract changes before expiry). At the same time, in 2023, this result was reduced by the costs of the Company's contribution to the reduction of the energy consumption of the leased areas and the decarbonization strategy of the operation.

- **Depreciation** charge (2023: 6,937 thousand euros; 2022: 7,013 thousand euros) is slightly, around 1% lower than in the previous period, mainly due to the depletion of some older assets.

- **EBITDA** (2023: 15,807 thousand euros; 2022: 14,760 thousand euros) grew by 1,047 thousand euros, which is 7%, while **operating profit** (2023: 8,870 thousand euros; 2022: 7,747 thousand euros) increased by 1,123 thousand euros, or 15% compared to the previous year.

- **Net interest expense** (2023: 923 thousand euros; 2022: 1,533 thousand euros) **decreased** significantly **by 610 thousand euros** compared to prior year partly because of the declining principal amounts due to loan repayments, but a larger part as a result of the interest income on forint assets in current year**.**

- **Other financial result** (2023: 63 thousand euros loss; 2022: 174 thousand euros loss) is primarily influenced by the exchange rate difference of our forint-denominated assets.

- The balance of **income tax expense** (2023: 21 thousand euros; 2022: 19 thousand euros) is minimal as the Group – except for Graphisoft Park Engineering & Management Kft. – has “SzIT” status and as such is not subject to corporate income tax and local business tax.

- Overall, **net profit** (2023: 7,863 thousand euros; 2022: 6,021 thousand euros) is significantly, 1,842 thousand euros, or 31% higher compared to the same period of last year.

2023 results according to the financial statements

In 2023 results according to the financial statements are 2,299 thousand euros higher than the “pro forma” results due to the following two factors: unrecognized depreciation expense of investment properties increased the results by 6,721 thousand euros, while fair value losses decreased the results by 4,422 thousand euros. As previously the economic situation due to covid, the current energy crisis, high inflation and shrinking demand for office space will affect the entire office market in the coming periods. Even considering these effects, according to the independent valuer's calculations, they resulted in only a moderate decrease in the fair value of the completed and leased properties in the case of Graphisoft Park, given the still high and stable occupancy rate.

In 2022, results according to the financial statements were 2,765 thousand euros higher than the “pro forma” results: unrecognized depreciation expense of investment properties increased the results by 6,779 thousand euros, while fair value losses decreased the results by 4,014 thousand euros.

Details of changes in fair values are disclosed in Note 9 (Investment property) to the financial statements.

Utilization, occupancy

Occupancy rate of Graphisoft Park’s gross leasable area developed as follows (at the end of each quarter):

Period:	**2022Q1**	**2022Q2**	**2022Q3**	**2022Q4**	**2023Q1**	**2023Q2**	**2023Q3**	**2023Q4**
Occupancy of gross leasable area (%):	**97%**	**98%**	**98%**	**97%**	**97%**	**97%**	**97%**	**95%**
Gross leasable area (m^2):	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000

During 2020, the previously persistently high utilization rate declined slightly to 94%, partly due to the economic downturn caused by the coronavirus epidemic and partly to individual tenant needs. During 2021, despite the protracted crisis, the level of occupancy started to increase again, and it reached 98% by the 2nd quarter of 2022. In the last quarter of 2022, due to the drastic increase in energy prices and the recessionary economic environment, some tenants optimized their office use and reduced a bit their need for space, however, the utilization decreased by only 1% remaining stable at 97%. In the last quarter of 2023, during the renewal of the contracts of several larger tenants, requests to reduce the area arose, thereby reducing the occupancy to 95% by the end of the year. Although in the current economic environment we expect a decrease in occupancy even in 2024 (see below under the Section **“Forecast for 2024”**), this occupancy level still exceeds the Budapest office market average, proving the significant and long-lasting demand for an office park dominated by a green environment as a working place.

Graphisoft Park’s tenants make longer commitments than the national average. The Park’s unique natural environment and its information technology focus (the “micro Silicon Valley” concept) provide the space in which globally acclaimed companies have settled as tenants and expanded continuously over time. Examples for these companies are Microsoft (from 1998), SAP (from 2005) or Servier (from 2007); and the Park’s naming tenant and founder, Graphisoft SE (from 1998), which now operates wholly independently as a software company. It is also important to highlight that smaller tenants stay in the Park for more than 5 years on average and keep extending (average 1-3 years) their leases after expiration. Due to the peculiarities of the Park, we can meet the growth needs of the tenants: start-ups can become tenants of the Park even with a 1 year contract, and later they will also have the opportunity to expand in line with their growth path. The average lease term in the Park calculated with the **starting date of current tenants’ earliest lease agreements** (in certain cases lease agreements concluded with the predecessor of Graphisoft Park Group) is **15.2 years**, and in case of existing lease contracts the **weighted average lease term to expiry** is **2.6 years**.

Modernization plans

Between 2017-2022, we carried out the systematic, mainly mechanical, modernization and renovation of several office buildings, on a total of nearly 25,000 m2, worth around 6.5 million euros. At the same time, in order to satisfy their own unique needs, the tenants financed additional investment of 6 million euros in the buildings. From 2023, the focus of our renovation and modernization programs will be on projects that increase energy efficiency and optimize energy consumption, which we will implement in constant consultation and cooperation with our tenants. In the last one and a half year – partly due to the emerging energy crisis – we put a lot of emphasis on monitoring energy consumption, and in cooperation with the tenants, **we achieved savings around 20%** by consciously reducing consumption. Furthermore, in accordance with our ESG strategy published in 2023, when planning the modernization of buildings, projects that support the achievement of decarbonization goals are given priority, keeping in mind the improvement of energy efficiency, the conscious use of materials (lifecycle, quality, recyclability), as well as the minimization of waste generated during reconstruction.

Financing

We have executed a loan agreement with Erste Bank Hungary Zrt. in December 2015 with 10 years maturity to finance the development in the core area. In accordance with the loan agreement Erste Bank made a 4 billion HUF (12.6 million euro) credit facility and another 3 million euro credit facility available to Graphisoft Park within the National Bank of Hungary’s Funding for Growth Scheme. In order to hedge exchange rate risk associated with the forint-based loan, we have executed a cash flow hedge (CCIRS) agreement in June 2016 covering the entire loan amount and cash flows from the beginning of the loan repayment period until the expiration of the loan contract, by which we have converted the forint-based capital and the fixed interest payment obligations onto euro base.

We have executed a loan agreement with UniCredit Bank Hungary Zrt. in November 2016 with 10 years maturity to finance the ongoing development in the southern area. In accordance with the loan agreement UniCredit Bank made a 24 million euro credit facility available to Graphisoft Park within the National Bank of Hungary’s Funding for Growth Scheme. The credit facility has fixed interest rate.

On November 30, 2017, we concluded a new euro-based, 10 years to maturity loan facility which is worth 40 million euro with Erste Bank Hungary Zrt., for the refinancing of the previous loan facility before its maturity, concluded with Aareal Bank AG. The remaining smaller part of the loan is used to finance the refurbishment of the older buildings of Graphisoft Park. The new loan facility is complemented by an interest rate swap agreement (IRS) for its entire term; as a result the interest rate is fixed for the full term of the loan.

On November 19, 2019, the Company concluded another euro-based, 10 years to maturity loan facility agreement of 40 million euro value with UniCredit Bank in order to optimize the Company’s capital structure and to take advantage of the current very favorable borrowing conditions, which has been drawn on December 30, 2019. To fix the interest rate, the new loan facility was also complemented by an interest rate swap agreement (IRS) for its entire term.

At the end of the period the notional value of the outstanding loan liability is 85 million euro, which is currently 38% of the property fair value. After concluding the hedge agreements, all of the Company’s outstanding loan liabilities have been switched to fixed interest rates for the 10 year loan term, which further strengthens the Park’s stable operation. As of December 31, 2023, the average interest rate of the outstanding loans is 1.87% because of the concluded interest rate swaps. The positive fair value of interest rate swaps (3.6 million euro) reflects the difference between the current financing conditions available in the higher interest rate environment and the Company's fixed interest rates.

Bank	Initial loan value	Due date	Outstanding loan amount on December 31, 2023
	(thousand euros)		(thousand euros)
Erste Bank Hungary Zrt	15,600	27.12.2025	8,213
UniCredit Bank Hungary Zrt	24,000	23.12.2026	16,000
Erste Bank Hungary Zrt	40,000	31.12.2027	29,642
UniCredit Bank Hungary Zrt	40,000	15.12.2029	31,413
Sum	**119,600**		**85,268**

Forecast for 2024

In this report, we do not change the previously published forecast. In summary, in addition to slightly lower occupancy from 2023, we are expecting a lower indexation of rents, an inflationary increase in operating costs, and lower interest income due to the changing interest rate environment.

(million euros)	**2022 actual**	**2023 actual**	***2024 forecast***
Rental revenue	**15.54**	**16.85**	***16.6***
Other income (net)	0.64	0.57	*0.6*
Operating expense	(1.42)	(1.61)	*(1.9)*
EBITDA	**14.76**	**15.81**	***15.3***
Depreciation	(7.01)	(6.94)	*(6.6)*
Operating profit	**7.75**	**8.87**	***8.7***
Net financial result	(1.71)	(0.99)	*(1.6)*
Profit before tax	**6.04**	**7.88**	***7.1***
Income tax expense	(0.02)	(0.02)	*(0.0)*
Net profit	**6.02**	**7.86**	***7.1***

- In our more moderate rental income expectation, we took into account changing office usage habits, on the other hand, due to the deteriorating economic environment, some tenants only extend their contracts to a smaller area during contract renewals, and some tenants requested to reduce their rental area even before the contract expired. However, most of the rent for the year 2024 will be paid as compensation (or it was already paid in 2023), which will be accounted as other income. Furthermore, we also consider the fact that the rate of rent indexation is reduced. Based on these, **in 2024** we expect **rental revenue of 16.6 million euros**, which may be 240 thousand euros, i.e. 1.5% lower than the previous year.

- **Other income** traditionally includes income received for renovations requested by tenants. **In 2024** (as in 2023), the compensation to be paid for the reduction of certain rental areas before their expiration will increase other income, which may thus reach **600 thousand euros**, like previous years.

- In the case of **operating costs**, we expect a **total increase of around 18% in 2024** with a further increase in service fees, an increase in personal payments, and the new cost elements necessary to achieve the goals defined in the ESG strategy.

- As a combined effect of the above, according to our current calculations, **in 2024 the EBITDA** is expected to be **15.3 million euros**, about 500 thousand euros less than the previous year.

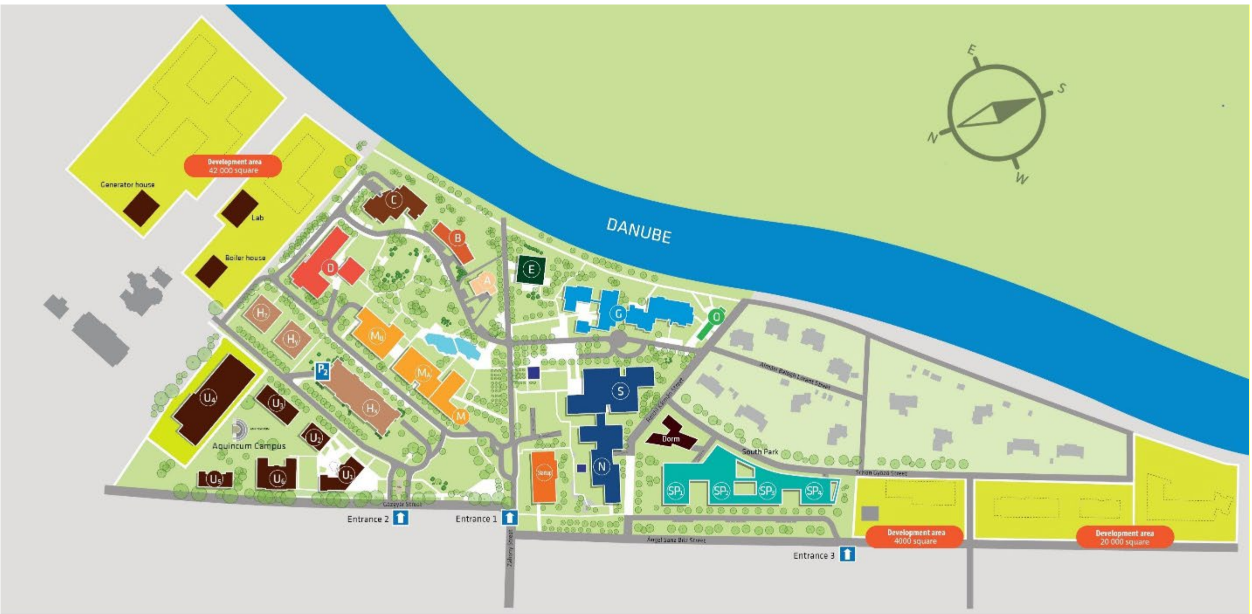
- In **2024**, the **depreciation** (which does not appear in the consolidated accounts according to the SZIT rules) due to the depletion of some older assets is expected to **decrease by around 300 thousand euros**.

- As part of the **net financial result**, due to the continuous loan repayments, the interest payable on the capital outstanding will decrease. At the same time, because of the changes in the interest rate environment in 2024, we no longer expect the same level of interest income as in 2023, and the volatility of the forint may also cause exchange rate losses. Overall, net financial costs of **1.6 million euros** are expected for **2024**, which is about 600 thousand euros more than the previous year.

- As a result of all this, the expected **pro forma net result in 2024 may reach 7.1 million euros**, nearly 800 thousand euros less than the previous year.

Further development opportunities

By the completion of the developments in the core and the southern area from September 2018, Graphisoft Park has **82,000 m² gross leasable area** as well as **underground parking for** around **2,000 cars** available for its tenants, ensuring the green dominance in the Park.



The southernmost part of the southern development area, named South Park II, offer room for another 20,000 m² potential development. The preparatory works were finished in 2020 to deliver new buildings on this area even within 18 months if demand would arise.

The property purchased in 2021 with an area of cca. 1,200 m2, which is located between the already built-in South Park I and South Park II development areas, allows the development of an additional 4,000 m2 of leasable office space, combined with the neighboring plots already owned by the Company In 2022 we received building permission for the possible development; however, the Company will decide on the initiation of the project at a later date, taking into account the conditions and the possibilities of the construction, in particular the development of raw material and energy prices, the possible capacity limitations and the general economic prospects, in addition to the requests of the tenants.

In the northern area no further preparatory work or development is allowed until MVM Next Energiakereskedelmi Zrt. completes its mandated rehabilitation duties in the area (see details below in the "Main risk factors - rehabilitation of the northern development area" section). After the remediation, this northern development area together with the unused part of the monument area will provide room for another 42,000 m^2 gross leasable area. Altogether this gives **development potential of around additional 66,000 m^2 gross leasable area, and as such, the gross leasable area might increase to 148,000 m^2 in the whole Graphisoft Park.**

In addition to the above, we should mention that next to the 18 hectares of the former Óbuda Gas Works owned by the Company, there is **another 12 hectares of development land** owned by the Municipality of Budapest. Following the required remediation, according to the currently valid regulations, an **additional 120,000 m^2 of leasable area can be developed**, for which an underground garage suitable for accommodating around 3,000 cars can also be built. If the Municipality of Budapest wishes to sell its development areas, the Company has the right of pre-emption for the larger part of it (7.5 hectares).

In addition to the 82,000 m^2 developed and delivered leasable area currently owned by Graphisoft Park, the further development opportunities are summarized below:

Development opportunities	Leasable area (m^2)
Owned by Graphisoft Park:	
Not affected by remediation, prepared for development by archaeological work:	24,000 m^2
Awaiting remediation:	42,000 m^2
Owned by the Municipality of Budapest, awaiting remediation:	120,000 m^2
Additional development opportunities in total:	**186,000 m^2**

In summary, in the **entire area of the former Óbuda Gas Works**, in addition to the buildings that have already been delivered, an **additional 186,000 m^2 of leasable area can be developed** - partly immediately, partly after the prescribed remediation (refer to section "Main risk factors associated with the areas") **on properties owned by Graphisoft Park and the Municipality of Budapest**. Thus, with a total **leasable area of nearly 270,000 m^2**, a high-tech park can be developed which is unique in Central Europe and based on technology companies and education.
Key characteristic of the Graphisoft Park concept is the sustained synergy between teams of startup entrepreneurs, global IT and technology focused companies and higher educational institutions as leading edge „knowledge-factories". Partnering relationships based on tight collaboration between technology firms, start-ups and educational institutions have been shaped among these three main pillars of Graphisoft Park, resulting in mutual support and strengthening and stimulating cooperation. The enhanced physical proximity and meaningful collaboration act as an attractive force and is recognized as a convenient source by all the three sectors. The management of the Park is consciously supporting the balanced presence of all three pillars and application of the full potential offered by their collaboration. We are open to accommodate educational institutions that act as knowledge centers and knowledge factories and fit the Park's concept.

Creative work, research and educational activities are further supported by the Park's Management by sustainably ensuring inspiring environment. Our goals are the increase of comfort levels, thus the levels of productivity for all Park tenant's creative and productive staff, the development of tools for promoting communities, hosting of relevant events and programs for further improvement of creative work conditions for all our tenants. We also aim to develop conditions allowing for various leisure, recreational and sporting activities within the Park. We do all this consciously, in order to develop and sustain high levels of employee satisfaction and engagement, thus enhancing our tenants' competitiveness on the market. Management is committed to make the Park feel as a comfortable, pleasant second home for all resident employees, more than just a work-place.

Main risk factors associated with the areas

Rehabilitation of the northern development area:

Due to the prior gasification activity the northern development area is still contaminated. The rehabilitation of this area is the duty of the polluter Capital City Gas Works (currently MVM Next Energiakereskedelmi Zrt.). After the final administrative judgment made on December 12, 2019, the Pest County Government Office conducted new proceedings. In the resolution received on April 30, 2020, the Pest County Government Office notified us about the repeated prolongation of the completion deadline of the rehabilitation in the northern development area, and stated new deadlines of May 31, 2021, and September 30, 2022.

Government Decree nr. 286/2021 (V. 27.) on the establishment of rules related to certain administrative authority procedures was published on May 27, 2021. Pursuant to Section 1 of the Government Decree in force between May 28, 2021, and June 24, 2021, the polluter became entitled to request an extension of the deadline for remediation from the environmental authority, which was obliged to grant the extension. MVM Next Energiakereskedelmi Zrt. submitted the relevant request, which was approved by the authority and the decree ruled out the possibility of an appeal, so the current deadline for carrying out remediation and submitting the final documentation was December 31, 2022.

We requested information from MVM Next Energiakereskedelmi Zrt. about its implementation plans related to the said deadline, to which we received the following information in response. MVM Next Energiakereskedelmi Zrt. still has the necessary permits to call for the construction tender and start construction, and has prepared the necessary documentation for the tender, however, despite its best intentions, it cannot make any responsible statement about the expected completion date of the remediation.

On December 23, 2022, Government Decree of 566/2022 (XII. 23) was published, which deals with the establishment of rules related to certain administrative authority procedures. On the basis of this decree, the legal entity obliged to remediate became entitled to request an extension of the remediation deadline from the environmental protection authority. If the application was submitted, the authority was obliged to grant the deadline extension. MVM Next Energiakereskedelmi Zrt., which is obliged to remediate the damage, submitted its request for this on December 27, 2022, which was granted by the authority on December 28, 2022. The decree ruled out the possibility of an appeal, so the currently valid new deadline for carrying out the remediation and submitting the final documentation is **December 31, 2024**, and the deadline for the remediation of certain sub-areas and for sub-surface water is **April 30, 2026**.

The actual remediation work did not start till the date of this Report, and we are not aware of the preparation of the works either. Based on all of this, Graphisoft Park considers the date of the actual start and end of the remediation to be uncertain, and therefore does not see it possible to start developments in the northern development area within the foreseeable future.

Flood risk:

Potential flood risk due to the location on the Danube waterfront, which is to be reckoned with for the increasing water level fluctuation, despite the old Gasworks rampart protecting the area even during the historical high floods in 2013.

Economic environment:

> Since the properties in Graphisoft Park are mainly rented by stable companies, operating in research & development, the utilization of the office park decreased only slightly as a direct effect of the crisis caused by the coronavirus, the surge in inflation and the drastic change in energy prices, and it stands at 95% even in the current economic conditions. At the same time, in the near future, the change in tenant behavior and the emerging oversupply in the office market may again result in temporary or longer-term vacancies, so we must once again consider demands for reducing office space and the permanent transformation of office use. Taking into account the risks affecting the rental revenue and the economic environment, due to the increase in market yield expectations, a further, possibly significant devaluation of the fair value of properties cannot be excluded.

***

Forecasts published here are based on the valid lease contracts in effect at the time of writing this report. Factors significantly affecting results are the economic environment, the changes in the HUF/EUR exchange rate (of which effects on the Company's results are unpredictable due to year-on-year fluctuations), the inflation rate and the regulatory environment with special regards to the tax regulations. In this forecast we calculate with 400 HUF/EUR exchange rate, euro inflation rate of 5% and unchanged legal and taxation environment till the end of 2024.

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):

- 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 5 years. Till April 28, 2023, Graphisoft Park SE operated with 6 members, from then on 7 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, 2026
Dr. Kálmán János	Member	August 21, 2006	May 31, 2026
Kocsány János	Member	April 28, 2011	May 31, 2026
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2026
Szigeti András	Member	July 21, 2014	May 31, 2026
Hornung Péter	Member	April 20, 2017	May 31, 2026
Farkas Ildikó	Member	April 28, 2023	May 31, 2026

According to the resolution of the AGM held on April 28, 2023, Farkas Ildikó CFO was elected as member of the Board of Directors.

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, 2026
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2026
Hornung Péter	Member	April 20, 2017	May 31, 2026

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:

Shareholder	December 31, 2022 Shares (pc)	Share (%)	Voting right (%)	December 31, 2023 Shares (pc)	Share (%)	Voting right (%)
ORDINARY SHARES:	**10,631,674**	**100.00**	**87.92**	**10,631,674**	**100.00**	**90.87**
Shareholders over 5% share	**4,633,942**	**43.59**	**40.41**	**4,645,531**	**43.70**	**41.87**
Bojár Gábor	1,685,125	15.85	14.69	1,685,125	15.85	15.19
HOLD Zrt.	701,233	6.60	6.12	735,386	6.92	6.63
VIG Zrt. (previously named AEGON Zrt.)	747,584	7.03	6.52	725,020	6.82	6.53
B.N.B.A. Holding Zrt.	1,500,000	14.11	13.08	1,500,000	14.11	13.52
Other shareholders	**5,488,656**	**51.25**	**47.51**	**5,437,067**	**51.14**	**49.00**
Treasury shares*	**549,076**	**5.16**	**-**	**549,076**	**5.16**	**-**
EMPLOYEE SHARES:**	**1,876,167**	**n/a**	**12.08**	**1,876,167**	**n/a**	**9.13**
Kocsány János***	1,384,819	n/a	12.08	923,213	n/a	8.32
Farkas Ildikó***	-	n/a	-	90,000	n/a	0.81
Treasury shares*	491,348	n/a	-	862,954	n/a	-
SHARES TOTAL:	**12,507,841**	**100.00**	**100.00**	**12,507,841**	**100.00**	**100.00**

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

** 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 fifty percent 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.

*** As announced on April 6, 2023, the Company repurchased 461,606 employee shares from Kocsány János CEO and transferred 90,000 employee shares to Farkas Ildikó CFO and transferred 120,000 employee shares to Pálfalvi Zsuzsa Operational Director. Based on the Company's announcement of November 27, 2023, the 120,000 shares were bought back from Pálfalvi Zsuzsa, as she left the Company.

Human resources

We ensure the continuous development of our employees, in addition we pay particular attention to special labor safety prescriptions affecting engineers working on development projects and employees working on property operation.

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.

Events after the balance sheet date

Proposed dividend by the Board

The annual financial statements of the Company for the year 2023 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 26, 2024. The Board proposes dividend distribution of 0.70 EUR per ordinary share, 7,057,819 EUR in total to be approved by the Annual General Meeting of Graphisoft Park SE of April 29, 2024. The Board also proposes altogether 386,125 EUR dividend for employee shares. The Annual General Meeting has the power to amend the annual financial statements.

Dividend payment in euro

The Company's Board of Directors decided as of February 9, 2024, that the Company will pay dividends in euros from this year. Therefore, the dividend payment approved by the General Meeting based on the 2023 financial year result will be made in euros, which is expected around May 20, 2024.

Employee share transaction

As announced on March 12, 2024, the Company transferred 90,000 employee shares to Farkas Ildikó CFO.

EPRA indicators

In 2022, Graphisoft Park SE was the first in Hungary to join EPRA (European Public Real Estate Association), whose mission is to promote, develop and represent the European real estate sector. As part of this, it has created a standardized framework to improve comparability between real estate companies (EPRA BPR - Best Practices Recommendations), promoting better information for investors and stakeholders. As part of its commitment to transparency, Graphisoft Park SE publishes detailed financial and real estate portfolio information in accordance with these EPRA recommendations.

		EPRA indicators – consolidated	
		December 31, 2022	**December 31, 2023**
EPRA Earnings[1]	in T EUR	12,760	14,549
EPRA Earnings per share	in EUR	1.26	1.44
EPRA net initial yield[2]	in %	6.38%	7.00%
EPRA 'topped-up' net initial yield[2]	in %	6.41%	7.09%
EPRA vacancy rate[3]	in %	2.03%	3.70%
EPRA loan-to-value ratio[4]	in %	35.34%	32.29%
EPRA cost ratio[5] (including direct vacancy costs)	in %	6.51%	7.44%
EPRA cost ratio[5] (excluding direct vacancy costs)	in %	6.30%	7.18%
EPRA NAVs			
EPRA Net reinstatement value[6]	in T EUR	145,839	150,669
EPRA Net reinstatement value per share	in EUR	14.46	14.94
EPRA net tangible assets[7]	in T EUR	145,774	150,614
EPRA net tangible assets per share	in EUR	14.46	14.94
EPRA Net disposal value[8]	in T EUR	149,619	152,157
EPRA net disposal value per share	in EUR	14.84	15.09

[1] Profit from operations, excluding changes in fair value of investment properties and financial assets.
[2] The ratio of the annual sales revenue reduced with real estate operating costs, and the real estate fair value increased with the estimated purchasers' costs. The "topped-up" indicator includes adjustments to the sales revenue for rent-free or other discounted periods.
[3] The estimated rental value of vacant areas compared to the value of the entire portfolio.
[4] The ratio of total liabilities (not covered by available free cash) compared the fair value of properties and other assets.
[5] Ratio of administrative and operating expenses compared to sales revenue.
[6] Net asset value showing the replacement value in the long term, assuming that the properties are not sold.
[7] The net value of tangible assets, assuming that the assets can be sold and thus deferred tax may be realized. This indicator does not include the value of intangible assets.
[8] Net disposal value: value at the time of sale, where deferred tax, financial instruments and other adjustments are calculated, and tax is deducted.

EPRA indicators' calculation methodology

The detailed calculation methodology of EPRA financial indicators is presented below:

1. EPRA Earnings and EPRA Earnings per share

EPRA earnings and earnings per share show the result of operating activities and an important indicator of the extent to which current dividend payments are covered by operating results.

All amounts in TEUR	December 31, 2022	December 31, 2023
Earnings per IFRS income statement	8,786	10,162
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(4,014)	(4,422)
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-	-
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties.	-	-
(iv) Tax on profits or losses on disposals	-	-
(v) Negative goodwill / goodwill impairment	-	-
(vi) Changes in fair value of financial instruments and associated close-out costs	130	35
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-
(viii) Deferred tax in respect of EPRA adjustments	-	-
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	-	-
(x) Non-controlling interests in respect of the above	-	-
EPRA Earnings	**12,670**	**14,549**
Basic number of shares	*10,082,598*	*10,082,598*
EPRA Earnings per Share (EPS)	**1.26**	**1.44**

2. EPRA net initial yield and EPRA 'topped-up' net initial yield

The EPRA net initial yield (EPRA NIY) shows the ratio of annualized rental income, less non-recoverable operating property expenses (net rental income – projected over a full financial year) to the total portfolio value of the standing investments. For this calculation, the fair values of the properties are increased by the estimated purchaser's costs. The EPRA "topped-up" NIY includes an adjustment for the granting of rent-free periods (or other unexpired rental incentives like temporary rental reductions or scaled rents).

All amounts in TEUR		**December 31, 2022**	**December 31, 2023**
Investment property – wholly owned		221,966	218,540
Investment property – share of JVs/Funds		-	-
Trading property (including share of JVs)		-	-
Less: developments		8,354	8,354
Completed property portfolio		213,612	210,186
Allowance for estimated purchasers' costs		4,157	4,239
Gross up completed property portfolio valuation	**B**	**217,769**	**214,425**
Annualized cash passing rental income		15,538	16,845
Property outgoings		1,655	1,828
Annualized net rents	**A**	**13,883**	**15,017**
Add: notional rent expiration of rent free periods or other lease incentives		67	189
Topped-up net annualized rent	**C**	**13,950**	**15,206**
EPRA NIY	**A/B**	**6.38%**	**7.00%**
EPRA "topped-up" NIY	**C/B**	**6.41%**	**7.09%**

3. EPRA vacancy rate

The EPRA vacancy rate represents the ratio of the estimated market rents for vacant space to the estimated market rents for the entire investment portfolio. Its goal is to provide investors with an indicator for evaluating vacancies in the investment portfolio based on the estimated market rents.

All amounts in TEUR		**December 31, 2022**	**December 31, 2023**
Estimated Rental Value of vacant space	A	322	648
Estimated rental value of the whole portfolio	B	15,860	17,493
EPRA Vacancy Rate	**A/B**	**2.03%**	**3.70%**

4. EPRA loan-to-value ratio

The goal of the EPRA loan-to-value ratio (EPRA LTV) is to assess the gearing of the shareholder equity within a real estate company. The EPRA LTV shows the relation of debt to the fair value of property assets.

All amounts in TEUR	**December 31, 2022**	**December 31, 2023**
Include:		
Borrowings from Financial Institutions (loan and subsidy in total)	90,641	85,065
Commercial paper	-	-
Hybrids	-	-
Bond Loans	-	-
Foreign Currency Derivatives	-	-
Net Payables	3,381	2,050
Owner-occupied property (debt)	-	-
Current accounts (Equity characteristic)	-	-
Exclude:		
Cash and cash equivalents	12,236	14,562
Net Debt (A)	**81,786**	**72,553**
Include:		
Owner-occupied property	1,256	1,116
Investment properties at fair value	221,966	218,540
Properties held for sale	-	-
Properties under development	-	-
Intangibles	65	55
Net Receivables	-	-
Financial assets	8,118	4,999
Total Property Value (B)	**231,405**	**224,710**
EPRA LTV (A/B)	**35.34%**	**32.29%**

5. EPRA cost ratio

The EPRA cost ratio shows the company's cost efficiency by comparing the proportional share of the operating and administrative expenses for investment property – both including and excluding direct vacancy costs – to gross rental income for the reporting period.

All amounts in TEUR		December 31, 2022	December 31, 2023
Include:			
(i) Administrative/operating expense line per IFRS income statement		1,655	1,828
(ii) Net service charge costs/fees		- 643	- 574
(iii) Management fees less actual/estimated profit element		-	-
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits		-	-
(v) Share of Joint Ventures expenses		-	-
Exclude (if part of the above):			
(vi) Investment property depreciation		-	-
(vii) Ground rent costs		-	-
(viii) Service charge costs recovered through rents but not separately invoiced		-	-
EPRA Costs (including direct vacancy costs)	**A**	**1,012**	**1,254**
(ix) Direct vacancy costs		33	44
EPRA Costs (excluding direct vacancy costs)	**B**	**979**	**1,210**
(x) Gross Rental Income less ground rents – per IFRS		15,538	16,845
(xi) Less: service fee and service charge costs components of Gross Rental Income (if relevant)		-	-
(xii) Add: share of Joint Ventures (Gross Rental Income less ground rents)		-	-
Gross Rental Income	**C**	**15,538**	**16,845**
EPRA Cost Ratio (including direct vacancy costs)	**A/C**	**6.51%**	**7.44%**
EPRA Cost Ratio (excluding direct vacancy costs)	**B/C**	**6.30%**	**7.18%**

6. EPRA NAVs

The calculation of the three NAV indicators begins with the IFRS equity attributable to shareholders. The objective of the EPRA net reinstatement value (NRV) is to present the value of net assets on a long-term basis. The assumption underlying EPRA net tangible assets (NTA) is that assets are bought and sold, and these transactions lead to the partial realization of deferred taxes. The EPRA net disposal value (NDV) shows the value of equity under a sale scenario.

All amounts in TEUR	**December 31, 2022**			**December 31, 2023**		
EPRA Net Asset Value Metrics	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**
IFRS Equity attributable to shareholders	**149,619**	**149,619**	**149,619**	**152,157**	**152,157**	**152,157**
Include / Exclude:						
i) Hybrid instruments	-	-	-	-	-	-
Diluted NAV	**149,619**	**149,619**	**149,619**	**152,157**	**152,157**	**152,157**
Include:						
ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	-	-	-	-	-
ii.b) Revaluation of IPUC (if IAS 40 cost option is used)	-	-	-	-	-	-
ii.c) Revaluation of other non-current investments	-	-	-	-	-	-
iii) Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
iv) Revaluation of trading properties	-	-	-	-	-	-
Diluted NAV at Fair Value	**149,619**	**149,619**	**149,619**	**152,157**	**152,157**	**152,157**
Exclude:						
v) Deferred tax in relation to fair value gains of IP	-	-	n/a	-	-	n/a
vi) Fair value of financial instruments	(7,937)	(7,937)	n/a	(5,727)	(5,727)	n/a
vii) Goodwill as a result of deferred tax	-	-	-	-	-	-
viii.a) Goodwill as per the IFRS balance sheet	n/a	-	-	n/a	-	-
viii.b) Intangibles as per the IFRS balance sheet	n/a	(65)	n/a	n/a	(55)	n/a
Include:						
ix) Fair value of fixed interest rate debt	n/a	n/a	-	n/a	n/a	-
x) Revaluation of intangibles to fair value	-	n/a	n/a	-	n/a	n/a
xi) Real estate transfer tax	4,157	4,157	n/a	4,239	4,239	n/a
NAV	**145,839**	**145,774**	**149,619**	**150,669**	**150,614**	**152,157**
Fully diluted number of shares	*10,082,598*	*10,082,598*	*10,082,598*	*10,082,598*	*10,082,598*	*10,082,598*
NAV per share	**14.46**	**14.46**	**14.84**	**14.94**	**14.94**	**15.09**

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 Consolidated Financial Statements which have been prepared in accordance with the International Financial Accounting Standards and to the best of our knowledge, give a true and fair view of the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows of Graphisoft Park SE and its undertakings included in the consolidation, and the Business Report gives a fair view of the position, development and performance of Graphisoft Park SE and its undertakings included in the consolidation, together with a description of the principal risks and uncertainties of its business.*

Budapest, March 26, 2024

Kocsány János

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2023

in accordance with International Financial Reporting Standards (IFRS)

(audited)

Budapest, March 26, 2024

Kocsány János	Farkas Ildikó
Chief Executive Officer	Chief Financial Officer

CONTENTS:

GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2023
(all amounts in thousands of euros unless otherwise indicated)

	Notes	December 31, 2022	December 31, 2023
Cash and cash equivalents	5	12,236	14,562
Trade receivables	6	1,252	1,097
Current tax receivable	7	18	562
Other current assets	8	4,241	3,192
Current assets		**17,747**	**19,413**
Investment property	11	221,966	218,540
(Owner occupied) Property, Plant and Equipment	9	1,256	1,116
Intangible assets	10	65	55
Long-term financial assets	15	8,118	4,999
Non-current assets		**231,405**	**224,710**
TOTAL ASSETS		**249,152**	**244,123**
Short-term loans	14	5,310	5,513
Trade payables	12	419	726
Current tax liability	7	459	400
Other short-term liabilities	13	5,855	4,846
Current liabilities		**12,043**	**11,485**
Long-term loans	14	83,533	78,291
Long-term financial liabilities	15	2,699	1,439
Other long-term liabilities	16	1,258	751
Non-current liabilities		**87,490**	**80,481**
TOTAL LIABILITIES		**99,533**	**91,966**
Share capital	1.4	250	250
Retained earnings		144,810	149,534
Treasury shares	24	(972)	(981)
Cash flow hedge reserve	15	7,937	5,727
Revaluation reserve of properties		681	681
Accumulated translation difference		(3,087)	(3,054)
Shareholders' equity		**149,619**	**152,157**
TOTAL LIABILITIES & EQUITY		**249,152**	**244,123**

The accompanying notes form an integral part of the consolidated financial statements.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts in thousands of euros unless otherwise indicated)

	Notes	December 31, 2022	December 31, 2023
Property rental revenue		15,538	16,845
Revenue	**17**	**15,538**	**16,845**
Property related expense	18	(117)	(145)
Employee related expense	18	(933)	(1,018)
Other operating expense	18	(371)	(449)
Depreciation and amortization	9, 10, 18	(234)	(216)
Operating expense		**(1,655)**	**(1,828)**
Valuation gains losses from investment property	11	(4,014)	(4,422)
Other income	19	643	574
OPERATING PROFIT		**10,512**	**11,169**
Interest income	20	189	734
Interest expense	20	(1,722)	(1,657)
Exchange rate difference	21	(174)	(63)
Financial result		**(1,707)**	**(986)**
PROFIT BEFORE TAX		**8,805**	**10,183**
Income tax expense	22	(19)	(21)
PROFIT FOR THE PERIOD		**8,786**	**10,162**
Attributable to equity holders of the parent		8,786	10,162
Basic earnings per share (EUR)	23	0.87	1.01
Diluted earnings per share (EUR)	23	0.87	1.01

The accompanying notes form an integral part of the consolidated financial statements.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts in thousands of euros unless otherwise indicated)

	Notes	December 31, 2022	December 31, 2023
Profit for the period		**8,786**	**10,162**
Cash-flow hedge valuation reserve*		9,377	(2,210)
Translation difference**		(48)	33
Other comprehensive income		**9,329**	**(2,177)**
COMPREHENSIVE INCOME		**18,115**	**7,985**
Attributable to equity holders of the parent		18,115	7,985

* Will be reclassified to profit or loss in subsequent periods.
** Will not be reclassified to profit or loss in subsequent periods.

The accompanying notes form an integral part of the consolidated financial statements

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts in thousands of euros unless otherwise indicated)

	Share capital	Retained earnings	*Treasury shares	**Cash flow hedge reserve	***Revaluation reserve of properties	Accum. translation difference	Total equity
December 31, 2021	**250**	**140,390**	**(988)**	**(1,440)**	**681**	**(3,039)**	**135,854**
Profit for the period	-	8,656	-	130	-	-	**8,786**
Translation difference	-	-	-	-	-	(48)	**(48)**
Revaluation reserve	-	130	-	9,247	-	-	**9,377**
Treasury share transfer	-	(25)	25	-	-	-	**-**
Dividend	-	(4,341)	-	-	-	-	**(4,341)**
Treasury share buyback	-	-	(9)	-	-	-	**(9)**
December 31, 2022	**250**	**144,810**	**(972)**	**7,937**	**681**	**(3,087)**	**149,619**
Profit for the period	-	10,127	-	35	-	-	**10,162**
Translation difference	-	-	-	-	-	33	**33**
Revaluation reserve	-	35	-	(2,245)	-	-	**(2,210)**
Treasury share buyback	-	-	(13)	-	-	-	**(13)**
Treasury share transfer	-	(4)	4	-	-	-	**-**
Dividend	-	(5,434)	-	-	-	-	**(5,434)**
December 31, 2023	**250**	**149,534**	**(981)**	**5,727**	**681**	**(3,054)**	**152,157**

* Treasury share details are disclosed in Note 24.
** Cash flow hedge transaction details are disclosed in Note 14 (Loans).
*** Revaluation surplus on leasing a part of owner-occupied property, i.e. transfers from investment property to owner occupied property.

The accompanying notes form an integral part of the consolidated financial statements.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts in thousands of euros unless otherwise indicated)

	Notes	December 31, 2022	December 31, 2023
OPERATING ACTIVITIES			
Income before tax		8,805	10,183
Fair value change of investment properties	11	4,014	4,422
Depreciation and amortization	9, 10,18	234	216
(Gain) / loss on sale of tangible assets		(20)	8
Interest expense	20	1,722	1,657
Interest income	20	(189)	(734)
Bad debt provision		16	-
Unrealized foreign exchange (gain) / loss		(190)	122
Changes in working capital:			
(Increase) / decrease in receivables and other current assets		(2,229)	667
Increase / (decrease) in liabilities		2,598	(932)
Corporate income tax paid		(16)	(21)
Net cash from operating activities		**14,745**	**15,588**
INVESTING ACTIVITES			
Purchase of investment property	11	(913)	(960)
Purchase of other tangible assets	9	(54)	(63)
Purchase of intangibles	10	(9)	(19)
Sale of tangible assets	9	29	22
Interest received		187	727
Net cash used in investing activities		**(760)**	**(293)**
FINANCING ACTIVITIES			
Loan repayments	14, 28	(5,840)	(5,934)
Interest paid	14	(1,691)	(1,609)
Purchase of treasury shares		(9)	(13)
Dividend paid	31, 28	(4,341)	(5,434)
Net cash from used in financing activities		**(11,881)**	**(12,990)**
Increase in cash and cash equivalents		2,104	2,305
Cash and cash equivalents at beginning of period		10,066	12,236
Exchange rate gain on cash and cash equivalents		66	21
Cash and cash equivalents at end of period		**12,236**	**14,562**

The accompanying notes form an integral part of the consolidated financial statements.

1. General information

1.1. Business activities

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. Its website is www.graphisoftpark.com.

Domicile of the Company: H-1031 Budapest, Záhony utca 7.
Address of the Company's registered office: H-1031 Budapest, Záhony utca 7.
Principal place of business: H-1031 Budapest, Záhony utca 7.

Graphisoft Park SE was established through a demerger from Graphisoft SE on August 21, 2006. The purpose of the restructuring was to spin off a new company, dedicated to real estate development and management. The Company's name is unchanged since its establishment. Graphisoft Park operates as a holding currently having five 100% owned subsidiaries.

The real estate development is performed by the owners of the properties, namely Graphisoft Park Kft., Graphisoft Park South I. Kft. and Graphisoft Park South II. Development Kft. Graphisoft Park Services Kft. is responsible for property operation tasks. On December 14, 2017, Graphisoft Park SE established Graphisoft Park Engineering & Management Kft., which entity is responsible for the Group's certain property management, engineering and administration activities from January 1, 2018.

Headcount was 25 on December 31, 2023 (2022: 24).

1.2. Regulated real estate investment company

From January 1, 2018, Graphisoft Park SE and its subsidiaries (except for Graphisoft Park Engineering & Management Kft.) operate as regulated real estate investment company and project company respectively.

The designation of the regulated real estate investment company (SZIT) as a company form for doing business was introduced by the Act 102 of 2011. Regulated real estate investment companies (SZIT) are public companies limited by shares that fulfill the requirements of the governing law (Act 102 of 2011 on regulated real estate investment companies) and are therefore eligible for registration with the national tax authority as SZIT and are registered as such upon request from the company, which entitles them to certain tax benefits.

The main requirements of acquiring the SZIT designation are as follow (for the complete list and details see Act 102 of 2011):

(a) the company's business activities are restricted to a number of real estate related activities (buying and selling/renting/operating of own real estate, management of real estate, facilities support activities, asset management),

(b) the company is not under voluntary or court ordered winding-up, termination or bankruptcy proceedings,

(c) proposes dividend at least at the amount of 90% (project companies 100%) of its results, or if the company's liquid funds are less than that, then the company shall pay 90% (project companies 100%) of its liquid funds in dividends, unless a loan agreement concluded with a credit institution restricts such payments,

(d) the company owns no shares in other businesses other than in its own project companies (subsidiaries), in different regulated real estate investment companies (maximum 10% share ownership) and in companies organizing construction projects,

(e) the direct and combined voting rights of credit institutions and insurance companies are limited to 10% of all voting rights within the company,

(f) it has at least 5 billion HUF (consolidated) initial capital,

(all amounts in thousands of euros unless otherwise indicated)

(g) it is publicly listed and issues only ordinary and employee shares,
(h) at least 25% of the total number of shares is owned by shareholders, of whom no individual shareholder owns – directly or indirectly – more than 5% of the total number of shares.

There are further requirements in the regulation concerning the company's asset-portfolio and operations that are pre-requisites of applying for the SZIT designation.

The tax benefits of the SZIT designations are as follow (for details see Act 102 of 2011 and the tax laws concerned):

- exemption from corporate income tax,
- exemption from local business tax,
- preferential (2%) property acquisition duty rate.

1.3. Properties

The total area of Graphisoft Park is nearly 18 hectares. Over the past 25 years, 82,000 m^2 gross leasable area (offices, laboratories, educational area and auxiliary facilities) have been developed and occupied by tenants. Belonging to them underground parking facilities for around 2,000 cars are available. The remaining area provides the opportunity to develop an additional 66,000 m^2 of gross leasable area together with underground parking and auxiliary facilities.

The real estate is categorized as follows:

Area	Property	
Gross leasable area	Office area	58,000 sqm
	Laboratory	7,000 sqm
	Educational area	8,000 sqm
	Storage	6,000 sqm
	Service area	3,000 sqm
	Underground parking	2,000 pcs
Development area	Northern development area (after rehabilitation)	42,000 sqm
	Southern development area	24,000 sqm

(all amounts in thousands of euros unless otherwise indicated)

1.4. Stock information

Graphisoft Park SE's share capital consists of 10,631,674 class "A" publicly traded, marketable, registered 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 capital has been fully paid.

Ordinary shares of the Company are publicly traded at Budapest Stock Exchange, currently in Premium category, from August 28, 2006. The share ownership structure is the following according to the Company's shareholder records:

	December 31, 2022			December 31, 2023		
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**	**90.87**
Directors and management	**1,789,082**	**16.83**	**15.60**	**1,789,082**	**16.83**	**16.12**
Bojár Gábor - Chairman of the BoD	1,685,125	15.85	14.69	1,685,125	15.85	15.19
Dr. Kálmán János - Member of the BoD	13,500	0.13	0.12	13,500	0.13	0.12
Kocsány János - Member of the BoD, CEO	90,457	0.85	0.79	90,457	0.85	0.82
Shareholders over 5% share	**2,948,817**	**27.74**	**25.71**	**2,960,406**	**27.85**	**26.68**
HOLD Alapkezelő Zrt.	701,233	6.60	6.12	735,386	6.92	6.63
VIG Befektetési Alapkezelő Magyarország Zrt. (previously named AEGON Zrt.)	747,584	7.03	6.52	725,020	6.82	6.53
B.N.B.A. Holding Zrt.	1,500,000	14.11	13.08	1,500,000	14.11	13.52
Other shareholders	**5,344,699**	**50.27**	**46.61**	**5,333,110**	**50.16**	**48.06**
Treasury shares*	**549,076**	**5.16**	**-**	**549,076**	**5.16**	**-**
EMPLOYEE SHARES:**	**1,876,167**	**n/a**	**12.08**	**1,876,167**	**n/a**	**9.13**
Kocsány János - Member of the BoD, CEO***	1,384,819	n/a	12.08	923,213	n/a	8.32
Farkas Ildikó - Member of the BoD, CFO***	-	n/a	-	90,000	n/a	0.81
Employee treasury shares*	491,348	n/a	-	862,954	n/a	-
SHARES TOTAL:	**12,507,841**	**100.00**	**100.00**	**12,507,841**	**100.00**	**100.00**

* Treasury shares possessed by the Company do not pay dividend and bear no voting rights. For details refer to Note 23.
** 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 fifty percent 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.
*** As announced on April 6, 2023, the Company repurchased 461,606 employee shares from Kocsány János CEO and transferred 90,000 employee shares to Farkas Ildikó CFO and transferred 120,000 employee shares to Pálfalvi Zsuzsa Operational Director. Based on the Company's announcement of November 27, 2023, the 120,000 shares were bought back from Pálfalvi Zsuzsa, as she left the Company.

Based on the ownership structure of the Company, the ultimate parent of the Group is the same as the shareholders. Shareholders over 5% share are as follow: Bojár Gábor (15.85%), B.N.B.A. Holding Zrt. (14.11%), VIG Befektetési Alapkezelő Magyarország Zrt. (previously named AEGON Zrt.) (6.82%), Hold Alapkezelő Zrt. (6.92%).

1.5. 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 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. Till April 28, 2023, Graphisoft Park SE operated with 6 members, from then on 7 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.

(all amounts in thousands of euros unless otherwise indicated)

Members of the Board of Directors:

Name	Position	From	Until
Bojár Gábor	Chairman	August 21, 2006	May 31, 2026
Dr. Kálmán János	Member	August 21, 2006	May 31, 2026
Kocsány János	Member	April 28, 2011	May 31, 2026
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2026
Szigeti András	Member	July 21, 2014	May 31, 2026
Hornung Péter	Member	April 20, 2017	May 31, 2026
Farkas Ildikó	Member	April 28, 2023	May 31, 2026

According to the resolution of the AGM held on April 28, 2023, Farkas Ildikó CFO was elected as member of the Board of Directors.

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, 2026
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2026
Hornung Péter	Member	April 20, 2017	May 31, 2026

2. Accounting policies

2.1. Basis of preparation

The consolidated financial statements of Graphisoft Park Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). All standards and interpretations issued by the International Accounting Standards Board (IASB) effective at the time of preparing the consolidated financial statements and applicable to Graphisoft Park Group have been adopted by the EU. Therefore, the consolidated financial statements currently also comply with IFRS as issued by the IASB and also comply with the Hungarian Accounting Law on consolidated financial statements, which refers to IFRS as adopted by the EU. The financial year is the same as the calendar year.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2. Changes in accounting policies

Adoption of new or modified standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs and interpretations which have been adopted by the Group as of January 1, 2023:

A) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2: In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had no material impact on the Group.

B) Definition of Accounting Estimates - Amendments to IAS 8: In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no material impact on the Group.

C) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 Income Taxes: These amendments clarify whether the initial recognition exemption applies to certain transactions that often result in both an asset and a liability being recognized simultaneously. The amendments had no material impact on the Group.

D) International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 Income Taxes: The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

• A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

• Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

(all amounts in thousands of euros unless otherwise indicated)

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as it only operates under the Hungarian Tax jurisdiction.

2.3. Consolidated financial statements

The consolidated financial statements include the accounts of Graphisoft Park SE and the subsidiaries that it controls. Control is evidenced when the Group is exposed, or has rights, to variable returns from its involvement with a company, and has the ability to affect those returns through its power over the company. Power over an entity means having existing rights to direct its relevant activities. The relevant activities of a company are those activities which significantly affects its returns.

The following subsidiaries were consolidated in 2022 and in 2023 (Graphisoft Park SE is the sole owner of all companies):

Subsidiary	Date of foundation	Registered capital 2022	Registered capital 2023
Graphisoft Park Kft.	November, 2005	46,108 EUR	46,108 EUR
Graphisoft Park Services Kft.	October, 2008	10,000,000 HUF	11,000,000 HUF
Graphisoft Park South I. Kft.	September, 2016	23,000 EUR	23,000 EUR
Graphisoft Park South II. Development Kft.	September, 2016	22,000 EUR	22,000 EUR
Graphisoft Park Engineering & Management Kft.	December, 2017	10,000,000 HUF	10,000,000 HUF

The consolidated financial statements are prepared in accordance with the measurement and presentation basis applied in IFRS.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany transactions, balances and unrealized gains on transactions between the companies are eliminated. Accounting policies of subsidiaries are adjusted to ensure consistency with the policies adopted by the Group.

2.4. Foreign currency translations

Functional and presentation currency:

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"), as follows:

	December 31, 2022	December 31, 2023
Graphisoft Park SE	EUR	EUR
Graphisoft Park Kft.	EUR	EUR
Graphisoft Park Services Kft.	HUF	HUF
Graphisoft Park South I. Kft.	EUR	EUR
Graphisoft Park South II. Development Kft.	EUR	EUR
Graphisoft Park Engineering & Management Kft.	HUF	HUF

Management assessment on functional currency determination is disclosed in Note 3 (Critical accounting estimates and judgments).

The consolidated financial statements are presented rounded in thousands of EUR, unless otherwise indicated, which is the Group's presentation currency.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of these transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities are recognized in the income statement.

Group companies:

The results and financial position of all of the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities are translated at the closing rate at the date of the balance sheet;

(b) income statements are translated at annual average exchange rates;

(c) all resulting exchange differences are recognized directly in the consolidated equity (accumulated translation difference).

Exchange rates used were as follows:

	2022	2023
EUR/HUF opening:	369.00	400.25
EUR/HUF closing:	400.25	382.78
EUR/HUF average:	391.33	381.95

2.5. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when: (1) it is expected to be realized or intended to be sold or consumed in the normal operating cycle; (2) held primarily for the purpose of trading; (3) expected to be realized within twelve months after the reporting period; or (4) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: (1) it is expected to be settled in the normal operating cycle; (2) It is held primarily for the purpose of trading; (3) it is due to be settled within twelve months after the reporting period; or (4) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6. Cash and cash equivalents

Cash and cash equivalents include cash on hand and in the bank, short-term bank deposits with less than three months to maturity and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.7. Derivative financial instruments

The derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year as finance income or expense. The year-end fair value of derivative financial instruments is determined by the contracted partner of the Group taking into expected yield and the contractual conditions.

The fair value measurement’s hierarchy level of derivative financial instruments, which are prepared by the Group’s financing banks, is level 2.

2.8. Hedges

For the purpose of hedge accounting, hedges are classified as either

- fair value hedges or
- cash-flow hedges.

At the inception of the hedge or the hedge relationship the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting. The documentation also contains the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging, the hedged item or transaction, the nature of the risk being hedged and how the Company will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be effective in achieving offsetting changes in fair value or cash flows. These hedges are assessed on an ongoing basis to determine that they actually have been effective throughout the financial reporting periods for which they were designated.

Hedge accounting is accounted as follows:

Fair value hedges

Fair value hedges are hedges of the Company's exposure to changes in fair value of a recognized asset or liability or an unrecognized commitment, or an identified portion of such asset, liability or commitment; which is attributable to a particular risk that could affect the Company's profit or loss.
For fair value hedges, the carrying amount of the hedged item is adjusted for gains or losses attributable to the risk being hedged, while the derivative is re-measured at fair value and gains or losses are credited/debited into the profit or loss. As such gains or losses from both the hedged item and the derivative are accounted for the profit or loss. Fair value hedges relating to items carried at amortized cost, the adjustment to carrying value is amortized through the profit or loss over the remaining term to maturity. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest rate method is used is amortized to the profit or loss.
The Company discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Company revokes the designation.

Cash-flow hedges

Cash-flow hedges are hedges of the exposure to variability in cash flows which is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect the profit or loss. The effective portion of the gain or loss on the hedging instrument is recognized directly in the other comprehensive income, while the ineffective portion is recognized in the profit or loss.

Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects the profit or loss. Where the hedged item is the cost of a non-financial asset or liability, the amounts previously taken to the other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognized in other comprehensive income are transferred into the profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked by the Company, amounts previously recognized in other comprehensive income remain in other comprehensive income until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is accounted into the profit or loss.

2.9. Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. For impairment the Group uses the "12 month expected credit losses" method; and in case of significant increase in credit risk since the initial recognition of a receivable, the Group uses the "full lifetime expected credit loss" method (General approach). Impairment (if any) of trade receivables is disclosed in Note 6.

2.10. Loans and other borrowings

Borrowings are recognized initially at fair value less transaction costs, and subsequently measured at amortized costs using the effective interest rate method. The effective interest is recognized in the income statement (finance expenses) over the period of the borrowings.

IFRS amendments relating to the Interest Rate Benchmark Reform, which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR), had no impact on the consolidated financial statements of the Group, since no replacement of the benchmark rates occurred in 2023. According to the management's assessment, no replacement of EURIBOR rates is expected in the near future, which might affect the Group's consolidated financial statements. However, according to the management's assessment, future replacement of the interest rates will have limited or no impact on the consolidated financial statements since the Company fixed its floating interest rate loans with IRS deals.

Fair value hierarchy:

With regards to the loans, the fair value measurement's IFRS 13 hierarchy level is level 3. The effective rate of interest used to present fair value is calculated considering market rates and the Group's specific premium.

2.11. Trade and other payables

Trade and other payables (including accruals) are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The carrying values of trade and other payables approximate their fair values due to their short maturity.

2.12. Investment property

Investment property comprises completed property, development lands and property under construction or re-development that is held to earn rentals or for capital appreciation or both. Property held under lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services, borrowing costs and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise, including the corresponding tax effect (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner-occupied property becomes an investment property, any difference at that date between the carrying amount and the fair value of that property will be recorded in the "revaluation reserve of properties" within the equity, if the fair value is higher than the carrying amount; and in the profit or loss if the fair value is lower than the carrying amount.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss in the period of de-recognition.

2.13. Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation and impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

The initial cost of assets comprises its purchase price, including duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, such as borrowing costs.

Replacements and improvements, which prolong the useful life or significantly improve the condition of the asset are capitalized. Maintenance and repairs are recognized as an expense in the period in which they are incurred.

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
Properties	20 years
Machinery and equipment	5-15 years
Office equipment	3-7 years
Vehicles	5 years - 20% residual value

The useful life and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of tangible assets.

2.14. Leases

The determination of whether an arrangement is a lease, or contains lease elements, is based on the substance of the arrangement at inception date as to whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment after inception of the lease is possible only if one of the following applies:

a) there is a change in contractual terms, other than renewal of extension of the arrangement;

b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

c) there is a change in determination of whether fulfillment is dependent on a specific asset; or

d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and at the date of renewal or extension period for scenario (b).

Group as a lessor:

The Group classifies each lease as an operating or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as operating lease.

At finance lease, upon lease commencement, assets held under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Finance income is recognized in the income statement over the lease term (reflecting a constant periodic rate of return on the net investment).

Operating lease payments coming from investment property rental are recognized as rental income on a straight-line basis in the income statement. Initial indirect cost incurred while concluding an operating lease agreement are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

2.15. Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of a property that necessarily takes a substantial period of time (in general over 6 months) to get ready for its intended use or sale are capitalized as part of the cost of the asset. Capitalization commences when: (1) the Group incurs expenditures for the asset; (2) the Group incurs borrowing costs; and (3) the Group undertakes activities that are necessary to prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs incurred in relation to investment property under development are expensed as incurred. The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion, i.e., when substantially all of the development work is completed. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted.

2.16. Impairment of assets

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The calculations of recoverable amounts are primarily determined by value in use calculations, which use a broad range of estimates and factors affecting those. Among others, the Company typically considers future revenues and expenses, technological obsolescence, discontinuance of services and other changes in circumstances that may indicate impairment. The recoverable amount is the higher of the assets' fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years.

2.17. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will occur in order to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured and recorded as the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2.18. Pensions

The Group, in the normal course of business, makes fixed contributions into the Hungarian State pension fund on behalf of its employees. The Group does not operate any other pension scheme or post-retirement benefit plan, and consequently, has no legal or constructive obligation to make further contributions if the funds do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

2.19. Revenue recognition

- **Revenue recognition (based on IFRS 15)**

Other income (expense):
Incomes from agency agreements, where the Company acts as a mediator, are not shown as revenues, but rather as other income (expense) in the income statement together with directly related expenditures (net) and recognized over time.

- **Revenue recognition (based on IFRS 16)**

Rental revenue:
Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

- **Revenue recognition (based on other Standards)**

Interest income:
Revenue is recognized as interest accrues (using the effective interest method). Interest income is included in financial results in the income statement.

2.20. Treasury shares

Treasury stock represents the cost of shares repurchased (recorded individually per purchase) and is displayed as a reduction of shareholder's equity. Premiums and discounts on repurchase and subsequent disposal are credited and debited respectively directly to retained earnings.

2.21. Employee shares

Pay-outs related to employee shares (reduced rate dividend payments) are shown under employee related expenses in the statement of income in the period in which the dividends are approved by the shareholders.

2.22. Earnings per share

Basic earnings per share is calculated by dividing profit attributable to the equity holders of the Company for the period by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated considering the weighted average number of diluting share options (if any) in addition to the number of ordinary shares outstanding.

2.23. Dividend

Dividends payable to the Company's shareholders are recorded as a liability and debited against equity in the period in which the dividends are approved by the shareholders.

2.24. Operating profit

Operating profit is defined as revenues less operating expenses and other income (expense).

2.25. Segment information

For management purposes the Group comprises a single operational (business and geographical) segment. For this reason, the consolidated financial statements contain no segment information.

2.26. Government grants

Government grants are recognized at fair value, if there is reasonable assurance that the grant will be received by the Group and every condition is complied with. Grants compensating expenses are recognized in the profit and loss statement in the period when the related expenses are recognized.

Grants related to assets are recognized as deferred income and recognized in the profit and loss statement systematically over the useful life of the asset.

3. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

3.1 Functional currency

The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity. IAS 21 – "The Effects of Changes in Foreign Exchange Rates" determines factors to be considered in determining functional currency. When the indicators are mixed and the functional currency is not obvious, management exercises judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Functional currency details are disclosed in Note 2.4.

3.2 Impairment of tangible assets

The Group assesses the impairment of tangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The calculations of recoverable amounts are primarily determined by value in use calculations, which use a broad range of estimates and factors affecting those. Among others, the Group typically considers future revenues and expenses, technological obsolescence, discontinuance of services and other changes in circumstances that may indicate impairment. If impairment is identified using the value in use calculations, the Group also determines the fair value less cost to sell (if determinable), to calculate the exact amount of impairment to be charged. As this exercise is highly judgmental, the amount of a potential impairment may be significantly different from that of the result of these calculations.

3.3 Provisions

Provisions in general are highly judgmental, especially in case of legal disputes. The Group assesses the probability of an adverse event as a result of a past event and if the probability of an outflow of economic benefits is evaluated to be more probable than not, the Group fully provides for the total amount of the estimated liability.

3.4 Fair value of investment property

The fair value of investment property is determined by real estate valuation experts using recognized valuation techniques and principles of IFRS 13 "Fair Value Measurement". Investment property under construction is measured based on estimates prepared by independent real estate valuation experts, except where such values cannot be reliably determined. In such case investment property is recorded at cost. With regards to the investment property, the fair value measurement's IFRS 13 hierarchy level, based on the valuations is level 3.

3.5 Effects of the Covid-19 pandemic and the increasing energy prices

The coronavirus outbreak was first reported near the end of 2019. The virus has significantly impacted the world economy. In addition, starting from 2021 but mainly in the second half of 2022, as a result of the Ukrainian war and other factors, energy prices started to increase significantly. The Group assessed effects or potential effects of the pandemic and the rising energy prices to the Group Financial Statements. In addition, the Group constantly monitors the possible further effects of the war. Investment property fair values might be largely influenced by the future occupancy rates, level of lease revenues and applied discount rates. Investment property related effects of the pandemic and the increasing energy prices are disclosed in Note 11.

The occurrence of large-scale business disruptions due to the above noted factors potentially gives rise to liquidity issues for certain tenants. It might also have consequential impacts on the credit quality of tenants along the supply chain. The Group exercised judgement and its best efforts to consider all reasonable and supportable information available about past events, current conditions and forecasts of future economic conditions regarding expected credit losses. Effects of the Covid-19 pandemic and the increasing energy prices regarding trade receivables are disclosed in Note 6.

4. Standards and interpretations issued but not yet effective

At the date of authorization of these financial statements, the following standards and interpretations were in issue but not yet effective:

A) Amendments to IAS 1: Classification of Liabilities as Current or Non-current: In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice.

B) Amendments to IAS 21: Lack of exchangeability: The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments have not yet been endorsed by the EU. The amendments are not expected to have an impact on the Group's financial statements.

C) Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7: In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments have not yet been endorsed by the EU. The amendments are not expected to have a material impact on the Group's financial statements.

D) Amendments to IFRS 16: Lease Liability in a Sale and Leaseback: In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

(all amounts in thousands of euros unless otherwise indicated)

5. Cash and cash equivalents

	December 31, 2022	December 31, 2023
Cash in hand	1	1
Cash at banks	12,235	14,561
Cash and bank	**12,236**	**14,562**

6. Trade receivables

	December 31, 2022	December 31, 2023
Trade receivables	1,268	1,113
Provision for doubtful debts	(16)	(16)
Trade receivables	**1,252**	**1,097**

Trade receivables are on average on 8-30 day payment terms. According to the accounting policies, applying the general approach the 12-month expected credit loss is 0 euro (2022: 0 euro).

Trade receivables' aging is as follows:

	December 31, 2022	December 31, 2023
Not overdue	28	73
Overdue less than 3 months	1,217	904
Overdue between 3 and 12 months	23	117
Overdue over 12 months	-	19
Trade receivables	**1,268**	**1,113**

(all amounts in thousands of euros unless otherwise indicated)

The Group considers a trade receivable in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a trade receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A trade receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

An impairment analysis is performed at each reporting date using individual assessments to measure expected credit losses. The provision rates are based on days past due for customers. The calculation reflects the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year but are still subject to enforcement activity if cost of recovery is less than the outstanding balance. The deposits (3 months of rental fee) held by the Group and other forms of credit insurance (e.g. bank guarantee letters for 3 months of rental fee) are considered integral part of trade receivables and considered in the calculation of impairment. As of December 31, 2023, 46% (2022: 30%) of the Group's trade receivables are covered by deposits or bank guarantee letters.

7. Current tax receivables and liabilities

	December 31, 2022	December 31, 2023
Current tax receivables	18	562
Current tax liabilities	(459)	(400)
Current tax (liabilities)/assets, net	**(441)**	**162**

Tax liabilities/assets primarily include VAT liability/asset.

8. Other current assets

	December 31, 2022	December 31, 2023
Accrued income	251	532
Prepaid expense	1,546	94
Bank security accounts	2,313	2,434
Other receivables	131	132
Other current assets	**4,241**	**3,192**

(all amounts in thousands of euros unless otherwise indicated)

9. (Owner occupied) Property, Plant and Equipment

	(Owner occupied) Property	Plant and Equipment	**(Owner occupied) Property, Plant and Equipment**
Net value:			
December 31, 2021	1,023	418	**1,441**
Gross value:			
December 31, 2021	1,375	1,135	**2,510**
Addition	-	54	**54**
Sale	-	(56)	**(56)**
Scrapping	-	(3)	**(3)**
Translation difference	-	(63)	**(63)**
December 31, 2022	1,375	1,067	**2,442**
Depreciation:			
December 31, 2021	352	717	**1,069**
Addition	82	122	**204**
Sale	-	(47)	**(47)**
Scrapping	-	(3)	**(3)**
Translation difference	-	(37)	**(37)**
December 31, 2022	434	752	**1,186**
Net value:			
December 31, 2022	941	315	**1,256**
Gross value:			
December 31, 2022	1,375	1,067	**2,442**
Addition	2	61	**63**
Sale	-	(47)	**(47)**
Scrapping	-	(124)	**(124)**
Translation difference	-	34	**34**
December 31, 2023	1,377	991	**2,368**
Depreciation:			
December 31, 2022	434	752	**1,186**
Addition	82	102	**184**
Sale	-	(17)	**(17)**
Scrapping	-	(124)	**(124)**
Translation difference	-	23	**23**
December 31, 2023	516	736	**1,252**
Net value:			
December 31, 2023	861	255	**1,116**

(all amounts in thousands of euros unless otherwise indicated)

10. Intangible assets

	Software	**Intangible assets**		Software	**Intangible assets**
Net value:			***Net value:***		
December 31, 2021	91	**91**	**December 31, 2022**	65	**65**
Gross value:			***Gross value:***		
December 31, 2021	137	**137**	December 31, 2022	136	**136**
Addition	9	**9**	Addition	19	**19**
Translation difference	(10)	**(10)**	Translation difference	7	**7**
December 31, 2022	136	**136**	**December 31, 2023**	162	**162**
Depreciation:			***Depreciation:***		
December 31, 2021	46	**46**	December 31, 2022	71	**71**
Addition	30	**30**	Addition	32	**32**
Translation difference	(5)	**(5)**	Translation difference	4	**4**
December 31, 2022	71	**71**	**December 31, 2023**	107	**107**
Net value:			***Net value:***		
December 31, 2022	65	**65**	**December 31, 2023**	55	**55**

The intangible assets are purchased only.

(all amounts in thousands of euros unless otherwise indicated)

11. Investment property

	Development Land	Completed investment property	**Investment property**
Book value:			
December 31, 2021	8,348	216,723	**225,071**
Addition	6	903	**909**
Change in fair value	-	(4,014)	**(4,014)**
December 31, 2022	8,354	213,612	**221,966**
Addition	-	996	**996**
Change in fair value	-	(4,422)	**(4,422)**
December 31, 2023	8,354	210,186	**218,540**

In 2023 additions in construction in progress of 996 thousand EUR comprise the following:

- refurbishment of buildings in progress in the core area (355 thousand EUR),
- fit-out works in completed investment properties upon tenant’s requests (327 thousand EUR),
- other developments in progress (314 thousand EUR).

In 2022, the outbreak of the Ukrainian war, the prospects of recession, and the drastic increase in energy prices affected the fair value of properties, which caused a total decrease of 4,014 thousand EUR. In 2023, due to the economic conditions, the prolonged impact of the crisis, and the oversupply characteristic of the office market, the fair value of properties decreased again by 4,422 thousand EUR due to higher yields. Regarding the long-term effects on office use, we cannot exclude a more permanent devaluation of properties either in the future.

The independent valuation was prepared by ESTON International Kft. with the Income approach applied for all periods presented. Properties with occupancy permits were valued based on the Discounted Cash Flow method, while properties under construction were valued based on the Residual Value method. Present value of cash flows from rental fees was calculated with a market-based discount factor reflecting the expected return from investors and creditors (cost of capital).

In the valuation the appraiser evaluated the asset’s potential to generate income, which is the present value of future incoming free cash flows and which represents the value of an asset or an investment. The basis of the calculation is that it counts in the present (at the date of the evaluation) with future benefits of owing and using an asset. Net present value is determined through the 10 years cash-flow method based on revenues less expenses, which include the period covered by rental contracts as well as periods of free market usage.

(all amounts in thousands of euros unless otherwise indicated)

The comparable approach was used for review technique which fairly supported the results of the yield- and residual value calculations.

In the case of completed investment properties, the level of the fair value determination according to IFRS 13 is level 3.

According to IAS 40 development lands are presented at cost.

The key assumptions applied by the independent appraiser for the periods presented were the followings:

		December 31, 2022	December 31, 2023
Rental area	• office, laboratory and related service areas	73,000 m^2	73,000 m^2
	• education area	6,000 m^2	6,000 m^2
	• Dormitory	3,000 m^2 / 85 persons	3,000 m^2 / 85 persons
Development lands	• rentable area which can be developed	66,000 m^2	66,000 m^2
Long term occupancy		82-90%	85%
Average discount factor used		7.16%	7.67%

Sensitivity analysis of investment property:

	December 31, 2022		December 31, 2023	
Long term occupancy rate				
	100%	228,831	100%	230,042
	97%	**221,966**	**95%**	**218,540**
	90%	205,948	90%	207,038
Average discount factor				
	6.96%	228,344	7.37%	227,436
	7.16%	**221,966**	**7.67%**	**218,540**
	7.36%	215,934	7.97%	210,314

(all amounts in thousands of euros unless otherwise indicated)

12. Trade payables

	December 31, 2022	December 31, 2023
Trade payables – domestic	419	726
Trade payables	**419**	**726**

The Group settles trade payables within the payment term and had no overdue payables as of December 31, 2023, and 2022.

13. Other short-term liabilities

	December 31, 2022	December 31, 2023
Amounts due to employees	77	66
Deposits from tenants*	796	1,857
Fair value difference of loans**	548	510
Accrued utility fee	2,001	-
Accrued tenant settlement	1,237	1,025
Other payables and accruals	1,196	1,388
Other short-term liabilities	**5,855**	**4,846**

* At 2023 yearend, it also includes a guarantee of 700 thousand EUR paid due to the accumulation of customer debt.
** Fair value difference of loans with preferential interest rate due within one year. Details are disclosed in Note 14 (Loans).

14. Loans

14.1. Loan details

	December 31, 2022	December 31, 2023
Short-term	5,310	5,513
Long-term	83,533	78,291
Loans	**88,843**	**83,804**

(all amounts in thousands of euros unless otherwise indicated)

Loans provided by Erste Bank Hungary Zrt.:

Loan number 1. (Erste)

	December 31, 2022	December 31, 2023
Short-term	719	779
Long-term	7,634	7,127
Loan 1 / Erste Bank Hungary Zrt.	**8,353**	**7,906**

The Company executed a loan agreement with Erste Bank Hungary Zrt. on December 28, 2015, with 10 years maturity to finance the ongoing development in the core area. In accordance with the loan agreement and its modification on December 29, 2016, Erste Bank made a 4 billion HUF (12.1 million EUR) credit facility available to Graphisoft Park within Pillar I of the second phase of the National Bank of Hungary's Funding for Growth Scheme and another 3 million EUR credit facility within Pillar II of the third phase of the Funding for Growth Scheme. Main collaterals provided for the bank are: mortgage on real estate, revenue assignment and bank account pledge.

As of December 31, 2023, the outstanding capital of the forint-based facility amounts to 2.5 billion HUF (6,454 thousand EUR); and the euro-based facility amounts to 1,758 thousand EUR. The fair value of the loans (calculated using market interest rates) is 7,906 thousand EUR (see details under point 14.2 below).

In order to manage exchange rate risks associated with the forint-based loan, we have executed a cash flow hedge (CCIRS) transaction agreement on June 24, 2016, covering the entire loan amount and cash flows from the beginning of the loan repayment period until the expiration of the loan contract (from end of 2017 until end of 2025), by which we have converted the forint-based capital and interest payment obligations onto euro base.

As of December 31, 2023, fair value of the cash flow hedge transaction is presented among long-term financial liabilities in amount of 1,439 thousand EUR; unrealized difference related to the transaction are presented within the equity (Cash flow hedge reserve) in amount of 660 thousand EUR. (As of December 31, 2022, fair value of the cash flow hedge transaction is presented among long-term financial liabilities in amount of 2,699 thousand EUR; unrealized difference related to the transaction are presented within the equity in amount of 161 thousand EUR.) Till the closure of the transaction any gains or losses due to ineffectiveness are not expected.

Details of the hedge	**December 31, 2022**	**December 31, 2023**
Financial liability relating to the hedge	(2,699)	(1,439)
Other comprehensive income relating to the hedge	161	660
Hedged outstanding loan liability	6,841	6,455

(all amounts in thousands of euros unless otherwise indicated)

Loan number 2. (Erste)

	December 31, 2022	December 31, 2023
Short-term	1,964	2,022
Long-term	29,558	27,536
Loan 2 / Erste Bank Hungary Zrt.	**31,522**	**29,558**

On November 30, 2017, based on the decision of the Board of Directors, the Company concluded a new euro-based, 10 years to maturity loan facility with Erste Bank Hungary Zrt., for the refinancing of the previous loan facility. The new loan facility is complemented by an interest rate swap agreement (IRS) for its entire term from the second half of 2018, thus the interest rate is fixed for the entire term from that time – unlike the facility redeemed with partly variable interest rates. On December 31, 2023, fair value of the IRS is 1,580 thousand EUR (2022: 2,888 thousand EUR), which is presented among the long-term financial assets. Current year ineffectiveness of 35 thousand EUR was accounted as other financial income (refer to Note 21). Till the closure of the transaction 69 thousand EUR gains due to ineffectiveness are expected.

The facility is worth 40 million EUR. Main collaterals provided for the bank are: mortgage on real estate, revenue assignment and bank account pledge.

Details of the hedge	December 31, 2022	December 31, 2023
Financial (liability) / asset relating to the hedge	2,888	1,580
Other comprehensive income relating to the hedge	(2,992)	(1,649)
Hedged outstanding loan liability	31,522	29,642

Loans provided by UniCredit Bank Hungary Zrt.:

Loan number 1. (Unicredit)

	December 31, 2022	December 31, 2023
Short-term	1,223	1,252
Long-term	15,046	13,794
Loans / UniCredit Bank Hungary Zrt.	**16,269**	**15,046**

(all amounts in thousands of euros unless otherwise indicated)

The Company executed a 24 million EUR loan facility agreement with UniCredit Bank Hungary Zrt. on December 18, 2016, with 10 years maturity to finance the ongoing development in the southern area. Main collaterals provided for the bank are mortgage on real estate, revenue assignment and bank account pledge.

As of December 31, 2023, the outstanding capital amounts to 16,000 thousand EUR, whose fair value was 15,046 thousand EUR (calculated using market interest rates) (see details under point 14.2 below).

Loan number 2. (Unicredit)

	December 31, 2022	December 31, 2023
Short-term	1,404	1,460
Long-term	31,295	29,834
Loans / UniCredit Bank Hungary Zrt.	**32,699**	**31,294**

On November 19, 2019, the Company concluded a euro-based, 10 years to maturity loan facility agreement of 40 million EUR value with UniCredit Bank in order to optimize the Company's capital structure, which has been already drawn on December 30, 2019. From the total amount of the loan 3 million EUR was due on March 31, 2020. In order to fix the interest rate the new loan facility is complemented by an interest rate swap agreement (IRS) for its entire term. On December 31, 2023, the positive fair value of the IRS is 3,419 thousand EUR, which is presented among the long-term financial assets (2022: 5,230 thousand EUR). Till the closure of the transaction any gains or losses due to ineffectiveness are not expected.

Main collaterals provided for the bank are mortgage on real estate, revenue assignment and bank account pledge.

Details of the hedge	December 31, 2022	December 31, 2023
Financial asset relating to the hedge	5,230	3,419
Other comprehensive income relating to the hedge	(5,230)	(3,418)
Hedged outstanding loan liability	32,698	31,294

(all amounts in thousands of euros unless otherwise indicated)

14.2 Analyses

Maturity profile of the loans:

	December 31, 2022	December 31, 2023
Due within 1 year	5,311	5,513
Due between 1-5 years	58,189	54,519
Due over 5 years	25,343	23,772
Loans	**88,843**	**83,804**

Fair value of the loans:

	December 31, 2022	December 31, 2023
Erste Bank Hungary Zrt. Loan nr. 1.*	8,353	7,906
Erste Bank Hungary Zrt. Loan nr. 2.	31,522	29,558
UniCredit Bank Hungary Zrt. Loan nr. 1.*	16,269	15,046
UniCredit Bank Hungary Zrt. Loan nr. 2.	32,699	31,294
Loans at fair value*	**88,843**	**83,804**

* Calculated at a 2.5% market-based interest rate for the loans with preferential interest rate.

The weighted average interest rate of the loans was 1.87% as of December 31, 2023, and also as of the date of the approval of these financial statements (2022: 1.86%).

(all amounts in thousands of euros unless otherwise indicated)

Loans with preferential interest rate:

As part of its monetary policy instruments, National Bank of Hungary (MNB) launched its Funding for Growth Scheme (NHP) in 2013. Under NHP, the central bank provides refinancing loans at a preferential fixed interest rate of 0% with a maximum maturity of 10 years to credit institutions which the credit institutions lend further to small and medium sized enterprises with a capped interest margin. The following table shows loan liability for the loans borrowed by the Group within NHP broken down by amortized initial fair value (market rate loan liability) and amortized initial fair value difference (interest rate grant) elements as of December 31, 2022, and 2023:

2022	Actual loan liability	**Fair value difference	*Fair value
Erste Bank Hungary Zrt.	8,821	468	8,353
UniCredit Bank Hungary Zrt.	17,600	1,331	16,269
Loans (NHP)	**26,421**	**1,799**	**24,622**

2023	Actual loan liability	**Fair value difference	*Fair value
Erste Bank Hungary Zrt.	8,213	307	7,906
UniCredit Bank Hungary Zrt.	16,000	954	15,046
Loans (NHP)	**24,213**	**1,261**	**22,952**

* Calculated at a 2.5% market-based fixed interest rate effective at the time of concluding the loan contract.

** Fair value difference of loans with preferential interest rate (government grant received through the Funding for Growth Scheme compensating expenses) are shown at other short-term liabilities (Note 13) and other long-term liabilities (Note 16) and amortized to the profit and loss statement based on the effective interest rate method.

(all amounts in thousands of euros unless otherwise indicated)

15. Fair value of hedges

	December 31, 2022	December 31, 2023
ERSTE Bank Hungary Zrt. loan nr. 1.	(2,699)	(1,439)
ERSTE Bank Hungary Zrt. loan nr. 2.	2,888	1,580
UniCredit Bank Hungary Zrt. loan nr. 2.	5,230	3,419
Fair value of hedges	**5,419**	**3,560**
Of which long term financial asset	8,118	4,999
Of which long term financial liability	(2,699)	(1,439)
Reserve of the relating cash flow hedge	7,937	5,727

The period end fair valuation of IRSs has been prepared by the financing banks.

16. Other long-term liabilities

	December 31, 2022	December 31, 2023
Fair value difference of loans*	1,251	751
Warranty retention	7	-
Other long-term liabilities	**1,258**	**751**

* Fair value differences of loans with preferential interest rate due over one year. Details are disclosed in Note 14 (Loans).

(all amounts in thousands of euros unless otherwise indicated)

17. Revenue

	December 31, 2022	December 31, 2023
Property rental revenue*	15,538	16,845
Revenue	**15,538**	**16,845**

*Property rental revenue consists solely of rental fees coming from the lease of real estate of Graphisoft Park.

In 2022 and in 2023, despite the outbreak of the Ukrainian war and the drastic increase in energy prices, there was no significant decline in the Company’s revenues. Since most of the tenants in the office park are stable, research and development, innovative companies, which have been less affected by the crisis, the need for area reduction has arisen in only a few cases. At the same time, it provided an opportunity to meet the growth needs of other tenants, as well as the moving in of several new, smaller tenants. The expansion of the home office, the spread of hybrid office use and the multiplying utility fees did not negatively affect the Company's rental revenue.

Rental contracts are treated as operating lease agreements. Total payouts of minimum lease payments that can be required from these operating lease agreements over the lease term are as follows:

	December 31, 2022	December 31, 2023
Within 1 year	15,079	16,604
1-2 years	14,005	12,988
2-3 years	9,496	9,836
3-4 years	6,757	3,411
4-5 years	1,641	2,058
Over 5 years	525	828
	47,503	**45,725**

(all amounts in thousands of euros unless otherwise indicated)

18. Operating expense

	December 31, 2022	**December 31, 2023**
Property related expense	117	145
Employee related expense	933	1 018
Other operating expense	371	449
Depreciation and amortization	234	216
Operating expense	**1,655**	**1,828**

Other operating expense consists of the following items:

	December 31, 2022	**December 31, 2023**
Office and telecommunication	9	9
Stock exchange fees	47	55
Legal and administration	156	193
Other	159	192
Other operating expense	**371**	**449**

19. Other income (expense)

	December 31, 2022	**December 31, 2023**
Income from recharged construction expenses	401	203
Recharged construction expenses	(374)	(169)
Income from recharged operation expenses	6,106	7,133
Recharged operation expenses	(5,620)	(6,854)
Others	130	261
Other income	**643**	**574**

(all amounts in thousands of euros unless otherwise indicated)

20. Interest income and interest expense

	December 31, 2022	December 31, 2023
Interest income	189	734
Interest expense on loans	(1,684)	(1,592)
Other interest expense	(38)	(65)
Net interest expense	**(1,533)**	**(923)**

21. Other financial result

	December 31, 2022	December 31, 2023
Exchange rate (loss) / gain realized	(560)	3
Exchange rate gain / (loss) not realized	256	(101)
Ineffective part of the hedge*	130	35
Other financial result	**(174)**	**(63)**

*Ineffective part of the hedging transaction relating to loan nr. 2 provided by Erste Bank Zrt.

22. Income taxes

	December 31, 2022	December 31, 2023
Current income tax	(19)	(21)
Income tax (expense)	**(19)**	**(21)**

Based on the business activity, Graphisoft Park Engineering & Management Kft – established in 2017 – does not operate under the "SZIT" regulation and therefore is subject to corporate income tax, local business tax and deferred income tax, if applicable. Applicable tax rates are as follow: corporate income tax at 9% and local business at tax 2% both in 2022 and 2023.

(all amounts in thousands of euros unless otherwise indicated)

The effective income tax rate varied from the statutory income tax rate due to the following items:

	December 31, 2022	December 31, 2023
Profit before tax	**8,805**	**10,183**
Tax at statutory rate	**792**	**916**
Non-taxable items	(816)	(946)
Others	25	31
Corporate income tax	**1**	**1**
Local business tax	**18**	**20**
Tax expense	**19**	**21**
Effective tax rate	**0.2%**	**0.2%**

23. Earnings per share

Basic and diluted earnings per share amounts are calculated as follows:

	December 31, 2022	December 31, 2023
Net profit attributable to equity holders	8,786	10,162
Weighted average number of ordinary shares	10,082,598	10,082,598
Basic earnings per share (EUR)	**0.87**	**1.01**
Weighted average number of ordinary shares	10,082,598	10,082,598
Diluted earnings per share (EUR)	**0.87**	**1.01**

Treasury shares possessed by the Company and employee shares are excluded when the earnings per share value is determined as described in Note 1.4 to the financial statements.

Share ownership details are disclosed in Note 1.4.

(all amounts in thousands of euros unless otherwise indicated)

24. Treasury shares

Graphisoft Park SE treasury share details are as follows:

	December 31, 2022	December 31, 2023
Number of ordinary shares	549,076	549,076
Number of employee shares	491,348	862,954
Face value per share (EUR)	0.02	0.02
Total face value (EUR)	20,808	28,241
Total value of treasury shares (at historical cost)	972	981

As announced on April 6, 2023, the Company repurchased 461,606 employee shares from Kocsány János CEO and transferred 90,000 employee shares to Farkas Ildikó CFO and transferred 120,000 employee shares to Pálfalvi Zsuzsa Operational Director. According to the announcement of November 23, 2023, the Company bought back the 120,000 employee shares on nominal value from Pálfalvi Zsuzsa, as she would leave the Company as of December 31, 2023.

(all amounts in thousands of euros unless otherwise indicated)

25. Net asset value

Book value and fair value of assets and liabilities as of December 31, 2023:

	Note	Book value Dec 31, 2023	Fair value Dec 31, 2023	*Difference*
Investment property and other tangible assets*	9,11	219,656	225,727	*6,071*
Intangible assets	10	55	55	-
Current tax liabilities, net	7	162	162	-
Non-financial instruments		**219,873**	**225,944**	***6,071***
Cash and cash equivalents	5	14,562	14,562	-
Trade receivables	6	1,097	1,097	-
Other current assets	8	3,192	3,192	-
Long-term financial assets	15	4,999	4,999	-
Trade payables	12	(726)	(726)	-
Other short-term liabilities	13	(4,846)	(4,846)	-
Loans	14	(83,804)	(83,804)	-
Long-term financial liabilities	15	(1,439)	(1,439)	-
Other long-term liabilities	16	(751)	(751)	-
Financial instruments		**(67,716)**	**(67,716)**	**-**
Net asset value		**152,157**	**158,228**	***6,071***

* Based on the valuation of the independent appraiser the fair value of the entire property portfolio is 225,472 thousand euros as of December 31, 2023.

(all amounts in thousands of euros unless otherwise indicated)

Book value and fair value of assets and liabilities as of December 31, 2022:

	Note	Book value Dec 31, 2022	Fair value Dec 31, 2022	*Difference*
Investment property and other tangible assets*	9,11	223,222	231,180	*7,958*
Intangible assets	10	65	65	-
Current tax liabilities, net	7	(441)	(441)	-
Non-financial instruments		**222,846**	**230,804**	***7,958***
Cash and cash equivalents	5	12,236	12,236	-
Trade receivables	6	1,252	1,252	-
Other current assets	8	4,241	4,241	-
Long-term financial assets	15	8,118	8,118	-
Trade payables	12	(419)	(419)	-
Other short-term liabilities	13	(5,855)	(5,855)	-
Loans	14	(88,843)	(88,843)	-
Long-term financial liabilities	15	(2,699)	(2,699)	-
Other long-term liabilities	16	(1,258)	(1,258)	-
Financial instruments		**(73,227)**	**(73,227)**	**-**
Net asset value		**149,619**	**157,577**	***7,958***

* Based on the valuation of the independent appraiser the fair value of the entire property portfolio is 230,865 thousand euros as of December 31, 2022.

(all amounts in thousands of euros unless otherwise indicated)

26. Related party disclosure

Transactions with related parties:

Graphisoft Park SE did not hold interests in entities other than its consolidated subsidiaries (100%) in 2023 and 2022.

AIT-Budapest Kft., Graphisoft SE and B.N.B.A. Holding Zrt. are deemed related parties of the Group in 2023 and 2022 in view of the following facts:

- Chairman of the Board of Directors of Graphisoft Park SE (Bojár Gábor) is Managing Director at AIT-Budapest Kft.,
- Chairman of the Board of Directors of Graphisoft Park SE (Bojár Gábor) is member of the Board of Directors of Graphisoft SE,
- Member of the Board of Directors of Graphisoft Park SE (Hornung Péter) is member of the Board of Directors of Graphisoft SE,
- Member of the Board of Directors of Graphisoft Park SE (Szigeti András) is the Chief Executive Officer of B.N.B.A. Holding Zrt.

Total amount of transactions that have been entered into with these parties and year-end balances are as follows:

Item	December 31, 2022	December 31, 2023
Sales to related parties	2,864	2,270
Purchases from related parties	1	-
Receivables from related parties	-	168
Liabilities to related parties	3	39

Transactions with the related parties were as follows in 2023 and 2022:

- AIT-Budapest Kft., Graphisoft SE and B.N.B.A. Holding Zrt. leased a total office space of 7,463 m^2 and 8,402 m^2 in Graphisoft Park in 2023 and 2022 respectively,
- Graphisoft SE provided software administration services for Graphisoft Park Kft. in 2023 and 2022.

Transactions (sales to and purchases from) with the related parties are made at market prices. Office lease rent and service charges are similar to other tenants of the Group. No guarantees were provided or received for any related party receivables or payables. In 2023 and 2022, the Group has not recorded any impairment loss relating to amounts owed by related parties.

(all amounts in thousands of euros unless otherwise indicated)

Remuneration of the Board of Directors, compensation of key management personnel*:

	December 31, 2022	December 31, 2023
Remuneration of the Board of Directors	89	93
Compensation of key management personnel	466	495
Total	**555**	**588**

* Key management personnel: the Chief Executive Officer and the Chief Financial Officer of Graphisoft Park SE, and the Managing Director of Graphisoft Park Services Kft.

No loans or advance payments were granted to the members of the Board of Directors or the key management personnel, and the Group did not undertake guarantees in their names. In 2022 and 2023, key management personnel received only short-term employee benefits, no other type of employee benefit occurred in the periods.

Interests of the Board of Directors and the key management personnel in Graphisoft Park SE:

	December 31, 2022			December 31, 2023		
Shareholder	**Shares (pc)**	**Share (%)**	**Voting right (%)**	**Shares (pc)**	**Share (%)**	**Voting right (%)**
ORDINARY SHARES:	**1,789,082**	**16.83**	**15.60**	**1,789,082**	**16.83**	**16.12**
Bojár Gábor - Chairman of the BoD*	1,685,125	15.85	14.69	1,685,125	15.85	15.19
Dr. Kálmán János - Member of the BoD	13,500	0.13	0.12	13,500	0.13	0.12
Kocsány János - Member of the BoD, CEO	90,457	0.85	0.79	90,457	0.85	0.82
EMPLOYEE SHARES:	**1,384,819**	**n/a**	**12.08**	**1,013,213**	**n/a**	**9.13**
Kocsány János - Member of the BoD, CEO*	1,384,819	n/a	12.08	923,213	n/a	8.32
Farkas Ildikó - Member of the BoD, CFO*	-	n/a	-	90,000	n/a	0.81
SHARES TOTAL:	**3,173,901**	**16.83**	**27.68**	**2,802,295**	**16.83**	**25.25**

* As announced on April 6, 2023, the Company repurchased 461,606 employee shares from Kocsány János CEO and transferred 90,000 employee shares to Farkas Ildikó CFO and transferred 120,000 employee shares to Pálfalvi Zsuzsa Operational Director. According to the announcement of November 23, 2023, the Company bought back the 120,000 employee shares on nominal value from Pálfalvi Zsuzsa, as she would leave the Company as of December 31, 2023.

Information on shareholders and governance of the Company are provided in Notes 1.4 and 1.5.

(all amounts in thousands of euros unless otherwise indicated)

27. Financial risk management

Changes in market and financial conditions may significantly affect results, assets and liabilities of the Group. Financial risk management aims to limit these risks through operational and finance activities.

Market risk:

Risk relating to rental revenue:

The Group has been pursuing consistent and calculable rental pricing policies for years. Current rental prices and conditions are confirmed by the market (tenants) to be in line with the unique environment and top quality of the property. However, there is no assurance that current rental prices and conditions can be maintained in the future. After the coronavirus epidemic, the rise of the home office, the changing use of offices, as well as the drastic increase in energy prices and inflation, the decreasing demand for leased areas and the possible non-renewal of rental contracts, represent a greater risk than before regarding the development of the rental fee. According to the Company’s forecast for 2024, we expect a slight decrease in rental revenue.

Profit for the period		**December 31, 2022**		**December 31, 2023**
Change of rental revenue				
	105%	9,563	105%	11,004
	100%	**8,786**	**100%**	**10,162**
	95%	8,009	95%	9,320

Risk of assets:

The Group takes out insurance against the risks of the leased properties, and tenants are required to pay deposit or give bank guarantees in advance to cover further potential risks.

Currency risk:

The Group does not run currency risk on the fulfilment of the debt service since both the predominant part of the rental revenues and the debt service are either denominated in EUR or the Group converted its HUF-based loan to EUR with a CCIRS transaction. The Group is exposed to foreign currency risk to a certain extent because operating and capital expenditures are mostly due in HUF.

Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. To manage interest rate risk, the Group’s bank loans subject to floating interest rates have been fixed with IRS deals. Conditions and balances of bank loans are disclosed in Note 14.

(all amounts in thousands of euros unless otherwise indicated)

Credit risk:

Credit risk is the risk that counterparty does not meet its payment obligations. The Group is exposed to credit risk from its leasing and financing (including deposits with banks and financial investments) activities.

Tenant receivables:

Credit risk is managed by requiring tenants to pay deposits or give bank guarantees in advance, depending on the credit quality of the tenant assessed at the time of entering into a lease agreement. Tenant receivables are regularly monitored.

Credit risk related to tenant receivables is limited due to the composition of the tenant portfolio.

Revenue from 2 tenants (SAP Hungary Kft., Graphisoft SE) exceeded 10% of the total revenue of the Group in 2023 and 2022 (separately). Revenue from these 2 tenants represented 34% and 40% of the total revenue in 2023 and in 2022, respectively.

Cash deposit and financial investments:

Credit risk from balances with banks and financial investments is managed in accordance with the Group's conservative investment policy. To limit credit risk, reserves are held in cash or low-risk securities, with substantial financial institutions.

Liquidity risk:

The Group's revenues are sufficient to cover debt service and operating costs, and therefore liquidity problems are not to be expected. Property development projects are planned together with their financing needs, and funds required to complete the projects are ensured in time.

The Group settles its payment obligations within the payment term and had no overdue payables as of December 31, 2023 and 2022.

The two tables below summarize the maturity profile of financial liabilities based on contractual undiscounted payments as of December 31, 2023 and 2022.

December 31, 2023	**Overdue**	**Due within 1 year**	**Due between 1-5 years**	**Due over 5 years**	**Total**
Loans*	-	7,539	59,689	24,231	**91,459**
Trade payables	-	726	-	-	**726**
Other liabilities	-	4,336	1,439	-	**5,775**
Financial liabilities	**-**	**12,601**	**61,128**	**24,231**	**97,960**

(all amounts in thousands of euros unless otherwise indicated)

December 31, 2022	Overdue	Due within 1 year	Due between 1-5 years	Due over 5 years	Total
Loans*	-	7,451	64,862	26,313	**98,626**
Trade payables	-	419	-	-	**419**
Other liabilities	-	5,307	7	2,699	**8,013**
Financial liabilities	**-**	**13,177**	**64,869**	**29,012**	**107,058**

* Capital plus interest calculated for the fixed interest period of the loan.

28. Financing cash-flow

The table below provides a reconciliation between the liabilities arising from financial activities in the balance sheet and elements of the financing activities of the cash-flow.

December 31, 2023	Opening balance	Increase	Settlement by cash	Change by non-cash	Closing balance
Loan liabilities	88,843	-	(5,934)	895	**83,804**
Dividend liability	-	5,434	(5,434)	**-**	**-**
Total	**88,843**	**5,434**	**(11,368)**	**895**	**83,804**

December 31, 2022	Opening balance	Increase	Settlement by cash	Change by non-cash	Closing balance
Loan liabilities	94,627	-	(5,840)	56	**88,843**
Dividend liability	-	4,341	(4,341)	-	**-**
Total	**94,627**	**4,341**	**(10,181)**	**56**	**88,843**

29. Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The management proposes to the owners to approve dividend payments or adopt other changes in the equity capital in order to optimize the capital structure of the Group. This can be achieved primarily by adjusting the amount of dividends paid to shareholders, or alternatively, by returning capital to shareholders by capital reductions, selling or buying own shares.

Consistent with others in the industry, the management monitors capital structure based on the debt service cover ratio (DSCR) and the loan-to-value ratio (LTV). DSCR is calculated as cash available for debt service (rental revenues less operating and other costs) divided by debt service (capital plus interest), while LTV is calculated as the ratio between the sum financial indebtedness and the market value of the property. The objective of the Group is to keep DSCR above 1.25 and LTV below 0.60 (in line with the requirements of the existing loan agreements).

30. Remediation of the northern development area

Due to the prior gas production activity the northern development area is still contaminated. The rehabilitation of this area is the duty of the polluter Capital City Gas Works (currently MVM Next Energiakereskedelmi Zrt.). After the final administrative judgment made on December 12, 2019, the Pest County Government Office conducted new proceedings. In the resolution received on April 30, 2020, the Pest County Government Office notified us about the repeated prolongation of the completion deadline of the rehabilitation in the northern development area, and stated new deadlines of May 31, 2021, and September 30, 2022.

Government Decree nr. 286/2021 (V. 27.) on the establishment of rules related to certain administrative authority procedures was published on May 27, 2021. Pursuant to Section 1 of the Government Decree in force between May 28, 2021, and June 24, 2021, the polluter became entitled to request an extension of the deadline for remediation from the environmental authority, which was obliged to grant the extension. MVM Next Energiakereskedelmi Zrt. submitted the relevant request, which was approved by the authority and the decree ruled out the possibility of an appeal, so the current deadline for carrying out remediation and submitting the final documentation is December 31, 2022.

We requested information from MVM Next Energiakereskedelmi Zrt. about its implementation plans related to the current deadline, to which we received the following information in response in June, 2022: MVM Next Energiakereskedelmi Zrt. still has the necessary permits to call for the construction tender and start construction, and has prepared the necessary documentation for the tender, however, despite its best intentions, it cannot make any responsible statement about the expected completion date of the remediation.

On December 23, 2022, Government Decree of 566/2022 (XII. 23) was published, which deals with the establishment of rules related to certain administrative authority procedures. On the basis of this decree, the legal entity obliged to remediate became entitled to request an extension of the remediation deadline from the environmental protection authority. If the application was submitted, the authority was obliged to grant the deadline extension. MVM Next Energiakereskedelmi Zrt., which is obliged to remediate the damage, submitted its request for this on December 27, 2022, which request was granted by the authority on December 28, 2022. The decree ruled out the possibility of an appeal, so the currently valid new deadline for carrying out the remediation and submitting the final documentation is December 31, 2024, and the deadline for the remediation of certain sub-areas and for sub-surface water is April 30, 2026.

The actual remediation works have not started till the date of this Report, and we are not aware of the preparation of the works either. Based on all of this, Graphisoft Park considers the date of the actual start and end of the remediation to be uncertain, and therefore does not see it possible to start developments in the northern development area within the foreseeable future.

31. Approval of financial statements, dividend

On April 28, 2023, the Annual General Meeting of Graphisoft Park SE approved the 2022 consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS) showing a balance sheet total of 249,152 thousand EUR and a profit for the year of 8,786 thousand EUR. Together with the approval of the consolidated financial statements for issue, the AGM approved dividend distribution of 201 HUF (0.54 EUR) per ordinary share, 2,026,602 thousand HUF in total (5,434 thousand EUR on the MNB exchange rate of April 28, 2023), and in total 113,888 thousand HUF on employee shares (305 thousand EUR on the MNB exchange rate of April 28, 2023). The starting date for dividend payments was May 12, 2023. The Company paid out the dividends to the shareholders identified by shareholder's registration as of May 5, 2023.

32. Events after the balance sheet date

Proposed dividend by the Board

The annual financial statements of the Company for the year 2023 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 26, 2024. The Board proposes dividend distribution of 0.70 EUR per ordinary share, 7,058 thousand EUR in total to be approved by the Annual General Meeting of Graphisoft Park SE of April 29, 2024. The Board also proposes altogether 386 thousand EUR dividend for employee shares. The Annual General Meeting has the power to amend the annual financial statements.

Dividend payment in euro

The Company's Board of Directors decided as of February 9, 2024, that the Company will pay dividends in euros from this year. Therefore, the dividend payment approved by the General Meeting based on the 2023 financial year result will be made in euros, which is expected around May 20, 2024.

Employee share transaction

As announced on March 12, 2024, the Company transferred 90,000 employee shares to Farkas Ildikó CFO.

(all amounts in thousands of euros unless otherwise indicated)

33. Additional presentations according to the Hungarian Accounting Law

Persons responsible for signing and preparing the financial statements:

The person authorized and required to sign the Company's financial statements is as follow:

Name:	Kocsány János
Position:	Chief Executive Officer
Address:	H-1038 Budapest, Ékszer utca 4.

The person responsible for supervising transactional accounting and preparation of financial statements according to IFRS:

Name:	Bodócsy Ágnes
Registration number:	MKVK-007117

Statutory auditor and audit fees:

The Company is subject to statutory audit. The Company's auditor is Ernst & Young Könyvvizsgáló Kft. (address: H-1132 Budapest, Váci út 20.). The person responsible for signing the audit report:

Name:	Domoszlai Rita
Registration number:	MKVK-007371

The audit fee for the Company's stand alone and consolidated financial statements is 16,280 euro, the interim and final audit fee for the subsidiaries was 37,620 euro as of December 31, 2023. Audit related fees amounted to 6,050 euro for 2023.

34. Declarations

Forward-looking statements *- This Annual Report contains forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.*

Statement of responsibility *- We declare that the Consolidated Financial Statements which have been prepared in accordance with the International Financial Reporting Standards and to the best of our knowledge, give a true and fair view of the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows of Graphisoft Park SE and its undertakings included in the consolidation, and the Business Report gives a fair view of the position, development and performance of Graphisoft Park SE and its undertakings included in the consolidation, together with a description of the principal risks and uncertainties of its business.*

GRAPHISOFT PARK SE
PARENT COMPANY ANNUAL REPORT 2023

THIS IS THE TRANSLATION OF THE HUNGARIAN REPORT

GRAPHISOFTPARK

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 2023 and 2022:

- Revenues from dividends from the subsidiaries.

Events in 2023

The Company has five fully owned subsidiaries as of December 31, 2023, as set out below:

	Ownership / Voting right (%)	December 31, 2022	December 31, 2023
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	198,566
Graphisoft Park Engineering & Management Kft.	100	289,350	289,350
Investment value (EUR)		**10,976,119**	**11,067,267**

The Company recognized revenues from dividends from its subsidiaries in amount of 6,254,733 EUR in 2023 (5,155,612 EUR in 2022).

Plans for 2024

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. Till April 28, 2023, Graphisoft Park SE operated with 6 members, from then on 7 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, 2026
Dr. Kálmán János	Member	August 21, 2006	May 31, 2026
Kocsány János	Member	April 28, 2011	May 31, 2026
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2026
Szigeti András	Member	July 21, 2014	May 31, 2026
Hornung Péter	Member	April 20, 2017	May 31, 2026
Farkas Ildikó	Member	April 28, 2023	May 31, 2026

According to the resolution of the AGM held on April 28, 2023, Farkas Ildikó CFO was elected as member of the Board of Directors.

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, 2026
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2026
Hornung Péter	Member	April 20, 2017	May 31, 2026

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, 2022			December 31, 2023		
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**	**90.87**
Directors and management	**1,789,082**	**16.83**	**15.60**	**1,789,082**	**16.83**	**16.12**
Bojár Gábor - Chairman of the BoD	1,685,125	15.85	14.69	1,685,125	15.85	15.19
Dr. Kálmán János - Member of the BoD	13,500	0.13	0.12	13,500	0.13	0.12
Kocsány János - Member of the BoD, CEO	90,457	0.85	0.79	90,457	0.85	0.82
Shareholders over 5% share	**2,948,817**	**27.74**	**25.71**	**2,960,406**	**27.85**	**26.68**
HOLD Alapkezelő Zrt.	701,233	6.60	6.12	735,386	6.92	6.63
AEGON Magyarország Befektetési Alapkezelő Zrt.	747,584	7.03	6.52	725,020	6.82	6.53
B.N.B.A. Holding Zrt.	1,500,000	14.11	13.08	1,500,000	14.11	13.52
Other shareholders	**5,344,699**	**50.27**	**46.61**	**5,333,110**	**50.16**	**48.06**
Treasury shares (1)	**549,076**	**5.16**	**-**	**549,076**	**5.16**	**-**
EMPLOYEE SHARES (2):	**1,876,167**	**n/a**	**12.08**	**1,876,167**	**n/a**	**9.13**
Kocsány János - Member of the BoD, CEO (3)	1,384,819	n/a	12.08	923,213	n/a	8.32
Farkas Ildikó - Member of the BoD, CFO (3)	-	n/a	-	90,000	n/a	0.81
Employee treasury shares (1)	491,348	n/a	-	549,079	n/a	-
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 fifty percent of their face value. In the financial statements of the Company these payments are accounted as employee related expense instead of dividend.
(3) As announced on April 6, 2023, the Company repurchased 461,606 employee shares from Kocsány János CEO and transferred 90,000 employee shares to Farkas Ildikó CFO and transferred 120,000 employee shares to Pálfalvi Zsuzsa Operational Director. According to the announcement of November 27, 2023, the Company bought back the 120,000 employee shares on nominal value from Pálfalvi Zsuzsa, as she would leave the Company as of December 31, 2023.

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 2023 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 26, 2024. The Board proposes dividend distribution of 0.70 EUR per ordinary share, 7,057,819 EUR in total to be approved by the Annual General Meeting of Graphisoft Park SE of April 29, 2024. The Board also proposes altogether 386,125 EUR dividend for employee shares. The Annual General Meeting has the power to amend the annual financial statements.

Dividend payment in euro

The Company's Board of Directors decided as of February 9, 2024, that the Company will pay dividends in euros from this year. Therefore, the dividend payment approved by the General Meeting based on the 2023 financial year result will be made in euros, which is expected around May 20, 2024.

Employee share transaction

As announced on March 12, 2024, the Company transferred 90,000 employee shares to Farkas Ildikó CFO.

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 statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 26, 2024

Kocsány János

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE

PARENT COMPANY FINANCIAL STATEMENTS

for the year ended December 31, 2023

in accordance with International Financial Reporting Standards (IFRS)

(audited)

Budapest, March 26, 2024

Kocsány János
Chief Executive Officer

Farkas Ildikó
Chief Financial Officer

GRAPHISOFT PARK SE
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2023

CONTENTS:

GRAPHISOFT PARK SE
BALANCE SHEET
AS OF DECEMBER 31, 2023
(all amounts in EUR unless otherwise indicated)

	Notes	December 31, 2022	December 31, 2023
Cash and cash equivalents	5	420,133	422,172
Receivables from related parties	22	1,129	0
Current tax receivable	6	14,115	20,514
Other current assets	7	6,021	17,428
Current assets		**441,398**	**460,114**
Intangible assets	8	8,244	6,084
Property (right-of-use asset)	9	22,062	18,668
Plant and equipment	10	531	274
Investments	11	10,976,119	11,067,267
Non-current assets		**11,006,956**	**11,092,293**
TOTAL ASSETS		**11,448,354**	**11,552,407**
Trade payables	12	9,437	14,238
Payables due to related parties	13	17,216	13,771
Lease liabilities	9	4,190	4,273
Other short-term liabilities	14	22,902	26,289
Current liabilities		**53,745**	**58,571**
Long-term lease liabilities	9	15,698	11,425
Non-current liabilities		**15,698**	**11,425**
TOTAL LIABILITIES		**69,443**	**69,996**
Share capital	1.3	250,157	250,157
Retained earnings		12,101,089	12,213,527
Treasury shares	20	(972,335)	(981,273)
Shareholders' equity		**11,378,911**	**11,482,411**
TOTAL LIABILITIES & EQUITY		**11,448,354**	**11,552,407**

The accompanying notes form an integral part of the financial statements.

GRAPHISOFT PARK SE
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts in EUR unless otherwise indicated)

	Notes	December 31, 2022	December 31, 2023
Dividend		5,155,612	6,254,733
Revenue	**15**	**5,155,612**	**6,254,733**
Employee related expense		(451,373)	(479,848)
Operating expense		(228,470)	(289,314)
Depreciation		(5,803)	(5,811)
Operating expense	**16**	**(685,646)**	**(774,973)**
Other income		172	212
OPERATING PROFIT		**4,470,138**	**5,479,972**
Interest income		-	80,328
Interest expense		(2,296)	(458)
Exchange rate difference		2,946	(9,663)
Financial result	**17**	**650**	**70,207**
PROFIT BEFORE TAX		**4,470,788**	**5,550,179**
Income tax expense	18	-	-
PROFIT FOR THE YEAR		**4,470,788**	**5,550,179**
Attributable to equity holders of the parent		4,470,788	5,550,179

The accompanying notes form an integral part of the financial statements.

GRAPHISOFT PARK SE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts in EUR unless otherwise indicated)

	Notes	December 31, 2022	December 31, 2023
Profit for the year		**4,470,788**	**5,550,179**
COMPREHENSIVE INCOME		**4,470,788**	**5,550,179**
Attributable to equity holders of the parent		4,470,788	5,550,179

The accompanying notes form an integral part of the financial statements.

GRAPHISOFT PARK SE
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts in EUR unless otherwise indicated)

	Share capital	**Retained earnings**	**Treasury shares***	**Total Equity**
January 1, 2022	**250,157**	**11,996,739**	**(987,677)**	**11,259,219**
Profit for the period	-	4,470,788	-	**4,470,788**
Treasury share purchase	-	-	(9,827)	**(9,827)**
Dividend	-	(4,341,269)	-	**(4,341,269)**
Treasury share transfer	-	(25,169)	25,169	**-**
December 31, 2022	**250,157**	**12,101,089**	**(972,335)**	**11,378,911**
Profit for the period	-	5,550,179	-	**5,550,179**
Treasury share purchase	-	-	(13,138)	**-13,138**
Treasury share transfer	-	(4,200)	4,200	**-**
Dividend**	-	(5,433,541)	-	**-5,433,541**
December 31, 2023	**250,157**	**12,213,527**	**(981,273)**	**11,482,411**

* Treasury share details are disclosed in Note 20.
** Dividend details are disclosed in Note 27.

The accompanying notes form an integral part of the financial statements.

GRAPHISOFT PARK SE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(all amounts in EUR unless otherwise indicated)

	Notes	December 31, 2022	December 31, 2023
OPERATING ACTIVITIES			
Profit before tax		4,470,788	5,550,179
Depreciation	8,9,16	5,803	5,811
Interest income	17	-	(80,328)
Interest expense	17	2,296	458
Unrealized foreign exchange losses / (gains)	17	595	(450)
Changes in working capital:			
(Increase) in receivables and other current assets	6, 7, 22	(8,608)	(16,677)
Increase / (decrease) in payables and accruals	12, 13, 14	19,140	(2,579)
Net cash from operating activities		**4,490,014**	**5,456,414**
INVESTING ACTIVITES			
Purchase of intangibles	8	(780)	-
Capital increase in a subsidiary	11	-	(91,148)
Interest received	17	-	80,328
Net cash used in investing activities		**(780)**	**(10,820)**
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities	9, 25	(4,107)	(4,190)
Interest paid	17	(2,296)	(458)
Purchase of treasury shares	20	(9,827)	(13,138)
Dividend paid	25, 27	(4,341,269)	(5,433,541)
Net cash used in financing activities		**(4,357,499)**	**(5,451,327)**
Increase / (decrease) in cash and cash equivalents		131,735	(5,733)
Cash and cash equivalents at beginning of year		284,586	420,133
Exchange rate gain on cash and cash equivalents		3,812	7,772
Cash and cash equivalents at end of year		**420,133**	**422,172**

The accompanying notes form an integral part of the financial statements.

1. General information

1.1. 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.

Graphisoft Park SE was established through a demerger from Graphisoft SE on August 21, 2006. The purpose of the restructuring was to spin off a new company, dedicated to real estate development and management. Graphisoft Park operates as a holding having five 100% owned subsidiaries.

Average headcount of the Company was 3 in 2023 (2022:3).

1.2. Regulated real estate investment company

From January 1, 2018, Graphisoft Park SE and its subsidiaries (except for Graphisoft Park Engineering & Management Kft.) operate as regulated real estate investment company and project company respectively.

The designation of the regulated real estate investment company (SZIT) as a company form for doing business was introduced by the Act 102 of 2011. Regulated real estate investment companies (SZIT) are public companies limited by shares that fulfill the requirements of the governing law (Act 102 of 2011 on regulated real estate investment companies) and are therefore eligible for registration with the national tax authority as SZIT and are registered as such upon request from the company, which entitles them to certain tax benefits.

The main requirements of acquiring the SZIT designation are as follow (for the complete list and details see Act 102 of 2011):
(a) the company’s business activities are restricted to a number of real estate related activities (buying and selling/renting/operating of own real estate, management of real estate, facilities support activities, asset management),
(b) the company is not under voluntary or court ordered winding-up, termination or bankruptcy proceedings,
(c) proposes dividend at least at the amount of 90% (project companies 100%) of its results, or if the company’s liquid funds are less than that, then the company shall pay 90% (project companies 100%) of its liquid funds in dividends, unless a loan agreement concluded with a credit institution restricts such payments,
(d) the company owns no shares in other businesses other than in its own project companies (subsidiaries), in different regulated real estate investment companies (maximum 10% share ownership) and in companies organizing construction projects,
(e) the direct and combined voting rights of credit institutions and insurance companies are limited to 10% of all voting rights within the company,
(f) it has at least 5 billion HUF (consolidated) initial capital,
(g) it is publicly listed and issues only ordinary and employee shares,
(h) at least 25% of the total number of shares is owned by shareholders, of whom no individual shareholder owns – directly or indirectly – more than 5% of the total number of shares.

There are further requirements in the regulation concerning the company’s asset-portfolio and operations that are pre-requisites of applying for the SZIT designation.

The tax benefits of the SZIT designations are as follow (for details see Act 102 of 2011 and the tax laws concerned):

- exemption from corporate income tax,
- exemption from local business tax,
- preferential (2%) property acquisition duty rate.

1.3. 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. The share capital has been fully paid. 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, 2022			December 31, 2023		
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**	**90.87**
Directors and management	**1,789,082**	**16.83**	**15.60**	**1,789,082**	**16.83**	**16.12**
Bojár Gábor - Chairman of the BoD	1,685,125	15.85	14.69	1,685,125	15.85	15.19
Dr. Kálmán János - Member of the BoD	13,500	0.13	0.12	13,500	0.13	0.12
Kocsány János - Member of the BoD, CEO	90,457	0.85	0.79	90,457	0.85	0.82
Shareholders over 5% share	**2,948,817**	**27.74**	**25.71**	**2,960,406**	**27.85**	**26.68**
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B.N.B.A. Holding Zrt.	1,500,000	14.11	13.08	1,500,000	14.11	13.52
Other shareholders	**5,344,699**	**50.27**	**46.61**	**5,333,110**	**50.16**	**48.06**
Treasury shares (1)	**549,076**	**5.16**	**-**	**549,076**	**5.16**	**-**
EMPLOYEE SHARES (2):	**1,876,167**	**n/a**	**12.08**	**1,876,167**	**n/a**	**9.13**
Kocsány János - Member of the BoD, CEO (3)	1,384,819	n/a	12.08	923,213	n/a	8.32
Farkas Ildikó - Member of the BoD, CFO (3)	-	n/a	-	90,000	n/a	0.81
Employee treasury shares (1)	491,348	n/a	-	549,079	n/a	-
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 fifty percent of their face value. In the financial statements of the Company these payments are accounted as employee related expense instead of dividend.
(3) As announced on April 6, 2023, the Company repurchased 461,606 employee shares from Kocsány János CEO and transferred 90,000 employee shares to Farkas Ildikó CFO and transferred 120,000 employee shares to Pálfalvi Zsuzsa Operational Director. According to the announcement of November 23, 2023, the Company bought back the 120,000 employee shares on nominal value from Pálfalvi Zsuzsa, as she would leave the Company as of December 31, 2023.

1.4. 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 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. Till April 28, 2023, Graphisoft Park SE operated with 6 members, from then on 7 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, 2026
Dr. Kálmán János	Member	August 21, 2006	May 31, 2026
Kocsány János	Member	April 28, 2011	May 31, 2026
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2026
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Farkas Ildikó	Member	April 28, 2023	May 31, 2026

According to the resolution of the AGM held on April 28, 2023, Farkas Ildikó CFO was elected as member of the Board of Directors.

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 SE, 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, 2026
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2026
Hornung Péter	Member	April 20, 2017	May 31, 2026

2. Accounting policies

2.1. Basis of preparation

The financial statements of Graphisoft Park SE have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). All standards and interpretations issued by the International Accounting Standards Board (IASB) effective at the time of preparing the financial statements and applicable to Graphisoft Park SE have been adopted by the EU. Therefore, the financial statements currently also comply with IFRS as issued by the IASB and also comply with the Hungarian Accounting Law on financial statements, which refers to IFRS as adopted by the EU. The financial year is the same as the calendar year.

The financial statements are prepared in accordance with the measurement and presentation basis applied in IFRS.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2. Changes in accounting policies

Adoption of new or modified standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the following new or amended IFRSs and interpretations which have been adopted by the Company as of January 1, 2023:

A) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2: In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had no material impact on the Company.

B) Definition of Accounting Estimates - Amendments to IAS 8: In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no material impact on the Company.

C) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 Income Taxes: These amendments clarify whether the initial recognition exemption applies to certain transactions that often result in both an asset and a liability being recognized simultaneously. The amendments had no material impact on the Company.

D) International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 Income Taxes: The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

• A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

• Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules as it only operates under the Hungarian Tax jurisdiction.

2.3. Foreign currency translations

Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"), which is the euro (EUR), unless otherwise indicated, which is also the Company's presentation currency.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of these transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities are recognized in the income statement.

2.4. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when: (1) it is expected to be realized or intended to be sold or consumed in the normal operating cycle; (2) held primarily for the purpose of trading; (3) expected to be realized within twelve months after the reporting period; or (4) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: (1) it is expected to be settled in the normal operating cycle; (2) It is held primarily for the purpose of trading; (3) it is due to be settled within twelve months after the reporting period; or (4) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5. Cash and cash equivalents

Cash and cash equivalents include cash on hand and in the bank, short-term bank deposits with less than three months to maturity and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.6. Trade and other payables

Trade and other payables (including accruals) are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The carrying values of trade and other payables approximate their fair values due to their short maturity.

2.7. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

The initial cost of assets comprises its purchase price, including duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, such as borrowing costs.

Replacements and improvements, which prolong the useful life or significantly improve the condition of the asset are capitalized. Maintenance and repairs are recognized as an expense in the period in which they are incurred.

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
Machinery and equipment	3-7 years
Office equipment	3-7 years
Vehicles	5 years - 20% residual value

The useful life and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of tangible assets.

2.8. Investments in subsidiaries

In the separate financial statements investments in subsidiaries are presented at cost under IAS 27. Cost at initial recognition is the amount paid in cash or cash equivalent, or the fair value of other consideration given by the purchaser. Cost includes those costs which are directly attributable to the acquisition.

In case of investments paid in foreign currency: (a) if the consideration is paid before acquiring the owner's rights, cost is the amount calculated by applying the official foreign currency rate of the Hungarian National Bank (MNB) on the day of the bank transfer; (b) if the consideration is paid after acquiring the owner's rights, cost is the amount calculated by applying the official foreign currency rate of MNB on the day of the transfer of the owner's right. There is no subsequent revaluation of investments paid in foreign currency due to foreign exchange rate changes.

Investments in subsidiaries are subject to impairment test when indicator of potential impairment exists. When an external or internal indicator of impairment exists, recoverable amount should be determined and compared with net investment. If the recoverable amount is materially or permanently lower than the net investment, impairment should be recorded. If the recoverable amount is materially or permanently higher than the net investment, impairment reversal should be recorded. The net recoverable amount is the present value of future cash flows of the investment proportioned based on ownership.

2.9. Leases

The determination of whether an arrangement is a lease, or contains lease elements, is based on the substance of the arrangement at inception date as to whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment after inception of the lease is possible only if one of the following applies:

a) there is a change in contractual terms, other than renewal of extension of the arrangement;
b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c) there is a change in determination of whether fulfillment is dependent on a specific asset; or
d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and at the date of renewal or extension period for scenario (b).

Company as a lessee:

Upon lease commencement a right-of-use asset and a lease liability is recognized (exceptions: leases with lease term with 12 months or less; leases where the underlying asset has a small value). The right-of-use asset is initially recognized at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

After lease commencement the right-of-use asset is measured using the cost model (cost less accumulated depreciation and accumulated impairment).
The lease liability is initially recognized at present value of the lease payments payable over the lease term discounted at the rate implicit in the lease if that can be readily determined, otherwise the Company’s incremental borrowing rate shall be used.

The lease liability is subsequently re-measured to reflect changes in:
- the lease term (using a revised discount rate);
- the assessment of a purchase option (using a revised discount rate);
- the amounts expected to be payable under residual value guaranties (using an unchanged discount rate); or
- future lease payment resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate).

The re-measurements are treated as adjustments to right-of-use asset.

2.10. Impairment of assets

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The calculations of recoverable amounts are primarily determined by value in use calculations, which use a broad range of estimates and factors affecting those. Among others, the Company typically considers future revenues and expenses, technological obsolescence, discontinuance of services and other changes in circumstances that may indicate impairment. The recoverable amount is the higher of the assets' fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years.

2.11. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will occur in order to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured and recorded as the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2.12. Pensions

The Company, in the normal course of business, makes fixed contributions into the Hungarian State pension fund on behalf of its employees. The Company does not operate any other pension scheme or post-retirement benefit plan, and consequently, has no legal or constructive obligation to make further contributions if the funds do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

2.13. Revenue recognition

Dividends:
Revenue is recognized when the Company's right to receive the payment is established.

Interest income:
Revenue is recognized as interest accrues (using the effective interest method). Interest income is included in financial results in the income statement.

2.14. Treasury shares

Treasury stock represents the cost of shares repurchased (recorded individually per purchase) and is displayed as a reduction of shareholder's equity. Premiums and discounts on repurchase and subsequent disposal are credited and debited respectively directly to retained earnings.

2.15. Employee shares

Payouts related to employee shares (reduced rate dividend payments) are shown under employee related expenses in the statement of income in the period in which the dividends are approved by the shareholders.

2.16. Earnings per share

Basic earnings per share is calculated by dividing profit attributable to the equity holders of the Company for the period by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated considering the weighted average number of diluting share options (if any) in addition to the number of ordinary shares outstanding.

2.17. Dividend

Dividends payable to the Company's shareholders are recorded as a liability and debited against equity in the period in which the dividends are approved by the shareholders.

2.18. Operating profit

Operating profit is defined as revenues less operating expenses and other expense.

2.19. Segment information

For management purposes the Company comprises a single operational (business and geographical) segment. For this reason, the financial statements contain no segment information.

3. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

3.1. Impairment of investments in subsidiaries

Impairment assessment of investments in subsidiaries is based on estimates and assumptions, such as future cash flows, discount factors and the actual results may be significantly different from the results of these estimates, especially in case of start-up entities.

3.2. Provisions

Provisions in general are highly judgmental, especially in case of legal disputes. The Company assesses the probability of an adverse event as a result of a past event and if the probability of an outflow of economic benefits is evaluated to be more probable than not, the Company fully provides for the total amount of the estimated liability.

3.3. Effects of the Covid-19 pandemic and the increasing energy prices

The coronavirus outbreak was first reported near the end of 2019. The virus has significantly impacted the world economy. In addition, starting from 2021 but mainly in the second half of 2022, as a result of the Ukrainian war and other factors, energy prices started to increase significantly. The Company assessed the effects or potential effects of the pandemic and the rising energy prices to the Financial Statements. In addition, the Company constantly monitors the possible further effects of the war. With the recent developments of the pandemic and the increase of the energy prices, there are both external and internal sources of information, such as the fall in stock and commodity prices, decrease in market interest rates, manufacturing plant shutdowns, shop closures, reduced demand and selling prices for goods and services, etc., indicating that an asset may be impaired. Effects (in any) of the Covid-19 pandemic and the increasing energy prices regarding investments are disclosed in Note 11.

4. Standards issued but not yet effective

At the date of authorization of these financial statements, the following standards and interpretations were in issue but not yet effective:

A) Amendments to IAS 1: Classification of Liabilities as Current or Non-current: In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

• What is meant by a right to defer settlement;
• That a right to defer must exist at the end of the reporting period;
• That classification is unaffected by the likelihood that an entity will exercise its deferral right;
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice.

B) Amendments to IAS 21: Lack of exchangeability: The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments have not yet been endorsed by the EU. The amendments are not expected to have an impact on the Company's financial statements.

C) Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7: In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments have not yet been endorsed by the EU. The amendments are not expected to have a material impact on the Company's financial statements.

D) Amendments to IFRS 16: Lease Liability in a Sale and Leaseback: In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

5. Cash and cash equivalents

	December 31, 2022	December 31, 2023
Cash at banks	420,133	422,172
Cash and cash equivalents	**420,133**	**422,172**

6. Current tax receivables

	December 31, 2022	December 31, 2023
Value Added Tax receivable	14,115	20,514
Current tax receivable	**14,115**	**20,514**

7. Other current assets

	December 31, 2022	December 31, 2023
Deferred expense	6,021	17,428
Other current assets	**6,021**	**17,428**

8. Intangible assets

The table shows movements of intangible assets:

	Software
Net value:	
January 1, 2022	**10,404**
Gross value:	
January 1, 2022	10,800
December 31, 2022	10,800
Depreciation:	
January 1, 2022	396
Additions	2,160
December 31, 2022	2,556
Net value:	
December 31, 2022	**8,244**
Gross value:	
January 1, 2023	10,800
December 31, 2023	10,800
Depreciation:	
January 1, 2023	2,556
Additions	2,160
December 31, 2023	4,716
Net value:	
December 31, 2023	**6,084**

9. Property (right-of-use asset)

The table shows movements of property (right-of-use asset), which relates to the office rental contract, which was concluded for 10 years in 2017, and therefore the right-of-use asset is depreciated over 10 years:

	Property (right-of-use asset)
Net value:	
January 1, 2022	**25,456**
Gross value:	
January 1, 2022	40,730
December 31, 2022	40,730
Depreciation:	
January 1, 2022	15,274
Additions	3,394
December 31, 2022	18,668
Net value:	
December 31, 2022	**22,062**
Gross value:	
January 1, 2023	40,730
December 31, 2023	40,730
Depreciation:	
January 1, 2023	18,668
Additions	3,394
December 31, 2023	22,062
Net value:	
December 31, 2023	**18,668**

Office rental contract related lease liabilities' maturity analysis is as follow:

	December 31, 2022	**December 31, 2023**
Within 1 year	4,190	4,273
1– 5 years	15,698	11,425
	19,888	**15,698**

The Company's weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application was 2%.

Current year lease payment was 4,190 euros (2022: 4,107 euros).

Interest expense on lease liabilities was 398 euros in 2023 (2022: 480 euros).

10. Plant and equipment

Movements in plant and equipment are set out below:

	Other equipment
Net value:	
January 1, 2022	**-**
Gross value:	
January 1, 2022	2,870
Additions	780
Scrapping	(2,870)
December 31, 2022	780
Depreciation:	
January 1, 2022	2,870
Additions	249
Scrapping	(2,870)
December 31, 2022	249
Net value:	
December 31, 2022	**531**
Gross value:	
January 1, 2023	780
December 31, 2023	780
Depreciation:	
January 1, 2023	249
Additions	257
December 31, 2023	506
Net value:	
December 31, 2023	**274**

11. Investments

List of the Company's investments in subsidiaries is as follows:

Subsidiary	Activity	Address	Share capital	Curr.
Graphisoft Park Kft.	Real estate development	H-1031 Budapest, Záhony utca 7.	46,108	EUR
Graphisoft Park South I. Kft.	Real estate development	H-1031 Budapest, Záhony utca 7.	23,000	EUR
Graphisoft Park South II. Development Kft.	Real estate development	H-1031 Budapest, Záhony utca 7.	22,000	EUR
Graphisoft Park Services Kft.	Property operation	H-1031 Budapest, Záhony utca 7.	11,000	Thuf
Graphisoft Park Engineering & Management Kft.	Property management, engineering and administration activities	H-1031 Budapest, Záhony utca 7.	10,000	Thuf

All subsidiaries are 100% owned by Graphisoft Park SE.

Set out below the book value of investments in subsidiaries:

	December 31, 2022	December 31, 2023
Graphisoft Park Kft.	1,720,039	1,720,039
Graphisoft Park South I. Kft.	7,849,863	7,849,863
Graphisoft Park South II. Development Kft.	1,009,449	1,009,449
Graphisoft Park Services Kft.	107,418	198,566
Graphisoft Park Engineering & Management Kft.	289,350	289,350
Investments	**10,976,119**	**11,067,267**

No impairment was accounted or reversed during the periods presented.

The table below shows the movements in investments in subsidiaries in 2023 (no changes happened in value of investments during 2022):

	December 31, 2022	Capital increase	December 31, 2023
Graphisoft Park Kft.	1,720,039		1,720,039
Graphisoft Park South I. Kft.	7,849,863		7,849,863
Graphisoft Park South II. Development Kft.	1,009,449		1,009,449
Graphisoft Park Services Kft.*	107,418	91,148	198,566
Graphisoft Park Engineering & Management Kft.	289,350		289,350
Investments	**10,976,119**	**91,148**	**11,067,267**

* On June 15, 2023, the Company made share capital increase in Graphisoft Park Services Kft. in amount of 1,000 THUF (2,673 euros). At the same time there was an additional paid in capital increase in amount 33,101 THUF (88,475 euros). The capital increase was registered by the Court with an effective date of June 16, 2023. As a result, the investment value increased by 91,148 euros.

Subsidiaries' own equity as of December 31, 2022, and December 31, 2023, are disclosed below:

	December 31, 2022	December 31, 2023
Graphisoft Park Kft.	97,298,322	97,369,567
Graphisoft Park South I. Kft.	43,139,502	46,736,088
Graphisoft Park South II. Development Kft.	7,777,481	6,845,501
Graphisoft Park Services Kft.*	168,092	260,607
Graphisoft Park Engineering & Management Kft.*	393,681	436,956

* These entities keep their books in Hungarian forints; own equity of the subsidiaries for 2022 and 2023 are retranslated from forint to euro on the official exchange rate of MNB as of December 31, 2022 and December 31, 2023, respectively.

Own equity data of the subsidiaries are based on their statutory financial statements. Subsidiaries prepare and publish their stand-alone annual financial statements according to the Hungarian Accounting Law. Graphisoft Park SE's voting rights agree to its share in the subsidiaries (100%).

Impairment test:

At yearend Graphisoft Park SE performed the impairment test of the subsidiaries. In accordance with the IFRS accounting policy, the Company examines the value of the investments on each balance sheet date to see if there are signs of potential impairment. In doing so, the Company evaluated both qualitative and quantitative factors.

Examination of qualitative factors (e.g. decline in the industry or declining cash flows) showed no signs of impairment, and based on current plans, no significant changes can be predicted in the operation of either the Group or of any subsidiaries.

In the case of quantitative factors, the Company carried out (1) a comparison between the value of investments and the net assets of the subsidiaries, and (2) in the case of project companies owning real estate, the change in fair values according to the DCF-based real estate valuation compared to the previous year, as well as the compared to the book value, does it predict any potential impairment.

As a result, no impairment was recorded or reversed.

12. Trade payables

	December 31, 2022	December 31, 2023
Trade payables – domestic	9,437	14,238
Trade payables	**9,437**	**14,238**

The Company settles trade payables within the payment term, and had no overdue payables as of December 31, 2023 and as of December 31, 2022.

13. Payables due to related parties

	December 31, 2022	December 31, 2023
Trade payable	17,216	13,771
Payables due to related parties	**17,216**	**13,771**

14. Other short-term liabilities

	December 31, 2022	December 31, 2023
Dividend liability (from prior years)	3,817	3,792
Other payables and accruals	19,085	22,497
Other short-term liabilities	**22,902**	**26,289**

15. Revenue

	December 31, 2022	December 31, 2023
Dividend*	5,155,612	6,254,733
Revenue	**5,155,612**	**6,254,733**

* The Company received dividend from the following subsidiaries:

	December 31, 2022	December 31, 2023
Graphisoft Park Kft.	3,754,242	4,466,343
Graphisoft Park South I. Kft.	1,400,000	1,700,000
Graphisoft Park Services Kft.	1,370	88,390
Dividend	**5,155,612**	**6,254,733**

16. Operating expense

	December 31, 2022	December 31, 2023
Employee related expense	451,373	479,848
Other operating expense	228,470	289,314
Depreciation and amortization	5,803	5,811
Operating expense	**685,646**	**774,973**

Other operating expense consists of the following items:

	December 31, 2022	December 31, 2023
Office and telecommunication	3,719	7,808
Legal and administration	137,933	171,243
Insurance	20,239	22,462
Stock exchange services	46,919	54,803
Other	19,660	32,998
Other operating expense	**228,470**	**289,314**

17. Financial result

	December 31, 2022	December 31, 2023
Interest income	-	80,328
Interest (expense)	(2,296)	(458)
Exchange rate gain / (loss) realized	6,163	(17,885)
Exchange rate (loss) / gain not realized	(3,217)	8,222
Financial gain	**650**	**70,207**

18. Income taxes

Effective from July 31, 2017, the Company became regulated real estate investment pre-company (and from January 1, 2018, regulated real estate investment company) and from that date the Company is exempt from corporate income tax and local business tax.

The effective income tax rate therefore varied from the statutory income tax rate due to the following items:

	December 31, 2022	December 31, 2023
Profit before tax	**4,470,788**	**5,550,179**
Tax at statutory rate at 9%	**402,371**	**499,516**
Results exempt from income taxes	(402,371)	(499,516)
Corporate income tax	**-**	**-**
Local business tax (2%)	**-**	**-**
Tax expense	**-**	**-**
Effective tax rate	**0.0%**	**0.0%**

19. Earnings per share

Basic and diluted earnings per share are disclosed in Graphisoft Park SE' IFRS consolidated financial statements as of December 31, 2023.

20. Treasury shares

Graphisoft Park SE treasury share details are as follows:

	December 31, 2022	December 31, 2023
Number of ordinary shares	549,076	549,076
Number of employee shares	491,348	862,954
Face value per share (EUR)	0.02	0.02
Total face value (EUR)	20,808	28,241
Treasury shares (at historical cost)	(972,335)	(981,273)

As announced on April 6, 2023, the Company repurchased 461,606 employee shares from Kocsány János CEO and transferred 90,000 employee shares to Farkas Ildikó CFO and transferred 120,000 employee shares to Pálfalvi Zsuzsa Operational Director. According to the announcement of November 23, 2023, the Company bought back the 120,000 employee shares on nominal value from Pálfalvi Zsuzsa, as she would leave the Company as of December 31, 2023.

21. Financial instruments

Book value and fair value of financial assets and liabilities as of December 31, 2022:

	Note	Book value December 31, 2022	Fair value December 31, 2022	Difference
Cash and cash equivalents	5	420,133	420,133	-
Receivables from related parties	22	1,129	1,129	-
Other current assets	7	6,021	6,021	-
Lease liabilities	9	(19,888)	(19,888)	-
Trade payables	12	(9,437)	(9,437)	-
Payables due to related parties	13	(17,216)	(17,216)	-
Other short-term liabilities	14	(22,902)	(22,902)	-
Financial instruments		**357,840**	**357,840**	**-**

Book value and fair value of financial assets and liabilities as of December 31, 2023:

	Note	Book value December 31, 2023	Fair value December 31, 2023	Difference
Cash and cash equivalents	5	422,172	422,172	-
Other current assets	7	17,428	17,428	-
Lease liabilities	9	(15,698)	(15,698)	-
Trade payables	12	(14,238)	(14,238)	-
Payables due to related parties	13	(13,771)	(13,771)	-
Other short-term liabilities	14	(26,289)	(26,289)	-
Financial instruments		**369,604**	**369,604**	**-**

22. Related party disclosure

Transactions with subsidiaries in the normal course of business:

Revenue:

	December 31, 2022	December 31, 2023
Dividend	5,155,612	6,254,733
Total	**5,155,612**	**6,254,733**

Expenses:

	December 31, 2022	December 31, 2023
Services used (office utility and operation fee; management fee; recharged legal fees)	112,202	125,907
Interest	480	458
Total	**112,682**	**126,365**

Receivables:

	December 31, 2022	December 31, 2023
Deferral	1,129	-
Total	**1,129**	**-**

Liabilities:

	December 31, 2022	December 31, 2023
Trade payables	17,216	13,771
Lease liabilities	19,888	15,698
Total	**37,104**	**29,469**

Transactions (sales to and purchases from) with the related parties are made at market prices. No guarantees were provided or received for any related party receivables or payables. In 2023 and 2022, the Company has not recorded any impairment loss relating to amounts owed by related parties.

Remuneration of the board of directors, compensation of key management personnel*:

	December 31, 2022	December 31, 2023
Remuneration of the Board of Directors	88,778	92,845
Compensation of key management personnel (including provision of services that are provided by a separate group company)	409,802	352,024
Total	**498,579**	**444,869**

* Key management personnel: the Chief Executive Officer and the Chief Financial Officer of the Company.

No loans or advance payments were granted to the members of the Board of Directors or the key management personnel, and the Company did not undertake guarantees in their names. In 2022 and 2023, key management personnel received only short-term employee benefits, no other type of employee benefit occurred in the periods.

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

	December 31, 2022			December 31, 2023		
Shareholder	**Shares (pcs)**	**Share (%)**	**Voting rights (%)**	**Shares (pcs)**	**Share (%)**	**Voting rights (%)**
ORDINARY SHARES:	**1,789,082**	**16.83**	**15.60**	**1,789,082**	**16.83**	**16.12**
Bojár Gábor - Chairman of the BoD	1,685,125	15.85	14.69	1,685,125	15.85	15.19
Dr. Kálmán János - Member of the BoD	13,500	0.13	0.12	13,500	0.13	0.12
Kocsány János - Member of the BoD, CEO	90,457	0.85	0.79	90,457	0.85	0.82
EMPLOYEE SHARES:	**1,384,819**	**n/a**	**12.08**	**1,013,213**	**n/a**	**9.13**
Kocsány János - Member of the BoD, CEO	1,384,819	n/a	12.08	923,213	n/a	8.32
Farkas Ildikó - Member of the BoD, CFO	-	n/a	-	90,000	n/a	0.81
SHARES TOTAL:	**3,173,901**	**16.83**	**27.68**	**2,802,295**	**16.83**	**25.25**

Information on shareholders and governance of the Company are provided in Notes 1.2 and 1.3.

23. Commitments, contingencies

Graphisoft Park SE has no significant commitments or contingencies as of December 31, 2023 and 2022.

24. Financial risk management

Changes in market and financial conditions may affect results, assets and liabilities of the Company. Financial risk management aims to limit these risks through operational and finance activities.

Credit risk:

Credit risk is the risk that counterparty does not meet its payment obligations. The Company might be exposed to credit risk from its financing (deposits with banks and financial investments) activities.

Receivables from related parties:

Credit risk is limited as the Company fully controls its subsidiaries.

Cash deposit and financial investments:

Credit risk from balances with banks and financial investments is managed in accordance with the Company's conservative investment policy. To limit credit risk, reserves are held in cash or low-risk securities, with substantial financial institutions.

Liquidity risk:

The Company's revenues are sufficient to cover operating costs, and therefore liquidity problems are not to be expected.

The Company settles its payment obligations within the payment term, and had no overdue payables as of December 31, 2023 and 2022.

The tables below summarize the maturity profile of financial liabilities based on contractual undiscounted payments.

December 31, 2022	**Overdue**	**Due immediately**	**Due within 0-3 months**	**Total**
Trade payables	-	-	26,653	**26,653**
Dividend liability (from prior years)	-	3,817	-	**3,817**
Other liabilities	-	-	19,085	**19,085**
Financial liabilities*	**-**	**3,817**	**45,738**	**49,555**

*Maturity analysis of lease liabilities are disclosed under Note 9.

December 31, 2023	Overdue	Due immediately	Due within 0-3 months	Total
Trade payables	-	-	28,009	**28,009**
Dividend liability (from prior years)	-	3,792	-	**3,792**
Other liabilities	-	-	22,497	**22,497**
Financial liabilities*	**-**	**3,792**	**50,506**	**54,298**

*Maturity analysis of lease liabilities are disclosed under Note 9.

25. Financing cash-flow

The table below provides a reconciliation between the lease liabilities in the balance sheet and elements of the financing activities of the cash-flow.

December 31, 2022	Opening balance	Increase	Settlement by cash	Settlement by non-cash	Closing balance
Lease liabilities	23,995	-	(4,107)	-	**19,888**
Dividend liability	-	4,341,269	(4,341,269)	-	**-**
Total	**23,995**	**4,341,269**	**(4,345,376)**	-	**19,888**

December 31, 2023	Opening balance	Increase	Settlement by cash	Settlement by non-cash	Closing balance
Lease liabilities	19,888	-	(4,190)	-	**15,698**
Dividend liability	-	5,433,541	(5,433,541)	-	**-**
Total	**19,888**	**5,433,541**	**(5,437,731)**	-	**15,698**

26. Capital risk management

The Company's objectives when managing capital are to safeguard the ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The management proposes to the owners to approve dividend payments or adopt other changes in the equity capital in order to optimize the capital structure of the Group. This can be achieved primarily by adjusting the amount of dividends paid to shareholders, or alternatively, by returning capital to shareholders by capital reductions, selling or buying own shares.

27. Approval of financial statements

On April 28, 2023, the Annual General Meeting of Graphisoft Park SE approved the 2022 annual financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS). Together with the approval of the financial statements for issue, the AGM approved dividend distribution of 201 HUF (0.54 EUR) per ordinary share, 2,026,602 thousand HUF in total (5,434 thousand EUR on the MNB exchange rate of April 28, 2023), and in total 113,888 thousand HUF on employee shares (305 thousand EUR on the MNB exchange rate of April 28, 2023). The starting date for dividend payments was May 12, 2023. The Company paid out the dividends to the shareholders identified by shareholder's registration as of May 5, 2023.

28. Events after the balance sheet date

Proposed dividend by the Board

The annual financial statements of the Company for the year 2023 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 26, 2024. The Board proposes dividend distribution of 0.70 EUR per ordinary share, 7,057,819 thousand EUR in total to be approved by the Annual General Meeting of Graphisoft Park SE of April 29, 2024. The Board also proposes altogether 386,125 EUR dividend for employee shares. The Annual General Meeting has the power to amend the annual financial statements.

Dividend approved for the subsidiaries

On March 26, 2024, the following dividend amounts were approved for the Company's three subsidiaries:

- Graphisoft Park Kft.:	5,515,050 euros
- Graphisoft Park South I. Kft.:	2,600,000 euros
- Graphisoft Park Services Kft.:	84,842 euros (32,476 THUF on December 31, 2023 exchange rate).

Dividend payment in euro

The Company's Board of Directors decided as of February 9, 2024, that the Company will pay dividends in euros from this year. Therefore, the dividend payment approved by the General Meeting based on the 2023 financial year result will be made in euros, which is expected around May 20, 2024.

Employee share transaction

As announced on March 12, 2024, the Company transferred 90,000 employee shares to Farkas Ildikó CFO.

29. Additional presentations according to the Hungarian Accounting Law

a) Persons responsible for signing and preparing the financial statements:

The person authorized and required to sign the Company's financial statements is as follows:

Name: Kocsány János
Position: Chief Executive Officer
Address: H-1038 Budapest, Ékszer utca 4.

The person responsible for preparation of financial statements according to IFRS:

Name: Bodócsy Ágnes
Registration number: MKVK-007117

b) Statutory auditor and audit fees:

The Company is subject to statutory audit. The Company's auditor is Ernst & Young Kft. (address: H-1132 Budapest, Váci út 20.). The person responsible for signing the audit report:

Name: Domoszlai Rita
Registration number: MKVK-007371

The audit fee for the Company's stand alone and consolidated financial statements is 16,280 euro as of December 31, 2023. Audit related fees amounted to 6,050 euro.

c) Reconciliation of equity:

In accordance with paragraph 114/B of the Hungarian Accounting Law the financial statements include an equity reconciliation between the financial statements prepared in accordance with the basis of preparation note and the equity elements according to the Hungarian Accounting Law (HAL).

The equity reconciliation schedules below disclose the earnings available for distribution, which is the amount of the retained earnings plus profit after tax for the financial year closed with annual financial statements.

Equity element	Equity under IFRS December 31,2022	Reconciliations		Equity under HAL December 31,2022
	Note	i)	ii)	
Share capital	**250,157**	-	-	**250,157**
Issued but unpaid capital	**-**	-	-	**-**
Retained earnings	**7,630,301**	-	(972,335)	**6,657,966**
Valuation reserve	**-**	-	-	**-**
Treasury shares	**(972,335)**	972,335	-	**-**
Restricted reserve	**-**	-	972,335	**972,335**
Profit after tax	**4,470,788**	-	-	**4,470,788**
Total equity	**11,378,911**	**972,335**	**-**	**12,351,246**

Reserves available for distribution (retained earnings and profit after tax): 11,128,754 euro

Equity element	**Equity under IFRS December 31,2023**	**Reconciliations**		**Equity under HAL December 31,2023**
	Note	**i)**	**ii)**	
Share capital	**250,157**	-	-	**250,157**
Issued but unpaid capital	**-**	-	-	**-**
Retained earnings	**6,663,348**	-	(981,273)	**5,682,075**
Valuation reserve	**-**	-	-	**-**
Treasury shares	**(981,273)**	981,273	-	**-**
Restricted reserve	**-**	-	981,273	**981,273**
Profit after tax	**5,550,179**	-	-	**5,550,179**
Total equity	**11,482,411**	**981,273**	**-**	**12,463,684**

Reserves available for distribution (retained earnings and profit after tax): 11,232,254 euro

i) Reclassification of value of treasury shares from equity (to other current assets).
ii) Reclassification of value of treasury shares from retained earnings to restricted reserve (reserve not available for distribution).

30. Declarations

Forward-looking statements *- This Parent Company Annual Report contains forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.*

Statement of responsibility *- We declare that the Financial Statements which have been prepared in accordance with the International Financial Reporting Standards and to the best of our knowledge, give a true and fair view of the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows 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.*