GRAPHISOFT PARK SE ANNUAL REPORT 2015

GRAPHISOFT PARK – ENTRANCE – JUNE 2017 VISUALIZATION

GRAPHISOFTPARK

Dear Shareholders,

The most important development in 2015 is the renewal of the Parks' largest tenant's, SAP's lease contract, which warranted the continued expansion of the 53,000 m2 existing office, laboratory and educational space with the current occupancy level standing at an effective 100%. To this end we have started the construction of additional 8,000 m2 of office space and an underground parking facility for more than 300 vehicles, with the first phase to be delivered by the beginning of 2017. The primary aim of the new developments is to provide SAP after its significant expansion last year with the most optimal and economical home in the Park, instead of scattering its divisions in many buildings, while respecting its green and sustainable values equally important for SAP and Graphisoft Park. In order to minimize moving costs and to achieve optimal utilization for the SAP building delivered in 2006, most of the new developments will be taking place in the integrally connecting new wing of 5,500 m2.

Another building with a net 2,500 m2 floor space optimized for the needs of smaller companies and start-ups will be erected by the main entrance of the Park, with a coffee shop and other services on its ground floor.

This in turn necessitated the demolition of the adjacent smaller buildings and storage facilities (roughly 2,000 m2 altogether), which at the current occupancy levels of the Park may be deemed less economical uses of land. All of these will allow the creation of a much more imposing façade towards Ángel Sanz-Briz (former Jégtörő) Street, which has developed into a busy artery in the past years.

We have executed a loan agreement with Erste Bank at the end of 2015 for a 16.5 million euros credit facility with 10 years maturity to finance the new developments, partly within the National Bank of Hungary's Funding for Growth Scheme. The loan agreement is complemented by hedging agreements to cover exchange and interest rate risks.

Financial results have progressed as forecasted: compared to the respective figures of 2.4 million euros net profit over 8.5 million euros revenues in 2014, we have achieved 3 million euros net profit over 9.5 million euros revenues in 2015, which is then lowered by a one-time writing-off of 500 thousand euros for all the necessary demolition and remodeling works. For 2016 we are expecting the same level of revenues as in 2015 at 9.5 million euros, and net profit at 3.1 million euros surpassing that of the previous year, with a writing-off of 100 thousand euros for the demolition of another building. Further growth in revenues and net profit is expected after the completion of the new developments in 2017.

These results were made possible by the continuingly improving occupancy rates and not changing the rent levels, cornerstones of the Park's quality and profitability; consciously not competing with the artificially low, therefore unsustainable rates on Budapest's overcrowded office market. All this proves that our concept for the "micro-silicon-valley" articulated some 18 years ago was right, targeting a well-defined market – Hungarian and international technology companies pursuing innovation in our case – and focusing real estate developments to their needs is working. The key to success in their fields is attracting talent. We are aiming to contribute to this with quality and environment conscious architecture, in a uniquely quiet setting on the green banks of the river Danube surrounded by the Park's state-of-the art renovated industrial monument buildings preserving the marvelous ambiance of the old Óbuda Gas Works. Our achievements prove that the leading companies in the technology field appreciate this; therefore we are continuing the development along the lines of the same concept.

Bojár Gábor	Kocsány János
Chairman of Board of Directors	Chief Executive Officer

Financial highlights

IFRS, consolidated, thousand EUR

Results*:

	IFRS 2014 thousand EUR	IFRS 2015 thousand EUR
A) Results from ordinary activities:		
Revenue	**8,473**	**9,484**
Operating expense	(931)	(912)
Other income (expense)	203	283
EBITDA	**7,745**	**8,855**
Depreciation and amortization	(4,079)	(4,194)
Operating profit	**3,666**	**4,661**
Net interest expense	(1,286)	(1,306)
Exchange rate differences	222	216
Profit before tax	**2,602**	**3,571**
Income tax expense	(199)	(592)
Profit for the period	**2,403**	**2,979**
B) Other results (one-time write-off):		
Other income (expense)	-	(535)
Income tax expense	-	53
Loss for the period	**-**	**(482)**
A+B) Profit for the period	**2,403**	**2,497**

* New developments began in Graphisoft Park in 2015, which will result in the construction of 8,000 m2 new office space by 2017. The construction of the new buildings requires the demolition of older buildings (marked N, L and K). Demolition works started in the third quarter of 2015 and accordingly net book value of buildings demolished marked N and L has been written off. Building K will be demolished in the first quarter of 2016. On this page results of the Company are presented in “Results from ordinary activities” / “Other results” breakdown. The “Other results” section solely includes the result of one-time write-offs accounted for due to demolitions of buildings. Periodic comparative analyses in this business report are prepared using “Results from ordinary activities”, which do not include the one-time items.

Financial highlights

IFRS, consolidated, thousand EUR

Asset value:

	IFRS December 31, 2014 thousand EUR	IFRS December 31, 2015 thousand EUR
Investment property at book value	**63,151**	**60,254**
Investment property at fair value*	**156,920**	**153,606**
Net asset value at book value	**22,308**	**22,801**
Net asset value at fair value**	**116,176**	**116,477**
Number of ordinary shares outstanding (thousands)***	10,083	10,083
Net asset value at fair value per share (euro)	**11.5**	**11.6**

* Investment property fair value estimates are disclosed in the attached Consolidated Financial Statements, Note 10.

** Net asset value at book value and net asset value at fair value (equity) are disclosed in the attached Consolidated Financial Statements, Note 24.

*** Treasury shares possessed by the Company and employee shares are excluded when net asset value at fair value per share is determined.

Management Report

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

- Financial results for the year 2015,
- Utilization, occupancy,
- Development activities,
- Development potential,
- Financing,
- Other key issues,
- Forecast for the year 2016.

Financial results for the year 2015

Changes in the results for 2015 ("Results from ordinary activities", see details in "Financial highlights" on previous pages) compared to the 2014 bases occurred by the effects of the following main factors:

- **Revenue** (2015: 9,484 thousand euros; 2014: 8,473 thousand euros) rose by 1,011 thousand euros, or 12%. The growth in occupancy rate increased revenue by 7% and rental income coming from developments completed in the monument and the southern development areas in 2014 increased it by a further 5% (see details in the „Utilization, occupancy" and „Development activities" sections below).

- **Operating expense** (2015: 912 thousand euros; 2014: 931 thousand euros) did not change substantially compared to the previous year. Slight increase in employee related expense was offset by the decrease in property related expense and other operating expense.

- **Other income** (2015: 283 thousand euros; 2014: 203 thousand euros) net amount is 80 thousand euros higher than the base last year.

- **Depreciation** (2015: 4,194 thousand euros; 2014: 4,079 thousand euros) increased by 115 thousand euros, or 3% due to developments capitalized during the previous year (see details in the "Development activities" section).

- **EBITDA** (2015: 8,855 thousand euros; 2014: 7,745 thousand euros) grew by 1,110 thousand euros, or 14%, while **operating profit** (2015: 4,661 thousand euros; 2014: 3,666 thousand euros) rose by 995 thousand euros, or 27% compared to the previous year due to the factors mentioned above.

- **Net interest expense** (2015: 1,306 thousand euros; 2014: 1,286 thousand euros) increased by 20 thousand euros, or 2% due to the following factors. Even though the actual interest expense incurred fell by 110 thousand euros as a result of lower loan interest rates and loan liability, the interest payment of 94 thousand euros capitalized on construction in progress in the base period made interest payment accounted as expense decrease by 16 thousand euros. Interest income dropped by 36 thousand euros due to the lower interest rates on deposits and because of the depleting effect of last year's large developments on the cash reserves.

- **Exchange rate gain** (2015: 216 thousand euros; 2014: 222 thousand euros) worked out similarly favorably in both years. These gains are attributable mostly to cash reserves held partly in US dollars strengthening significantly against the euro in 2014 and 2015 (nearly 2 million USD; 135 thousand euros in 2015, 185 thousand euros in 2014 exchange rate gain not realized).

- **Income tax expense** (2015: 592 thousand euros; 2014: 199 thousand euros) is 393 thousand euros higher than in the previous year. The growth in revenue and profit before tax increased calculated corporate and local business tax by 130 thousand euros, while corporate income tax was lowered by a tax base decreasing item related to monument renovation by 263 thousand euros in 2014.

- **Net profit** (2015: 2,979 thousand euros; 2014: 2,403 thousand euros) rose by 576 thousand euros, that is 24% in 2015 compared to 2014 because of the following factors: (1) operating profit rose by 995 thousand euros, or 27% because of the growth in rentable area and occupancy rate, (2) financial results fell by 26 thousand euros, or 2% due to the increase in net interest expense, and finally (3) income tax expense was higher by 393 thousand euros than the base last year due to the higher tax base and the drop of a tax-base decreasing item.

Due to the effect of the demolition of older buildings in relation to the new developments began in 2015 (see "Utilization, occupancy" section) a one-time 482 thousand euros write-off had to be accounted for, therefore besides our profit from ordinary activities at 2,979 thousand euros the total net profit is 2,497 thousand euros including this one-off item.

Utilization, occupancy

Occupancy rate of Graphisoft Park's rentable office, laboratory and educational space developed as follows (at the end of the quarter):

Period:	**2014 Q1**	**2014 Q2**	**2014 Q3**	**2014 Q4**	**2015 Q1**	**2015 Q2**	**2015 Q3**	**2015 Q4**
Occupancy (%):	**80%**	**81%**	**90%**	**95%**	**96%**	**96%**	**97%**	**98%**
Area (m2):	46,800	46,800	55,000	55,000	55,000	55,000	53,000	53,000

As demonstrated in the table above, rentable space in the Park grew by 8,200 m2 (5,200 m2 renovated and repurposed for education historical buildings and 3,000 m2 dormitory), while occupancy rose from 80% to 95% in 2014.

Occupancy of Graphisoft Park's 53,000 m2 rentable office, laboratory and educational space reached 98% by the end of 2015 and stays at an effective 100% from the beginning of 2016 due to leases concluded for remaining vacant spaces. This means that until the delivery of the first phase of the new developments in the first quarter of 2017 (see details in the "Development activities" section below) there will be free rentable area only if any of current tenants decides not to extend their lease after expiration.

Development activities

The total area of Graphisoft Park is nearly 18 hectares covering the office park located in the core area, the campus formed in the monument area, and development areas north and south of these as well. Over the past 18 years 45,000 m2 of office and laboratory space have been developed and occupied on the core 8.5 hectares of Graphisoft Park. In the 2.4 hectares monument area directly adjacent to the core area from the west we have completed the renovation and repurposing of 7,000 m2 historical buildings into a state-of-the-art university campus since 2010. The 3,000 m2 dormitory building with 76 rooms constructed on the northeastern corner of the southern development area connects to and serves the same higher education function of the Park.

Until the end of 2014 altogether 55,000 m2 office, laboratory and educational space and underground parking for 1,250 cars were constructed on 11 hectares.

Graphisoft Park's largest tenant renting over 10,000 m2 office space currently, SAP Hungary Kft. renewed its lease in April 2015, which was to expire in the end of 2016 originally. In relation to the extension of the lease period new developments began in 2015, which will result in the construction of 8,000 m2 new office space and underground parking for 300 cars until 2017 in several phases. Construction of a new wing of 5,500 m2 directly adjacent to SAP's main building (marked S on the map below) has begun, which will allow a much more efficient placement of the company than the current operation in multiple buildings. In addition to this another building with 2,500 m2 floor space is under construction optimized for the needs of smaller companies and start-ups. With the new constructions as well as with the refurbishment of older sections we are committing to even more environmentally conscious and sustainable architectural solutions.

The new developments require the demolition of the N, L and K buildings with less economical uses of space under the current conditions. Buildings N and L were demolished through 2015 and building K will be demolished in 2016. Demolition and remodeling works temporarily reduce rentable space by 2,000 m2 in the office park, therefore the net expansion is 6,000 m2.

In the summary of all the above, at the end of the new developments expected in 2017, Graphisoft Park will have 61,000 m2 office, laboratory and educational space as well as underground parking for 1,550 cars available for its tenants coupled with 4 restaurants and 6 snack and coffee shops in the Park.

The planned total cost of development activities - including the construction of about 8,000 m2 new office space and a three level underground parking facility for 300 vehicles, and in addition the upgrading of the existing S building, with the necessary works for public utilities and landscaping - is approximately 18 million euros, out of which 1.1 million euros occurred in 2015.

Further investments in Graphisoft Park are focused on meeting the needs of tenants by remodeling and renovation of office space and by infrastructure development. These activities cost nearly 500 thousand euros in 2015, and are expected to cost 1 million euros in 2016.

Development potential

The 7 hectares of free development areas in Graphisoft Park (the southern development area, the northern development area and parts of the monument area) allow for the development of a combined total of 70,000 m2 leasable office space.

In the southern and northern development areas we carried out the demolition of those structures that are not protected landmarks and the planned archeological excavations have been completed on roughly half of the southern development area. Land development costs amounted to 3.2 million euros to date.

No further preparatory work or development will take place in the northern development area until the clean-up projects planned by the Capital City Gas Works are finished.

The main risk factors and limitations associated with these areas remain as follows:

- residual environmental hazard from the prior gasification activity,
- regulations protecting landmark buildings limit the land's usability,
- 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.

Financing

We have executed a loan agreement with Erste Bank Hungary Zrt. in December, 2015 for a 16.5 million EUR credit facility with 10 years maturity to finance the ongoing development in the core area (see the “Development activities” section for details). In accordance with the loan agreement Erste Bank shall make available a 4 billion HUF credit facility within Pillar I of the second phase of the National Bank of Hungary’s Funding for Growth Scheme and another 5 million EUR market rate credit facility to Graphisoft Park (16.5 million EUR maximum altogether). The loan agreement is complemented by hedging agreements to cover exchange and interest rate risks (cross currency interest rate swap (CCRIS) for the HUF based loan and interest rate swap (IRS) for the EUR based loan).

Other key issues

Realization of the educational function

In order to further strengthen Graphisoft Park’s “science park” features we have concluded an agreement with the Aquincum Institute of Technology (AIT) to create and run international higher education functions in the Park. AIT does this in close cooperation with the Faculty of Electrical Engineering and Informatics of the Budapest University of Technology and Economics (BME) operating as an independent contractor, running a specialized program of that institution.

The constituents of AIT’s student body come from the most excellent Universities of the United States on their study abroad semester. AIT provides high-level education in small classes for selected students from BME as well, for whom tuition is waived. The personal relations developing with the North American students may prove to be invaluable assets for their later careers. AIT’s curriculum uniquely blends IT education in line with Graphisoft Park’s professional orientation with business studies. This is complemented by courses highlighting the riches of Hungarian culture (language, literature, film, music and architecture) tailored for the needs of the international students.

AIT was launched with a summer pilot program in 2010 concluding three years of preparation. The curriculum was finalized after gathering the feedbacks from students and faculty and drawing the conclusions from the pilot program. 10 semesters have been concluded since the pilot program, with 140 students in 2015. To this date a total of 50 North American universities and colleges have sent students to participate in AIT’s program and recognized its BME accredited credits. The most well-known universities among these are Harvard, Yale, MIT, Princeton, Brown, Cornell, Columbia, Dartmouth, UPenn, Rochester and Tufts (including all the prestigious schools of the Ivy League), and some of the famous colleges, such as Williams, Carleton, Harvey Mudd and Pomona. A significant proportion of the students remain in Hungary after the spring semesters for a 1 or 2 months internship with the best Hungarian IT companies (Graphisoft, Prezi, LogMeIn, Ustream, etc). These students return home with great impressions and spread the news of the Hungarian IT industry in the world. Some of them are coming back to Hungary after obtaining their diplomas to gain permanent employment with these companies.

Since 2013 fall, AIT is operating in its permanent location, in one of the former industrial buildings renovated and repurposed exemplarily to suit educational functions.

With the renovation of another three buildings in the monument area in July, 2014, and with the International Business School's (IBS) moved in, the university campus in the former Gasworks with over 1,000 students is complete. The inauguration ceremony of the new educational facilities named "Aquincum Campus" took place on September 5, 2014, with the participation of István Tarlós, mayor of Budapest and Balázs Bús, mayor of the third district.

AIT-Budapest reached the income level needed for long term operation in 2014 from the tuition collected from North American students, and in 2015 it achieved a profit over 100 million forints after taxes. This supports the long term sustainability of the educational venture (of which Graphisoft Park owns a 10% share), making the Park an even more attractive destination.

Creating the Startup ecosystem

The demand for floor space generated by lively evolving Startup companies has already been a driving force behind Graphisoft Park's expansion. Graphisoft Park supports the startup companies by leasing office and laboratory space, and by providing pro bono business development advice from Gábor Bojár, founder of Graphisoft, Graphisoft Park and AIT-Budapest.

Forecast for the year 2016

Our forecast for 2016 results (from ordinary activities) is summarized in the following table, based on signed and valid lease agreements with the current occupancy rate of nearly 100% (see details in section "Utilization, occupancy"; the first two columns show 2014 and 2015 actual results):

(million euros)	**2014 actual**	**2015 actual**	**2016 forecast**
Rental revenue	**8.47**	**9.48**	**9.5**
Operating expense	-0.93	-0.91	-1.0
Other income, net	0.21	0.28	0.3
EBITDA	**7.75**	**8.85**	**8.8**
Depreciation	-4.08	-4.19	-4.2
Operating profit	**3.67**	**4.66**	**4.6**
Net interest expense	-1.29	-1.31	-0.9
Exchange rate difference	0.22	0.22	-
Profit before tax	**2.60**	**3.57**	**3.7**
Income tax expense	-0.20	-0.59	-0.6
Net profit	**2.40**	**2.98**	**3.1**

Change in results for 2016 compared to 2015 bases is the impact of the following main factors:

- Revenue is expected to stay at the 2015 level in 2016. Drop in revenue due to temporary decrease in rentable area (due to demolitions and remodeling) will be offset by additional revenues coming from the rise in occupancy rate (see "Utilization, occupancy" and "Development activities" sections for details).

- Combined total cost of operation is expected to increase by 100 thousand euros in 2016 compared to 2015. Employee related expense will grow by 100 thousand euros (the development program started in 2015 required expanding the engineering staff). Property related expense, other expense as well as depreciation and amortization are expected to stay at last year's level.

- Due to the significant fall of interest rates for the existing loan obligations, as well as to the decreasing principal amount, the net interest expense is expected to decrease by 400 thousand euros. We are not making estimates for exchange rate differences for 2016, therefore our overall financial results forecast for the year 2016 is 200 thousand euros higher than the base, which contained the actual exchange rate gain of 200 thousand euros.

- Income tax expense is expected to remain at the 2015 level in 2016, considering that revenues and net profits are expected to come out nearly the same in these two years.

Due to all the above, for 2016 we are expecting 3.1 million euros net profit, 100 euros higher compared to 2015.

Due to the effect of the demolition of building K in relation to the developments that began in 2015 (see "Development activities" section) a one-time 100 thousand euros write-off have to be accounted for in 2016, therefore besides our forecast for net profit from ordinary activities at 3.1 million euros the total net profit is expected at 3 million euros including this one-off item.

Forecasts published here are based on the valid lease contracts in effect at the time of writing this report. At previous times actual revenues were repeatedly higher than forecasted, due to new leases concluded after the publication of reports. Despite this past pattern, it is not in our intention to change the forecasting methods. We will not try to predict the number or value of new lease contracts on one hand, as we will not account for the scenario of current tenants not prolonging their leases after expiration on the other, only in case they have given notice by the closing date of our business report.

It is our intention to maintain the price structure designed to match the high value services provided by Graphisoft Park in order to be able to preserve the level of service provided in the long run. As the current office rental market in Budapest is in the state of oversupply, very low prices can be observed at some places, with which Graphisoft Park has no intention to compete, losing some tenants for this is a probable but not likely factor to be reckoned with.

Other factors significantly affecting results are changes in the EUR/HUF exchange rate, the EURIBOR interest rate and the regulatory environment with special regards to the tax regulations. In this forecast we calculate with a 310 HUF/EUR exchange rate, EURIBOR of 0% and an inflation rate of 0% and unchanged legal and taxation environment.

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 Consolidated Financial Statements which have been prepared in accordance with the applicable accounting standards and to the best of our knowledge, give a true and fair view of the assets, liabilities, financial position and profit or loss of Graphisoft Park SE and 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 24, 2016

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFTPARK

GRAPHISOFT PARK SE

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2015

in accordance with International Financial Reporting Standards (IFRS)

(audited)

Budapest, March 24, 2016

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

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Building a better
working world

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This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság

Report on financial statements

1.) We have audited the accompanying 2015 consolidated annual financial statements of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság ("the Company"), which comprise the consolidated statement of financial position as at 31 December 2015 - showing a balance sheet total of EUR 65.874 thousand and a profit for the year of EUR 2.497 thousand -, the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

2.) Management is responsible for the preparation and presentation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

3.) Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Building a better working world

Opinion

6.). In our opinion the consolidated annual financial statements give a true and fair view of the equity and financial position of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság as at 31 December 2015 and of the results of its operations for the year then ended in accordance with the International Financial Reporting Standards as adopted by EU.

Other reporting requirement - Report on the consolidated business report

7.) We have reviewed the consolidated business report of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság for 2015. Management is responsible for the preparation of the consolidated business report in accordance with the Hungarian legal requirements. Our responsibility is to assess whether the consolidated business report is consistent with the consolidated financial statements for the same financial year. Our work regarding the consolidated business report has been restricted to assessing whether the consolidated business report is consistent with the consolidated annual financial statements and did not include reviewing other information originated from non-audited financial records. In our opinion, the consolidated business report of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság for 2015 corresponds to the disclosures in the 2015 consolidated annual financial statements of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság.

Budapest, 24 March 2016

(The original Hungarian language version has been signed.)

Havas István
Ernst & Young Kft.
Registration No. 001165

Bodócsy Ágnes
Registered auditor
Chamber membership No.: 007117

GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2015
(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2014	December 31, 2015
Cash and cash equivalents	4	4,822	4,794
Trade receivables	5	275	178
Current tax receivable	6	107	131
Other current assets	7	154	125
Current assets		**5,358**	**5,228**
Investment property	8, 10	63,151	60,254
Other tangible assets	8	276	273
Investments	11	100	100
Deferred tax asset	12	23	19
Non-current assets		**63,550**	**60,646**
TOTAL ASSETS		**68,908**	**65,874**
Short-term loans	13	2,935	3,243
Trade payables	14	534	961
Current tax liability	6	191	123
Other short-term liabilities	15	1,361	1,601
Current liabilities		**5,021**	**5,928**
Long-term loans	13	41,377	36,737
Deferred tax liability	12	202	408
Non-current liabilities		**41,579**	**37,145**
TOTAL LIABILITIES		**46,600**	**43,073**
Share capital	1.3	250	250
Retained earnings		25,953	26,446
Treasury shares	23	(962)	(962)
Accumulated translation difference		(2,933)	(2,933)
Shareholders' equity		**22,308**	**22,801**
TOTAL LIABILITIES & EQUITY		**68,908**	**65,874**

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, 2015
(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2014	December 31, 2015
Property rental revenue	16	8,473	9,484
Revenue		**8,473**	**9,484**
Property related expense	17	(57)	(49)
Employee related expense	17	(579)	(594)
Other operating expense	17	(295)	(269)
Depreciation and amortization	8, 9, 17	(4,079)	(4,194)
Operating expense		**(5,010)**	**(5,106)**
Other income (expense)	18	203	(252)
OPERATING PROFIT		**3,666**	**4,126**
Interest income	19	57	21
Interest expense	19	(1,343)	(1,327)
Exchange rate difference	20	222	216
Financial expense		**(1,064)**	**(1,090)**
PROFIT BEFORE TAX		**2,602**	**3,036**
Income tax expense	21	(199)	(539)
PROFIT FOR THE YEAR		**2,403**	**2,497**
Attributable to equity holders of the parent		2,403	2,497
Basic earnings per share (EUR)	22	0.24	0.25
Diluted earnings per share (EUR)	22	0.24	0.25

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, 2015
(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2014	December 31, 2015
Profit for the year		**2,403**	**2,497**
Translation difference*		(2)	-
Other comprehensive income**		**(2)**	**-**
COMPREHENSIVE INCOME		**2,401**	**2,497**
Attributable to equity holders of the parent		2,401	2,497

* Translation difference of subsidiaries with functional currency other than EUR.
** Net other comprehensive income to 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, 2015
(all amounts in thousands EUR unless otherwise stated)

	Share capital	**Retained earnings**	**Treasury shares***	**Accum. translation difference**	**Total equity**
December 31, 2013	**213**	**26,552**	**(784)**	**(2,931)**	**23,050**
Profit for the period	-	2,403	-	-	**2,403**
Translation difference	-	-	-	(2)	**(2)**
Purchase of treasury shares	-	-	(178)	-	**(178)**
Dividend**	-	(2,965)	-	-	**(2,965)**
Share capital increase***	37	(37)	-	-	**-**
December 31, 2014	**250**	**25,953**	**(962)**	**(2,933)**	**22,308**
Profit for the period	-	2,497	-	-	**2,497**
Dividend**	-	(2,004)	-	-	**(2,004)**
December 31, 2015	**250**	**26,446**	**(962)**	**(2,933)**	**22,801**

* Treasury share details are disclosed in Note 23.
** Dividend details are disclosed in Note 29.
*** Share capital increase is disclosed in Note 1.3.

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, 2015
(all amounts in thousands EUR unless otherwise stated)

	December 31, 2014	December 31, 2015
OPERATING ACTIVITIES		
Profit before tax	2,602	3,036
Depreciation and amortization	4,079	4,194
Gain on sale of tangible assets	-	(16)
Disposal of tangible assets	-	535
Interest expense	1,343	1,327
Interest income	(57)	(21)
Provision for bad debts	-	12
Unrealized foreign exchange losses / (gains)	(28)	29
Changes in working capital:		
Decrease in receivables and other current assets	266	85
Decrease in inventory	6	-
Increase / (decrease) in payables and accruals	270	(157)
Corporate income tax paid	(290)	(339)
Net cash from operating activities	**8,191**	**8,685**
INVESTING ACTIVITES		
Purchase of investment property	(6,047)	(1,151)
Purchase of other tangible assets and intangibles	(234)	(88)
Sale of tangible assets	-	29
Interest paid - capitalized	(94)	-
Sale of investment	7	-
Interest received	45	36
Net cash used in investing activities	**(6,323)**	**(1,174)**
FINANCING ACTIVITIES		
Loan repayments	(2,837)	(4,332)
Interest paid	(1,373)	(1,335)
Purchase of treasury shares	(178)	-
Dividend paid	(2,994)	(2,002)
Net cash used in financing activities	**(7,382)**	**(7,669)**
Decrease in cash and cash equivalents	(5,514)	(158)
Cash and cash equivalents at beginning of year	10,160	4,822
Exchange rate gain on cash and cash equivalents	176	130
Cash and cash equivalents at end of year	**4,822**	**4,794**

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

(all amounts in thousands EUR unless otherwise stated)

1. General information

1.1. 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.

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 SE operates as a holding and provides management, financial and administrative services to its subsidiaries. The real estate development is performed by Graphisoft Park SE's subsidiary, Graphisoft Park Kft. Graphisoft Park Kft's subsidiary, Graphisoft Park Services Kft. is responsible for property operation tasks.

Average headcount of the Group was 17 in 2015 and 16 in 2014.

1.2. Properties

The total area of Graphisoft Park is nearly 18 hectares. Over the past 18 years, 53,000 m2 of office, laboratory and educational space have been developed and occupied by tenants. The remaining area provides the opportunity to develop an additional 70,000 m2 of office space.

The real estate is categorized as follows:

Area	Property
Core area	modern office park spreading over 8.5 hectares of land, comprising 43,000 m2 office and laboratory space
Monument area	2.4 hectares of land comprising 10,000 m2 of total rentable net internal area of the monument buildings, out of which 7,000 m2 has been renovated
Development areas	6.8 hectares of development land, on which a 3,000 m2 floor area dormitory has been constructed

Investment property book values and fair value estimates are disclosed in Notes 8 and 10.

(all amounts in thousands EUR unless otherwise stated)

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.

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, 2014		December 31, 2015	
Shareholder	**Shares (pcs)**	**Share (%)**	**Shares (pcs)**	**Share (%)**
ORDINARY SHARES:	**10,631,674**	**85.00**	**10,631,674**	**85,00**
Directors and management	**3,511,538**	**28.09**	**3,514,538**	**28,11**
Bojár Gábor - Chairman of the BoD	3,185,125	25.47	3,185,125	25,47
Dr. Kálmán János - Member of the BoD	13,500	0.11	13,500	0,11
Szigeti András - Member of the BoD	126,000	1.01	126,000	1,01
Kocsány János - Member of the BoD, CEO***	180,913	1.45	180,913	1,45
Hajba Róbert - CFO****	6,000	0.05	9,000	0,07
Shareholders over 5% share	**2,802,189**	**22.40**	**1,643,881**	**13,14**
Tari István Gábor*****	1,074,329	8.59	-	-
Concorde Alapkezelő Zrt.	1,727,860	13.81	1,643,881	13,14
Other shareholders	**3,768,871**	**30.12**	**4,924,179**	**39,36**
Treasury shares*	**549,076**	**4.39**	**549,076**	**4,39**
EMPLOYEE SHARES:**	**1,876,167**	**15.00**	**1,876,167**	**15,00**
Kocsány János - Member of the BoD, CEO	1,250,778	10.00	1,250,778	10,00
Hajba Róbert - CFO	625,389	5.00	625,389	5,00
SHARES TOTAL:	**12,507,841**	**100.00**	**12,507,841**	**100,00**

* Treasury shares possessed by the Company do not pay dividend and bear no voting rights. For details, see Note 23.
** Class „B" employee shares bear different (reduced) rights to dividend at the proportion of one third of their face value, and are governed by the provisions of the Articles of Association and the Management Share Ownership Plan.
*** Held in common by Kocsány János and a close family member.
**** CFO of the Company, Hajba Róbert, purchased 1,500 ordinary shares on July 1, 2015 at a price of 2,255 HUF per share and further 1,500 ones on September 29, 2015 at a price of 2,318 HUF per share in market transactions at Budapest Stock Exchange.
***** Shareholder holding more than 5% of total shares, Tari István Gábor passed away on March 16, 2015. The probate proceeding ended in the third quarter of 2015, Tari István Gábor's name was deleted from the register of shares and the new shareholders were registered in the register of shares.

(all amounts in thousands EUR unless otherwise stated)

By the mandate given by the General Meeting on July 21, 2014, the Board of Directors made a decision to raise the Company's share capital through issuing employee shares and modified the Articles of Association accordingly. The value of the share capital increase is 37,523 euros and the number of newly issued shares is 1,876,167. These changes were duly registered by the Company Registry Court of the Budapest-Capital Regional Court on December 11, 2014. The employee shares were transferred to the authorized employees.

1.4. Governance

The governing body of Graphisoft Park SE, Board of Directors (single-tier system) is composed of the following:

Name	Position	From	Until
Bojár Gábor	Chairman	August 21, 2006	May 31, 2018
Dr. Kálmán János	Member	August 21, 2006	May 31, 2018
Kocsány János	Member	April 28, 2011	May 31, 2018
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2018
Szigeti András	Member	July 21, 2014	May 31, 2018

The Audit Committee comprises of 3 independent members of the Board: Dr. Kálmán János (chairman), Dr. Martin-Hajdu György and Szigeti András. The Chief Executive Officer of Graphisoft Park SE is Kocsány János.

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 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

In 2015, the Group adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are effective for accounting periods beginning on January 1, 2015. Where the transition provisions of a standard allow a preparer to determine the date the standard is effective from the Group has elected to apply the standard prospectively from January 1, 2015. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise in some cases to additional disclosures, including in some cases, revisions to accounting policies. The changes in accounting policies result from the adoption of the following new or revised Standards:

- IAS 19 Employee benefits

IAS 19 Employee benefits: The amendment became effective for annual periods beginning on or after July 1, 2014. The amendment clarifies the way how contributions from employees or third parties that are linked to service should be attributed to periods of service. The amendment has no impact on the Group.

Improvements to IFRSs:

The below amendments became effective for annual periods beginning on or after July 1, 2014.

Annual Improvements – 2010-2012

IAS 16 Property, Plant and Equipment: The amendment clarifies that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The amendment is applied retrospectively.

IAS 38 Intangible Assets: The amendment clarifies that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The amendment is applied retrospectively.

IAS 24 Related Party Disclosures: The amendment clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is applied retrospectively.

IFRS 2 Share-based Payment: This amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions: (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition. If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The improvement is applied prospectively.

IFRS 3 Business Combinations: The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). The amendment is applied prospectively.

IFRS 8 Operating Segments: The amendment clarifies that an entity must disclose the judgments made by management in applying the aggregation criteria (based on paragraph 12 of IFRS 8), including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are similar. The other amendment clarifies that the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendments are applied retrospectively.

Annual Improvements – 2011-2013

IAS 40 Investment Property: The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The amendment is applied prospectively.

IFRS 3 Business Combinations: The amendment clarifies for the scope exceptions within IFRS 3 that joint arrangements, not just joint ventures, are outside the scope of IFRS 3. This scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively.

IFRS 13 Fair Value Measurement: The amendment clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The amendment is applied prospectively.

Improvements to IFRSs have no impact on the Group.

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

IAS 16 Property, Plant and Equipment: The amendment clarifies the principle that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment. The amendments are effective for annual periods beginning on or after January 1, 2016.

IAS 27 Separate Financial Statements: The amendment reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendment is effective for annual periods beginning on or after January 1, 2016.

IAS 38 Intangible Assets: The amendment clarifies the principle that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method may only be used in very limited circumstances to amortize intangible assets. The amendments are effective for annual periods beginning on or after January 1, 2016.

IFRS 9 Financial Instruments: Classification and Measurement: In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The standard is effective retrospectively for annual periods beginning on or after January 1, 2018, but comparative information is not compulsory.

IFRS 11 Joint Arrangements: The amendment requires that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendment also clarifies that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are effective for annual periods beginning on or after January 1, 2016.

IFRS 15 Revenue from Contracts with Customers: IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 leases: IFRS 16 was issued in January 2016 which requires lessees to recognize assets and liabilities for most leases. The standard will be effective for annual periods beginning on or after January 1, 2019.

Annual Improvements – 2012-2014

The below amendments became effective for annual periods beginning on or after January 1, 2016.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Assets (or disposal Companies) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 Financial Instruments: Disclosures:

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements
The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 Employee Benefits: The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting: The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

Amendments to IAS 1 Disclosure Initiative: The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:
The materiality requirements in IAS 1: (i) That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated. (ii) That entities have flexibility as to the order in which they present the notes to financial statements. (iii) That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception. The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

Management anticipates that these changes will have no material effect on the Group financial statements, except for the adoption of the first phase of IFRS 9, which might have an effect on the classification and measurement of the Group's financial assets and except for IFRS 15 and IFRS 16 where the Group is assessing the possible effects.

(all amounts in thousands EUR unless otherwise stated)

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 table below shows subsidiary details in 2015 and 2014:

Subsidiary	Date of foundation	Registered capital HUF thousand	Registered capital EUR
Graphisoft Park Kft.	November, 2005	-	1,846,108
Graphisoft Park Services Kft.	October, 2008	10,000	-

Graphisoft Park SE is the 100% owner of Graphisoft Park Kft., while Graphisoft Park Kft. is the 100% owner of Graphisoft Park Services Kft. Subsidiaries are incorporated in Hungary.

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.

The consolidated financial statements are prepared under the historical cost convention.

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, 2014	December 31, 2015
Graphisoft Park SE	EUR	EUR
Graphisoft Park Kft.	EUR	EUR
Graphisoft Park Services 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 in thousands of EUR, 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 for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(b) income statements are translated at average exchange rates;
(c) all resulting exchange differences are recognized directly in the consolidated equity (accumulated translation difference).

Exchange rates used were as follows:

Rate	2014	2015
EUR/HUF opening:	296.91	314.89
EUR/HUF closing:	314.89	313.12
EUR/HUF average:	308.66	309.90

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. Securities (available-for-sale financial assets)

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are included in current or non-current financial assets depending on the forecasted date of the disposal.

Available-for-sale financial assets are initially recognized and also subsequently carried at fair value. The unrealized changes in the fair value of available-for-sale financial assets are recognized in equity (valuation reserve).

Interest on available-for-sale debt securities calculated using the effective interest method is recognized in the income statement (interest income). Dividends on available-for-sale equity instruments are recognized in the income statement (other financial income) when the Group's right to receive payment is established.

The Group assesses at each financial statement date whether there is objective evidence that a financial asset is impaired. There is objective evidence of impairment if as a result of loss events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset that can be reliably estimated. In the case of securities classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the security below its cost. 'Significant' is evaluated against the original cost of the security (in general 20%) and 'prolonged' against the period in which the fair value has been below its original cost (in general 6-12 months). When there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that security previously recognized in the income statement - is removed from other comprehensive income and recognized in the income statement. Impairment losses recognized on equity instruments are not reversed through the income statement, while impairment losses recognized on debt instruments are reversed through the income statement.

When available-for-sale financial assets are sold or redeemed, therefore derecognized, the fair value adjustments accumulated in equity are reclassified from other comprehensive income to the income statement.

2.7. 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, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the underlying arrangement. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments as well as historical collections are considered indicators that the trade receivable may have been impaired.

2.8. Investment property and other tangible assets

Investment properties and other 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**
Assets in the course of construction	not depreciated
Land	not depreciated
Park infrastructure	50 years
Buildings – rented	20 years
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 investment property and other tangible assets.

2.9. Fair value of investment property

The Group determines the fair value of investment property on the basis of internal valuations prepared annually.

Fair value determination principles:

The fair value of investment property is determined on the basis of the income generating potential of the property.

Fair value determination methods:

The valuations are carried out using the income approach, discounted cash flow method. This method involves the projection of a series of periodic cash flows. To this projected cash flow series, a market derived discount rate, which reflects the yield expectations (capital cost) of the investors and creditors, is applied to establish an indication of the present value of the income stream associated with the property.

For buildings, the calculated periodic cash flow is estimated as gross income less expense related to the operation and maintenance of the property. A series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the fair value of the building.

For development areas (building sites), the calculated periodic cash flow is estimated - based on a development plan determined by the Group - as gross income less expenses related to the operation and maintenance of the property, less expense related to the realization of the development (infrastructure, landscaping, cost of construction of the building and other expenses), and less expenses related to the development land incurring until the expected realization of the development (property tax and other costs). A series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the fair value of the development land.

Fair value hierarchy:

With regards to the investment property, the fair value measurement's IFRS 13 hierarchy level based on the valuations shown above is level 3.

Investment property fair value estimates are disclosed in Note 10.

2.10. Intangible assets

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will accrue; and the cost of the asset can be measured reliably. Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. The amortization period and the amortization method are reviewed annually at each financial year-end. Amortization is provided on a straight-line basis over the 3-7 year estimated useful lives of these assets.

2.11. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense. Borrowing costs include interest and other costs that the Group incurs in connection with the borrowing of funds. The borrowing costs eligible for capitalization are capitalized applying the weighted average of the borrowing costs applicable to the general borrowings during the period. A qualifying asset is an asset that necessarily takes a substantial period of time, in general over 6 months, to get ready for its intended use.

2.12. 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 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.

2.13. 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 lessee:

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Group as a lessor:

Finance lease is where the Group transfers substantially all the risks and benefits of ownership of the asset. Assets held under a finance lease are presented in the balance sheet as a receivable at an amount equal to the net investment in the lease. Finance incomes are recognized in the income statement.

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating lease. 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.

2.14. 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.

Fair value hierarchy:

With regards to the loans, the fair value measurement's IFRS 13 hierarchy level is level 2. The effective rate of interest used to present fair value is calculated considering market rates and the Group specific premium.

2.15. 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.

2.16. 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.

2.17. Pensions

The Group, in the normal course of business, makes fixed contributions into the Hungarian State and private pension funds 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.

2.18. Treasury shares

Treasury stock represents the cost of shares repurchased 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.

2.19. 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.

2.20. 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.

2.21. Income taxes

Current taxes:

Corporate income tax is payable to the Hungarian central tax authority, and local business tax is payable to the local governments. The basis of the corporate income tax is the taxable entities’ accounting profit adjusted for non-deductible and non-taxable items. The basis of the local business tax is the taxable entities’ revenue reduced by certain expenditure and cost items (gross margin).

Deferred taxes:

Deferred tax is recognized applying the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit. Deferred tax is determined using income tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit (or reversing deferred tax liabilities) will be available against which the temporary differences can be utilized.

Deferred tax is also provided on taxable temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.22. 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.

2.23. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognized.

Rental revenue:

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

Sale of goods:

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest income:

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

Dividends:

Revenue is recognized when the Group's right to receive the payment is established.

Other income (expense):

Incomes from agency agreements, where the Group 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).

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. Reclassification of comparative information

Comparative figures are reclassified to conform with presentation in the current period, where necessary.

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 and presentation 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 and presentation currency details are disclosed in Note 2.4.

3.2. Impairment of investment property, other tangibles and intangibles

We assess the impairment of investment property, other tangibles and intangibles 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, we typically consider 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, we also determine 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. Fair value of investment property

As investment property fair value determination is based on estimates and assumptions, the actual results may be significantly different from the results of these estimates, especially in case of development land.

Investment property fair value estimates are disclosed in Note 10.

3.4. 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.

(all amounts in thousands EUR unless otherwise stated)

4. Cash and cash equivalents

	December 31, 2014	December 31, 2015
Cash in hand	1	1
Cash at banks	4,821	4,793
Cash and bank	**4,822**	**4,794**

5. Trade receivables

	December 31, 2014	December 31, 2015
Trade receivables	275	190
Provision for doubtful debts	-	(12)
Trade receivables	**275**	**178**

Trade receivables are on 8-30 day payment terms.

Trade receivables' aging is as follows:

	December 31, 2014	December 31, 2015
Not overdue	182	115
Overdue less than 3 months	54	58
Overdue between 3 and 12 months	30	4
Overdue over 12 months	9	1
Trade receivables	**275**	**178**

(all amounts in thousands EUR unless otherwise stated)

6. Current tax receivables and liabilities

	December 31, 2014	December 31, 2015
Current tax receivables	107	131
Current tax liabilities	(191)	(123)
Current tax receivable (liability), net	**(84)**	**8**

7. Other current assets

	December 31, 2014	December 31, 2015
Accrued income	105	103
Prepaid expense	44	21
Other receivables	5	1
Other current assets	**154**	**125**

GRAPHISOFT PARK SE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(all amounts in thousands EUR unless otherwise stated)

8. Investment property and other tangible assets

The table shows movements of investment property and other tangible assets:

	Land and buildings	Constr. in progress	**Invest-ment property**	Machinery and equipm.	Vehicles	Constr. in progress	**Other tangible total**	**Tangible assets**
Net value:								
December 31, 2013	57,263	3,908	**61,171**	114	86	-	**200**	**61,371**
Gross value:								
December 31, 2013	84,953	3,908	**88,861**	307	168	-	**475**	**89,336**
Additions	-	5,905	**5,905**	-	-	233	**233**	**6,138**
Capitalizations	8,659	(8,659)	**-**	173	60	(233)	**-**	**-**
Translation diff.	-	-	**-**	(5)	(2)	-	**(7)**	**(7)**
December 31, 2014	93,612	1,154	**94,766**	475	226	-	**701**	**95,467**
Depreciation:								
December 31, 2013	27,690	-	**27,690**	193	82	-	**275**	**27,965**
Additions	3,925	-	**3,925**	127	26	-	**153**	**4,078**
Translation diff.	-	-	**-**	(2)	(1)	-	**(3)**	**(3)**
December 31, 2014	31,615	-	**31,615**	318	107	-	**425**	**32,040**
Net value:								
December 31, 2014	61,997	1,154	**63,151**	157	119	-	**276**	**63,427**
Gross value:								
December 31, 2014	93,612	1,154	**94,766**	475	226	-	**701**	**95,467**
Additions	-	1,753	**1,753**	-	-	88	**88**	**1,841**
Capitalizations	662	(662)	**-**	20	68	(88)	**-**	**-**
Disposals	(1,363)	-	**(1,363)**	(1)	(54)	-	**(55)**	**(1,418)**
December 31, 2015	92,911	2,245	**95,156**	494	240	-	**734**	**95,890**
Depreciation:								
December 31, 2014	31,615	-	**31,615**	318	107	-	**425**	**32,040**
Additions	4,115	-	**4,115**	45	33	-	**78**	**4,193**
Disposals	(828)	-	**(828)**	(1)	(41)	-	**(42)**	**(870)**
December 31, 2015	34,902	-	**34,902**	362	99	-	**461**	**35,363**
Net value:								
December 31, 2015	58,009	2,245	**60,254**	132	141	-	**273**	**60,527**

Additions in construction in progress of 1,841 thousand EUR comprise the following:

- developments in the monument area and the southern development area (81 thousand EUR),
- new developments (1.070 thousand euros) and other developments (602 thousand euros) in the core area,
- purchase of other tangible assets (88 thousand EUR).

(all amounts in thousands EUR unless otherwise stated)

Capitalizations in the value of 750 thousand EUR comprise the following:

- developments completed in the monument area and the southern development area (77 thousand EUR),
- other developments completed in the core area (585 thousand EUR),
- purchase of other tangible assets (88 thousand EUR).

Construction in progress totaling 2,245 thousand EUR comprises the cost of the monument area's buildings to be renovated (1,145 thousand EUR), the cost of new developments (1,083 thousand EUR) and renovation and remodeling activities (17 thousand euros) taking place in the core area.

The Group capitalized no interest expense on construction in progress in 2015 (94 thousand EUR in 2014).

New developments began in Graphisoft Park in 2015, which will result in the construction of 8,000 m2 new office space by 2017. The construction of the new buildings required the demolition of older building. Demolition works started in the third quarter of 2015 and accordingly net book value of buildings demolished marked N and L (535 thousand euros) has been written off.

Investment property **fair value** estimates are disclosed in Note 10.

9. Intangible assets

The table shows movements of intangible assets:

	Software	**Intangible assets**		Software	**Intangible assets**
Net value:			***Net value:***		
December 31, 2013	-	**-**	**December 31, 2014**	-	**-**
Gross value:			***Gross value:***		
December 31, 2013	47	**47**	December 31, 2014	48	**48**
Additions	1	**1**	Additions	1	**1**
Translation diff.	-	**-**	Translation diff.	-	**-**
December 31, 2014	48	**48**	**December 31, 2015**	49	**49**
Depreciation:			***Depreciation:***		
December 31, 2013	47	**47**	December 31, 2014	48	**48**
Additions	1	**1**	Additions	1	**1**
Translation diff.	-	**-**	Translation diff.	-	**-**
December 31, 2014	48	**48**	**December 31, 2015**	49	**49**
Net value:			***Net value:***		
December 31, 2014	-	**-**	**December 31, 2015**	-	**-**

(all amounts in thousands EUR unless otherwise stated)

10. Fair value of investment property

The table below presents investment property fair value estimates:

	December 31, 2014	**December 31, 2015**
Office park	122,500	117,140
Office park - under construction	-	16,994
Campus	13,432	13,907
Buildings	**135,932**	**148,041**
Development areas	**20,988**	**20,988**
Fair value*	**156,920**	**169,029**
Cost to completion of buildings under construction	-	(15,423)
Fair value for financial reporting purposes	**156,920**	**153,606**

* Valuations as of December 31, 2015 and December 31, 2014 were calculated with the same assumed capital cost of 7.25% for the buildings and 8.25% for the development areas, at 90% long-term occupancy rate in the office park and 100% in the campus.

Change in fair value of investment property compared to the previous year's valuation is the impact of the following main factors:

- New developments began in the office park in 2015. Construction of the new buildings required the demolition (2,000 m2 approximately) and remodeling of existing buildings. The drop of these rentable areas decreased property fair value by 7 million euros compared to the valuation as of December 31, 2014.

- Occupancy of the 53,000 m2 office, laboratory and educational space available in Graphisoft Park rose from 95% at the beginning to 98% at the end of the year and stays at an effective 100% at the time of writing this report due to new leases concluded in 2015. As a result of this, estimated fair value of the property increased by 2.1 million euros compared to the valuation as of December 31, 2014.

- The new developments began in 2015 will result in the construction of 8,000 m2 new office space and underground parking for 300 cars until 2017 in several phases. The new constructions increase property fair value by 17 million euros, from which the cost of completion of the buildings under construction expected at 15.4 million euros is to be deducted.

Investment property, valuation principles, methods and assumptions as well as related analyses are disclosed in detail later within this note.

10.1. Investment property

Office park:

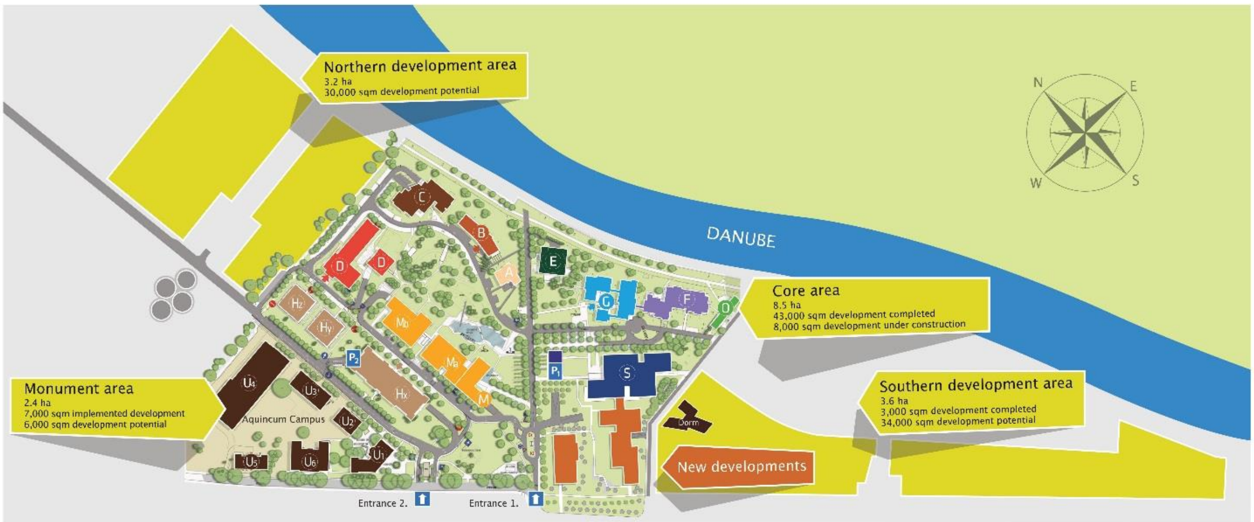
The development of the office park within the 8.5 hectares core area of Graphisoft Park had begun in 1996; the first buildings were completed in 1998 while the last one, building H was handed over in 2009. At the beginning of 2015 altogether 45,000 m2 office and laboratory space as well as underground parking for 1,250 cars were available in the office park.

Graphisoft Park's largest tenant renting over 10,000 m2 office space currently, SAP Hungary Kft. renewed its lease in April 2015, which was to expire in the end of 2016 originally. In relation to the extension of the lease period new developments began in 2015, which will result in the construction of 8,000 m2 new office space and underground parking for 300 cars until 2017 in several phases. Construction of a new wing of 5,500 m2 directly adjacent to SAP's main building (marked S on the map below) has begun. In addition to this another building with 2,500 m2 floor space is under construction optimized for the needs of smaller companies and start-ups.

The new developments required the demolition and remodeling of older buildings with less economical uses of space under the current conditions. Demolition and remodeling works temporarily reduced rentable space by 2,000 m2 in the office park in 2015, therefore the net expansion is 6,000 m2.

At the end of the new developments expected in 2017, the office park will have 51,000 m2 office and laboratory space as well as underground parking for 1,550 cars available for its tenants.

Occupancy rates in the office buildings stood at 98% on December 31, 2015 and at an effective 100% at the time of writing this report.



Campus:

In the 2.4 hectares monument area of Graphisoft Park we have completed the renovation and repurposing of 7,000 m2 historical buildings of the old Gasworks' (buildings U1, U2, U3, U5 and U6) into a state-of-the-art university campus since 2010 in several phases. In relation to the education program, we have constructed a 3,000 m2 dormitory building with 76 rooms, housing 85 persons in the southern development area. Occupancy rate in the campus and the dormitory was 100% on December 31, 2015 and is the same at the time of writing this report.

Renovation of the largest building of the monument area (building U4) has not begun at the time of writing this report. This building along with the attached land is considered to be development area until renovation starts.

Development areas:

The 7 hectares of free development lands in Graphisoft Park (the southern development area without the dormitory, the northern development area and building U4 in the monument area not yet renovated) allow for the development of a combined total of 70,000 m2 leasable office space.

10.2. Valuation principles, methods and assumptions

Valuation principles:

The fair value of investment property is determined on the basis of the income generating potential of the property.

Valuation methods:

The valuations are carried out using the income approach, discounted cash flow method.

This method involves the projection of a series of periodic cash flows. To this projected cash flow series, a market derived discount rate, which reflects the yield expectations (capital cost) of the investors and creditors, is applied to establish an indication of the present value of the income stream associated with the property.

For buildings, the calculated periodic cash flow is estimated as gross income less expenses related to the operation and maintenance of the property. A series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the fair value of the building.

For development areas (building sites), the calculated periodic cash flow is estimated - based on a development plan determined by the Group - as gross income less expenses related to the operation and maintenance of the property, less expense related to the realization of the development (infrastructure, landscaping, cost of construction of the building and other expenses), and less expenses related to the development land incurring until the expected realization of the development (property tax and other costs). A series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the fair value of the development land.

Investment property fair value determination principles and methods are disclosed in detail in Note 2.9 (Accounting policies).

(all amounts in thousands EUR unless otherwise stated)

Assumptions:

Valuations of December 31, 2015 and December 31, 2014 were performed by the Group.

Key assumptions in the valuations are set out below:

- For the duration of executed and operative contracts rental rates were calculated as provided in the contracts, while after expiration actual (indexed) market rental fees were used.
- Operating expenses related to the property were planned at then current cost levels of the Group (11% of gross income).
- Property maintenance expenses were determined with regards to actual (indexed) market reinstatement rates (2% per year).
- When calculating reinstatement costs actual (indexed) specific market building rates were used.
- In the December 31, 2015 and 2014 valuations we assumed 100% long-term occupancy rate for the campus in line with the leases concluded. With the office park did not use the current occupancy rate of nearly 100% there for long-term estimates, but remained with our practice of assuming 90% occupancy for the offices in the long-term.
- We are anticipating office space development on the development areas, at a pace calculated with regards to developments already completed in Graphisoft Park.
- The valuations of the buildings (office park and campus) as of December 31, 2015 and 2014 were calculated with an assumed capital cost (discount rate) of 7.25%. With the valuation of the development areas, higher capital cost (discount rates) of 8.25% was used in both years than for the completed buildings to reflect the risks inherent with incomplete developments.
- When determining future incomes and expenses, the European Central Bank's long term inflation forecasts were used.

Main input data sources for the valuations are summarized in the tables below:

		December 31, 2014	December 31, 2015
BUILDINGS COMPLETED:			
Leasable area	• office area	45,000 m2	43,000 m2
	• educational area	7,000 m2	7,000 m2
	• dormitory	3,000 m2 / 85 persons	3,000 m2 / 85 persons
Rent	• contracted	as provided in the contract	as provided in the contract
	• forecast	market rate	market rate
Occupancy	• office park actual	94%	98%
	• office park forecast	90%	90%
	• campus actual	100%	100%
	• campus forecast	100%	100%
Rental revenue	• one year forecast	9,6 million EUR (in 2015)	9,5 million EUR (in 2016)
	• long term forecast	9.7 million EUR	9.4 million EUR
	• maximum	10.6 million EUR	10.2 million EUR
Expenses	• operation	11% of rental revenue	11% of rental revenue
	• maintenance	2% of constr. cost yearly	2% of constr. cost yearly

(all amounts in thousands EUR unless otherwise stated)

		December 31, 2014	December 31, 2015
BUILDINGS UNDER CONSTRUCTION:			
Leasable area	• office area	-	8,000 m2
Rent	• contracted	-	as provided in the contract
	• forecast	-	market rate
Occupancy	• forecast 1st year	-	60%
	• forecast from 2nd year	-	90%
Rental revenue	• long term forecast	-	1.3 million EUR
	• maximum	-	1.4 million EUR
Expenses	• operation	-	11% of rental revenue
	• maintenance	-	2% of constr. cost yearly
DEVELOPMENT AREAS:			
Development area	land plot	7 hectares	7 hectares
	development potential	70,000 m2	70,000 m2
	development plan	constant, full build up in 20 years (2016-2035)	constant, full build up in 20 years (2017-2036)
Rent	forecast	market rate	market rate
Occupancy	forecast 1st year	60%	60%
	forecast 2nd year	75%	75%
	forecast from 3rd year	90%	90%
Rental revenue	long term forecast	13.4 million EUR	13.4 million EUR
	maximum	14.9 million EUR	14.9 million EUR
Expenses	operation	11% of rental revenue	11% of rental revenue
	maintenance	2% of constr. cost yearly	2% of constr. cost yearly
	construction	actual market rate indexed	actual market rate indexed
FINANCIAL:			
Capital cost	buildings	7.25%	7.25%
(discount rate)	development areas	8.25%	8.25%
Inflation rate		0.3% (2015) – 1.8% (from 2018)	0.3% (2016) – 1.8% (from 2019)

Management judgment on fair value determination is disclosed in Note 3.3 (Critical accounting estimates and judgments).

(all amounts in thousands EUR unless otherwise stated)

10.3. Analyses

Fair value changes:

Changes in the fair value of investment property reflect the effects of the main factors below:

	December 31, 2014	December 31, 2015
Fair value in previous valuation	**139,848**	**156,920**
Changes in financial conditions*	**11,158**	**-**
Decrease in fair value due to demolitions and remodeling***	-	(7,000)
Increase in fair value of buildings completed	5,914	2,115
Fair value of buildings under construction	-	16,994
Changes in income generating potential of the properties**	**5,914**	**12,109**
Fair value	**156,920**	**169,029**
Cost to completion of buildings under construction	-	(15,423)
Fair value for financial reporting purposes	**156,920**	**153,606**

* Reflects the combined effects of the change in capital cost and inflation.
** Combined effect of changes in leasable area, occupancy, rental fees, construction costs and other factors.
*** In the quarterly report for the fourth quarter of 2015 published on February 18, 2016, this adjusting factor has only been reckoned with.

Sensitivity analysis:

Valuation as of December 31, 2015

The fair value of investment property varies by the capital cost (discount rate) and the long term occupancy rate as follows (with a 100% long term occupancy rate in the buildings of the campus):

Capital cost / buildings:		**7.00 %**	**7.25 %**	**7.50 %**
Capital cost / development areas:		**8.00 %**	**8.25 %**	**8.50 %**
Long term	**95 %**	177,192	165,768	155,405
occupancy	**90 %**	164,341	***153,606**	143,871
/ buildings:	**85 %**	150,292	140,309	131,261

* Value calculated based on assumptions considered realistic by the management at the time of the valuation.

(all amounts in thousands EUR unless otherwise stated)

Valuation as of December 31, 2014

The fair value of investment property varies by the capital cost (discount rate) and the long term occupancy rate as follows (with a 100% long term occupancy rate in the buildings of the campus):

Capital cost / buildings:		**7.00 %**	**7.25 %**	**7.50 %**
Capital cost / development areas:		**8.00 %**	**8.25 %**	**8.50 %**
Long term	**95 %**	180,128	169,296	159,472
occupancy	**90 %**	167,053	***156,920**	147,734
/ buildings:	**85 %**	152,746	143,377	134,889

* Value calculated based on assumptions considered realistic by the management at the time of the valuation.

(all amounts in thousands EUR unless otherwise stated)

11. Investments

	December 31, 2014	December 31, 2015
AIT-Budapest Aquincum Institute of Technology Kft.	100	100
Investments	**100**	**100**

The Group acquired a 10 % ownership share (100 thousand EUR) in AIT-Budapest Kft. in 2009.

12. Deferred taxes

	December 31, 2014	December 31, 2015
Development reserve	(537)	(675)
Depreciation	22	22
Loss carried forward	336	264
Deferred tax liability, net*	**(179)**	**(389)**

* 19 thousand EUR asset and 408 thousand EUR liability in 2015 (23 thousand EUR asset and 202 thousand EUR liability in 2014).

Deferred taxes were calculated with income tax rate of 10% in 2015 and 2014.

13. Loans

	December 31, 2014	December 31, 2015
Short-term	2,935	3,243
Long-term	41,377	36,737
Loans	**44,312**	**39,980**

(all amounts in thousands EUR unless otherwise stated)

The total original capital amount of the loans provided by Westdeutsche ImmobilienBank AG from 2007 is 58 million EUR. The loan contract expires in 2019. The loans are denominated and due in EUR. Part of the loans is subject to fixed interest rate and part to a floating rate. Main collaterals provided for the bank are: mortgage on real estate (up to 58 million EUR), revenue assignment and bank account pledge. The Group had no undrawn borrowing facilities as of the balance sheet date. The weighted average interest rate of the loans was 3.1 % as of December 31, 2015 (2014: 3.1%) and 2.1% as of the date of the approval of these financial statements (2014: 3.1%).

Loan liability decreased by 4,332 thousand euros in 2015 due to ordinary repayments of 2,925 thousand euros and a prepayment of 1,407 thousand euros.

Capital repayments of the loans are due:

	December 31, 2014	December 31, 2015
Within 1 year	2,935	3,243
1– 5 years	41,377	36,737
Loans	**44,312**	**39,980**

The fair value of the loans was 39,656 thousand EUR as of December 31, 2015 calculated at a 2.5% effective interest rate for the fixed interest rate period (2014: 44,213 thousand EUR at 3.2% effective interest rate).

New credit facility:

The Company executed a loan agreement with Erste Bank Hungary Zrt. on December 28, 2015 for a 16.5 million EUR credit facility with 10 years maturity to finance the ongoing development in the core area. In accordance with the loan agreement Erste Bank shall make available a 4 billion HUF credit facility within Pillar I of the second phase of the National Bank of Hungary's Funding for Growth Scheme and another 5 million EUR market rate credit facility to Graphisoft Park (16.5 million EUR maximum altogether). The loan agreement is complemented by hedging agreements to cover exchange and interest rate risks (cross currency interest rate swap (CCRIS) for the HUF based loan and interest rate swap (IRS) for the EUR based loan). Main collaterals provided for the bank are: mortgage on real estate (up to 30 million EUR), revenue assignment and bank account pledge. No amounts were drawn from the credit facility in 2015.

14. Trade payables

	December 31, 2014	December 31, 2015
Trade payables - domestic	534	961
Trade payables	**534**	**961**

The Group settles trade payables within the payment term, and had no overdue payables as of December 31, 2015 and 2014.

(all amounts in thousands EUR unless otherwise stated)

15. Other short-term liabilities

	December 31, 2014	December 31, 2015
Amounts due to employees	38	41
Deposits from tenants	600	608
Other payables and accruals	723	952
Other short-term liabilities	**1,361**	**1,601**

16. Revenue

	December 31, 2014	December 31, 2015
Property rental	8,473	9,484
Revenue	**8,473**	**9,484**

Revenue consists solely of rental fees coming from the lease of real estate of Graphisoft Park.

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

	December 31, 2014	December 31, 2015
Within 1 year	9,403	8,928
1– 5 years	14,680	14,618
Over 5 years	2,423	6,425
	26,506	**29,971**

(all amounts in thousands EUR unless otherwise stated)

17. Operating expense

	December 31, 2014	December 31, 2015
Property related expense	57	49
Employee related expense	579	594
Other operating expense	295	269
Depreciation and amortization	4,079	4,194
Operating expense	**5,010**	**5,106**

Other operating expense consists of the following items:

	December 31, 2014	December 31, 2015
Office and telecommunication	12	14
Legal and administration	134	127
Marketing	33	33
Other	116	95
Other operating expense	**295**	**269**

18. Other income (expense)

	December 31, 2014	December 31, 2015
Income from recharged construction expenses	267	192
Recharged construction expenses	(235)	(161)
Income from recharged operation expenses	2,929	3,514
Recharged operation expenses	(2,758)	(3,233)
Disposal of tangible assets*	-	(535)
Others	-	(29)
Other income (expense)	**203**	**(252)**

(all amounts in thousands EUR unless otherwise stated)

* New developments began in Graphisoft Park in 2015, which will result in the construction of 8,000 m2 new office space by 2017. The construction of the new buildings required the demolition of older building. Demolition works started in the third quarter of 2015 and accordingly net book value of buildings demolished (marked N and L) was written off.

19. Interest

	December 31, 2014	December 31, 2015
Interest received	57	21
Interest income	**57**	**21**
Interest paid on loans	(1,429)	(1,321)
Other interest paid	(8)	(6)
Borrowing cost capitalized	94	-
Interest expense	**(1,343)**	**(1,327)**
Net interest expense	**(1,286)**	**(1,306)**

20. Exchange rate difference

	December 31, 2014	December 31, 2015
Exchange rate gain realized	18	115
Exchange rate gain not realized	204	101
Exchange rate gain	**222**	**216**

(all amounts in thousands EUR unless otherwise stated)

21. Income taxes

	December 31, 2014	December 31, 2015
Current income tax	(249)	(329)
Deferred income tax	50	(210)
Income tax expense	**(199)**	**(539)**

Applicable tax rates in 2015 and 2014 are: income tax 10%, local business tax 2%.

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

	December 31, 2014	December 31, 2015
Profit before tax	**2,602**	**3,036**
Tax at statutory rate	**260**	**304**
Non-taxable items	(263)	(19)
Translation difference	(19)	2
Corporate income tax	**(22)**	**287**
Local business tax	**221**	**252**
Tax expense	**199**	**539**
Effective tax rate	**7.6%**	**17.8%**

The effective tax rate is largely influenced by the local business tax expense, which is calculated on a gross margin basis.

(all amounts in thousands EUR unless otherwise stated)

22. Earnings per share

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

	December 31, 2014	December 31, 2015
Net profit attributable to equity holders of the parent	2,403	2,497
Weighted average number of ordinary shares outstanding	10,097,064	10,082,598
Basic earnings per share (EUR)	**0.24**	**0.25**
Weighted average number of ordinary shares outstanding	10,097,064	10,082,598
Diluted earnings per share (EUR)	**0.24**	**0.25**

Treasury shares possessed by the Company and employee shares are excluded when the earnings per share value is determined.

Share ownerships details are disclosed in Note 1.3.

23. Treasury shares

Graphisoft Park SE treasury share details are as follows:

	December 31, 2014	December 31, 2015
Number of shares	549,076	549,076
Face value per share (EUR)	0.02	0.02
Total face value (EUR)	10,982	10,982
Treasury shares (at historical cost)	**962**	**962**

(all amounts in thousands EUR unless otherwise stated)

24. Net asset value

Book value and fair value of assets and liabilities as of December 31, 2015:

	Note	Book value December 31, 2015	Fair value December 31, 2015	*Difference*
Investment property	8, 10	60,254	153,606	*93,352*
Other tangible assets	8	273	273	-
Investments	11	100	100	-
Non-financial instruments		**60,627**	**153,979**	***93,352***
Cash and cash equivalents	4	4,794	4,794	-
Trade receivables	5	178	178	-
Current tax asset, net	6	8	8	-
Other current assets	7	125	125	-
Deferred tax liability, net	12	(389)	(389)	-
Loans	13	(39,980)	(39,656)	*324*
Trade payables	14	(961)	(961)	-
Other-short-term liabilities	15	(1,601)	(1,601)	-
Financial instruments		**(37,826)**	**(37,502)**	***324***
Net asset value		**22,801**	**116,477**	***93,676***

(all amounts in thousands EUR unless otherwise stated)

Book value and fair value of assets and liabilities as of December 31, 2014:

	Note	Book value December 31, 2014	Fair value December 31, 2014	*Difference*
Investment property	8, 10	63,151	156,920	*93,769*
Other tangible assets	8	276	276	-
Investments	11	100	100	-
Non-financial instruments		**63,527**	**157,296**	***93,769***
Cash and cash equivalents	4	4,822	4,822	-
Trade receivables	5	275	275	-
Current tax liability, net	6	(84)	(84)	-
Other current assets	7	154	154	-
Deferred tax liability, net	12	(179)	(179)	-
Loans	13	(44,312)	(44,213)	*99*
Trade payables	14	(534)	(534)	-
Other-short-term liabilities	15	(1,361)	(1,361)	-
Financial instruments		**(41,219)**	**(41,120)**	***99***
Net asset value		**22,308**	**116,176**	***93,868***

(all amounts in thousands EUR unless otherwise stated)

25. Related party disclosure

Transactions with related parties:

Graphisoft Park SE did not hold interests in entities other than its consolidated subsidiaries (100%) and AIT-Budapest Kft. (10%) as of December 31, 2015 and 2014.

AIT-Budapest Kft., Graphisoft SE and vintoCON Kft. are deemed related parties of the Group in 2015 and 2014 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 and former member of the Board of Directors of Graphisoft Park SE (Szigeti András) is member of the executive management of vintoCON Kft.

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

Item	December 31, 2014	December 31, 2015
Sales to related parties	1,611	1,678
Purchases from related parties	4	4
Amounts owed by related parties	6	3
Amount owed to related parties	27	11

Transactions with the related parties were as follows in 2015 and 2014:

- AIT-Budapest Kft., Graphisoft SE and vintoCON Kft. leased a total office space of 6,100 m2 in Graphisoft Park in 2015 and 5,700 m2 in 2014,
- Graphisoft Park SE provided financial and administration services for AIT-Budapest Kft. in 2015 and 2014,
- vintoCON Kft. provided software administration services for Graphisoft Park Services Kft. in 2015 and 2014,
- Graphisoft SE provided software administration services for Graphisoft Park Kft. in 2015 and 2014.

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 2015 and 2014, the Group has not recorded any impairment loss relating to amounts owed by related parties.

The Group signed a cooperation agreement with AIT-Budapest Kft. as disclosed in Note 26.

(all amounts in thousands EUR unless otherwise stated)

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

	December 31, 2014	December 31, 2015
Remuneration of the Board of Directors	53	58
Compensation of key management personnel	184	239
Total	**237**	**297**

* 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.

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

	December 31, 2014		December 31, 2015	
Shareholder	**Shares (pcs)**	**Share (%)**	**Shares (pcs)**	**Share (%)**
ORDINARY SHARES:	**3,511,538**	**28.09**	**3,514,538**	**28.11**
Bojár Gábor - Chairman of the BoD	3,185,125	25.47	3,185,125	25.47
Dr. Kálmán János - Member of the BoD	13,500	0.11	13,500	0.11
Szigeti András - Member of the BoD	126,000	1.01	126,000	1.01
Kocsány János - Member of the BoD, CEO	180,913	1.45	180,913	1.45
Hajba Róbert - CFO	6,000	0.05	9,000	0.07
EMPLOYEE SHARES:	**1,876,167**	**15.00**	**1,876,167**	**15.00**
Kocsány János - Member of the BoD, CEO	1,250,778	10.00	1,250,778	10.00
Hajba Róbert - CFO	625,389	5.00	625,389	5.00
SHARES TOTAL:	**5,387,705**	**43.09**	**5,390,705**	**43.11**

Information on shareholders and governance of the Company are provided in Notes 1.3 and 1.4.

26. Commitments, contingencies

Development for education purposes

The Group has a contractual commitment to develop for education purposes, which shall result in the set-up of an educational campus on a portion of the area purchased in 2008 (the Monument development area) and the start-up of a program of higher education within 5 years from the approval of the zoning plan for the area and the execution of the plot division. The zoning plan has been approved, the plot division may take several years to be carried out. The university campus was completed and handed over in September 2014. The educational program started in 2010 extended further with the International Business School (IBS) moving in.

In accordance with the project to develop a part of the property for educational purposes, the Company signed a cooperation agreement with AIT-Budapest Aquincum Institute of Technology Kft. in 2009. According to this agreement, development of the educational infrastructure is the responsibility of Graphisoft Park, while organizing the educational program and operating the institute are the responsibilities of AIT. AIT pays a market-rate rent for its use of the real estate. The cooperation also covers the issue of the parties’ coordinated appearance on the market and joint marketing activities.

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:

Office rental price risk:

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.

Currency risk:

The Group does not run currency risk on the fulfillment of the debt service since both the predominant part of the rental revenues and the debt service are denominated in EUR. 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. The Group’s exposure to the risk of changes in market interest rates relates primarily to its long-term loans with floating interest rates (5.6 million EUR as of December 31, 2015 and 7.6 million EUR as of December 31, 2014).

To manage interest rate risk, the major part of the bank loans of the Group are subject to fixed interest rates. Conditions and balances of bank loans are disclosed in Note 13.

(all amounts in thousands EUR unless otherwise stated)

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 2015 (separately). Revenue from these 2 tenants represents 32.8% of the total revenue in 2015.

Revenue from 3 tenants (SAP Hungary Kft., Graphisoft SE and Microsoft Magyarország Kft.) exceeded 10% of the total revenue of the Group in 2014 (separately). Revenue from these 3 tenants represents 45.4% of the total revenue in 2014.

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, 2015 and 2014.

The two tables below summarize the maturity profile of financial liabilities based on contractual undiscounted payments as of December 31, 2015 and 2014.

December 31, 2015	**Overdue**	**Due within 1 year**	**Due between 1-5 years**	**Due over 5 years**	**Total**
Loans*	-	4,127	38,238	-	**42,365**
Trade payables	-	961	-	-	**961**
Current tax liability	-	123	-	-	**123**
Other liabilities	-	1,601	-	-	**1,601**
Financial liabilities	**-**	**6,812**	**38,238**	**-**	**45,050**

(all amounts in thousands EUR unless otherwise stated)

December 31, 2014	**Overdue**	**Due within 1 year**	**Due between 1-5 years**	**Due over 5 years**	**Total**
Loans*	-	4,185	45,050	-	**49,235**
Trade payables	-	534	-	-	**534**
Current tax liability	-	191	-	-	**191**
Other liabilities	-	1,361	-		**1,361**
Financial liabilities	**-**	**6,271**	**45,050**	**-**	**51,321**

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

28. 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 of the outstanding balances of the loan 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).

29. Approval of financial statements

Following the recommendation of the Board of Directors, the Annual General Meeting on April 23, 2015 approved the 2014 consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS) showing a balance sheet total of 68,908 thousand EUR and a profit for the year of 2,403 thousand EUR. Together with the approval of the consolidated financial statements for issue, the Annual General Meeting approved dividend distribution of 60 HUF per ordinary share, 604,956 thousand HUF in total (2,004 thousand EUR on the exchange rate of April 23, 2015), and 20 HUF per employee share, 37,523 thousand HUF in total (124 thousand EUR on the exchange rate of April 23, 2015). The starting date for dividend payments was May 28, 2015. The Company paid out the dividends to the shareholders identified by shareholder's registration.

The consolidated financial statements of the Company for the year 2015 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 24, 2016. Together with the approval of the consolidated financial statements for issue, the Board proposes dividend distribution of 72 HUF per ordinary share, 725,947 thousand HUF in total (2,318 thousand EUR on the exchange rate of December 31, 2015), and 24 HUF per employee share, 45,028 thousand HUF in total (144 thousand EUR on the exchange rate of December 31, 2015) to be approved by the Annual General Meeting of Graphisoft Park SE of April 28, 2016. The Annual General Meeting has the power to amend the consolidated financial statements.

30. 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 applicable accounting standards and to the best of our knowledge, give a true and fair view of the assets, liabilities, financial position and profit or loss of Graphisoft Park SE and 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.*