



2022

**Universal
Registration
Document**

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2022 UNIVERSAL REGISTRATION DOCUMENT

This universal registration document contains information on the group's prospects and areas of development. These indications are sometimes identified by the use of the future, the conditional and forward-looking terms such as "consider," "envisage," "think," "aim," "expect," "intend," "should," "aim," "estimate," "believe," "wish," "could," or, where appropriate, the negative form of these terms, or any other similar variant or terminology. This information is not historical data and should not be interpreted as guarantees that the stated facts and data will occur. This information is based on data, assumptions and estimates considered reasonable by the group. They may change or be modified due to uncertainties related in particular to the economic, financial, competitive, regulatory and tax environment. In addition, the materialisation of certain risks described in section 4.1 "Risk factors" of this Registration Document may have an impact on the group's activities, financial position and results and its ability to achieve its objectives.

Investors should carefully consider the risk factors described in section 4.1 "Risk factors" of this Registration Document. The occurrence of all or part of these risks may negatively affect on the group's activities, financial position or results. In addition, other risks, not yet identified or considered immaterial by the group, could have the same negative effect.

The content of this universal registration document does not constitute legal, tax or financial advice. Investors should consult their own counsel on the legal, tax or financial aspects of their investment in the company.

This universal registration document contains information on the group's markets and competitive positions, including information on market size. In addition to the estimates made by the group, the information on which the group's statements are based comes from studies and statistics by third parties and professional organizations or from figures published by the group's competitors, suppliers and customers. Certain information contained in this Registration Document is publicly available information that the Company considers to be reliable but which has not been verified by an independent expert. The company can not guarantee that a third party would obtain the same results using different methods to collect, analyze or calculate data on the business segments. The company does not commit to or guarantee the accuracy of this information. This information may prove to be incorrect or no longer up to date. The group does not commit to publish updates to this information, except in the context of any legal or regulatory obligation applicable to it.

Certain figures (including data expressed in thousands or millions) and percentages presented in this Registration Document have been rounded.

Where applicable, the totals presented in this Universal Registration Document may differ from those that would have been obtained by adding the exact (unrounded) values of these figures.



The Universal Registration Document was filed on 31 March 2023 with the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of that Regulation. The Universal Registration Document may be used for a public offering of financial securities or the admission of financial securities to trading on a regulated market if supplemented by a flyer or note relating to financial securities and, where applicable, a summary and any amendments to the Universal Registration Document.

The package then formed is approved by the AMF under Regulation (EU) 2017/1129.



Group Profile

Kaufman & Broad is a strong, nationwide group with a presence in major cities and geographic sectors with high potential for medium- and long-term economic and demographic development. It is made up of men and women in the spirit of entrepreneurship who have shared for more than 50 years the same vision of their profession: The customer and the user are at the heart of its strategy and decisions.

“For several years, Kaufman & Broad has become one of the leading French real estate players in both residential and Commercial property.”

A historical player in the evolution of cities since its creation, its knowledge of local specificities allows the group to provide tailor-made answers, in perfect coherence with the identity and needs of the territories.

The group thus offers a wide range of related products and services, whether in residential or Commercial property, capable of meeting the aspirations and demands of its customers, namely:

- **Open acquisition:** First and second, buyers or investors, find at Kaufman & Broad an offer that perfectly meets their expectations and supports them during their purchase journey.

- **Social and affordable housing:** They can be integrated into home ownership programs to promote diversity or sold in full to social-housing landlords or institutional investors. The development of social rental usufruct can also meet the expectations of cities in tense areas.
- **Assisted acquisition:** Reduced VAT, controlled prices, ready-to-finish contracts, all of which help low income households gain access to property. And in which the group offers secure solutions, such as the Real Solidarity Lease, set up in partnership with a Solidarity Real-Estate Office.

MARKETING OR CONSTRUCTION IN FRANCE SINCE 1968



156,000

housing units



1,197,000 sq.m

offices
and business premises

OUR EXPERTISE AT THE SERVICE OF YOUR PROJECTS

To provide comprehensive and effective responses to the regions and their inhabitants, our teams control the entire real estate chain, which is organised as follows around its main business lines:

HOUSING SEGMENT

- Private housing (collective or individual)
- Managed Residences

COMMERCIAL PROPERTY

- New or restructured offices
- Logistics and business platforms
- Hotels
- Retail areas and business parks

REAL ESTATE DEVELOPMENT AND URBAN PROJECTS

MANAGED RESIDENCES PORTFOLIO:

- Developer-Investor-Operator

Build the city in all its forms and create the conditions for living well together:

- Choosing the most relevant designs and construction methods to make architectural quality an asset for the city,
- Seeking the highest quality of construction to ensure our achievements are built to last,
- Making each new building more efficient than the previous one to make it sustainable,
Aiming for the maximum customization to design spaces tailored to each type of use and customer,
- Making customer relations at the heart of our concerns, particularly through internal "*customer satisfaction*" tools and processes

, etc. To go further in the ecological transition.



Acting to make the city more sustainable and responsible and create all the conditions for living well together: Our business, our ambition

The ecological transition is underway, the fight against global warming has become everyone's business, with each according to their means. As we know, urban space, with its human activity, buildings and transport, is one of the main sources of greenhouse gas emissions. It is also at the core of our business. Therefore, we have, more than any other sector of activity, the ability to act, the duty to make the city healthier, more resilient and more inclusive. This will be based on:

- **Responsibility**, which guides our recommendations and forces us to keep our promises to achieve the best construction modes and the best programming. It is an integral part of our identity.
- **Trust**, which is the driving force behind a project's success. This has been our mode of operation for more than 50 years
- **The long-term**, which is the life cycle of our achievements and our relationships with communities.

These three objectives are our driving force and encourage us to always evolve and strive for excellence.



Message from the chairman

The 2022 results have been in line with the objectives. With revenues up 2.6% and net group share income up 11.7%, they confirm Kaufman & Broad's ability to maintain solid economic performance in a constrained environment.

Over the full year, net housing orders rose by 2.1% in value terms. The commercial offer increased by 10.3%. The pace of marketing remains strong, as evidenced by the 4.3-month take-up period reflecting the adaptation of Kaufman & Broad's offer to demand.

The continued strengthening of the CSR policy resulted in Kaufman & Broad's progress in the CDP (Carbon Disclosure Management) ranking at an A-rating at B-rated sector.

The capital increase reserved for employees was a success, hailed by the 2022 Employee Share Ownership Grand Prix (SME ETI category).

“ Kaufman & Broad is currently the only European developer with an Investment Grade rating, attesting to the quality of its financial structure”

The rise in rates associated with high inflation leads to a decline in real estate purchasing power, both for institutional investors and for individuals, which will result in a decrease in order volumes across the entire new housing market in France in 2023.

Kaufman & Broad is currently the only European developer with an Investment Grade *rating*, attesting to the quality of its financial structure. Based on its strong balance sheet strength and the high level of its Backlog, the group is confident in its ability to adapt to this period and, beyond that, take advantage of market adjustments.

For the full year 2023, revenue is expected to be around 1.5 billion euros, the recurring operating income rate is expected to be around 8% and the group is in a positive net cash position.

The 2022 results, the strong financial structure of Kaufman & Broad and the high level of its Backlog led the Board of Directors to propose a dividend of 2.40 euros per share for fiscal year 2022 at the Annual General Meeting to be held on 4 May.

In my personal capacity and on behalf of the Board of Directors, I would like to thank you and all the group's employees for your commitment and confidence.

NORDINE HACHEMI

Chairman and Chief
Executive Officer



Highlights 2022

Despite economic resilience, 2022, a year marked by inflation and a constrained environment

BUILDING PERMIT FOR THE AUSTERLITZ STATION RENOVATION PROJECT (A7/A8)

Following the rejection by the Paris Administrative Court of Appeal, on 18 November 2021, of the application for annulment of the building permit for the redevelopment project of the Austerlitz station district (lots A7/A8) obtained on 14 December 2020, Kaufman & Broad, SA was informed that an appeal was lodged with the Council of State against this rejection ruling.

CAPITAL REDUCTION THROUGH THE CANCELLATION OF TREASURY SHARES

Pursuant to the authorisation granted at the Shareholders' Meeting of 6 May 2021, the Board of Directors' meeting of 26 January 2022 reduced its share capital by cancelling 400,000 treasury shares, thereby increasing the number of shares comprising the Company's share capital from 21,713,023 to 21,313,023 shares

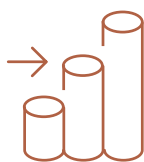
PAYMENT IN CASH OF THE DIVIDEND FOR THE FINANCIAL YEAR ENDED NOVEMBER 30, 2021

The Ordinary and Extraordinary Shareholders' Meeting of Kaufman & Broad SA, held at the registered office on 5 May 2022 under the chairmanship of Nordine Hachemi, decided to distribute a total dividend of 1.95 euros per share for the financial year ended November 30, 2021. The cash dividend was paid on 3 June 2022.



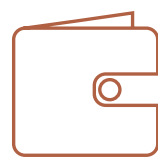
+2.6%

Revenue of
€ 1 314.9M
(2021/€ 1281.8M)



+2.5%

Gross margin
of €228.2M
(2021/€222.6M)



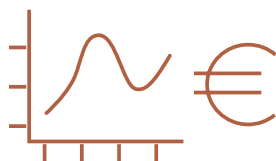
34,009

Housing in the land portfolio,
i.e. more than 5 years
of activity



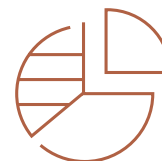
€1433.8M

including tax
Housing orders vs
€1404.5M including tax in 2021



€67.8M

Net financial debt
(excluding IFRS 16 and
Put Neoresid)



€49.0M

Attributable net income
+11.7% vs. 2021



KAUFMAN & BROAD IS RATED INVESTMENT GRADE BBB-BY FITCH RATING

Kaufman & Broad S.A was assigned an Investment Grade BBB-, a rating with a stable outlook by the international rating agency Fitch. Fitch refers in particular to Kaufman & Broad's solid business model and its high level of cash flow, favored by limited working capital requirement in the project cycle.

Kaufman & Broad is currently the only *pure* developer in continental Europe to have an Investment Grade rating. This note illustrates the strength of the group's financial structure, its operational efficiency and its controlled investment strategy in managed residences).

BUILDING PERMIT FOR THE AUSTERLITZ STATION RENOVATION PROJECT (A7/A8)

On 19 October 2022, the Council of State rejected the appeal in cassation against the building permit for the redevelopment project for the Austerlitz train station district (lots A7/A8) obtained on 14 December 2020. As a result, the above- mentioned building permit is not subject to appeal.

CAPITAL INCREASE BY "KB SHARES 2022"

On 15 June 2022, Kaufman & Broad announced the launch of its leveraged and investment guaranteed "KB Actions 2022" shareholder offering, reserved for group employees who are members of the savings plan. Kaufman & Broad SA noted the capital increase resulting from subscriptions to the "KB Shares 2019" offer on 12 October 2022. As in 2017 and 2019, the offer was very successful. The membership rate of eligible employees was 53%, with a total of 299,999 shares subscribed through the "KB Shares 2019" compartment of the KB SHARES FCPE for 5,774,980.75 euros. The 299,999 new shares issued as part of the offer are ordinary shares, fully assimilated to existing shares and bearing current dividend rights.



IMPORTANT EVENTS

Since the end of financial year 2022



CONCLUSION OF CONTRACTS FOR THE AUSTERLITZ TRAIN STATION

On 19 December, Kaufman & Broad announced that it had completed the acquisition of all the building volumes of the A7/A8 - Austerlitz Train Station transaction and that it had signed the contracts necessary for the completion of the project.

PROPOSAL OF THE BOARD OF DIRECTORS TO PAY A DIVIDEND IN RESPECT OF THE FINANCIAL YEAR ENDED NOVEMBER 30, 2022


The 2022 results, the strong financial structure of Kaufman & Broad and the high level of its Backlog led the Board of Directors to propose a dividend of 2.40 euros per share for fiscal year 2022 at the Annual General Meeting to be held on May 4.


CAPITAL REDUCTION BY CANCELLING TREASURY SHARES


Under the authorisation granted at the Company's Shareholders' Meeting of 5 May 2022, the Board of Directors' meeting of 27 January 2023 reduced its share capital by cancelling 500,000 treasury shares, thereby increasing the number of shares comprising the Company's share capital from 21,613,022 to 21,113,022 shares.


2023 CALENDAR


- 13**
April 2023


 Publication of first quarter 2023 results (after trading)
- 14**
April 2023


 Presentation of Q1 2023 results
- 4**
May 2023

 Shareholders' Meeting
- 12**
July 2023

 Publication of first half 2023 results (after trading)
- 13**
July 2023

 Presentation of first half 2023 results
- 2**
October 2023

 Publication of Q3 2023 results (after trading)
- 3**
October 2023

 Presentation of Q3 2023 results





Main group sites



Île-de-France

Head office:

- Courbevoie

Agencies:

- Île-de-France



Occitanie

Agencies:

- Toulouse
- Serge Mas Promotion

- Montpellier
- Perpignan



Provence-Alpes-Côte-d'Azur

Agencies:

- Nice
- Marseille

Local offices:

- Aix-en-Provence

Showroom:

- Fréjus



Auvergne-Rhône-Alpes

Agencies:

- Annecy
- Lyon



Normandy

Agencies:

- Caen

Local offices:

- Rouen
- Le Havre



Nouvelle-Aquitaine

Agencies:

- Bayonne
- Bordeaux

Local offices:

- La Rochelle



Pays-de-la-Loire

Agencies:

- Nantes



Bourgogne-Franche-Comté

Local offices:

- Dijon



Brittany

Agencies:

- Rennes



Grand-Est

Agencies:

- Strasbourg



Hauts-de-France

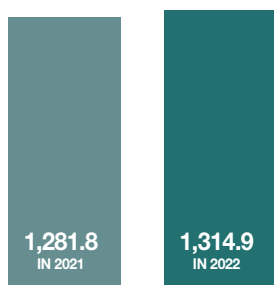
Agencies:

- Lille

Key figures and stock market

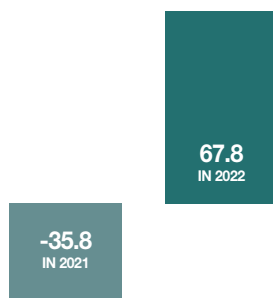
Revenue

(in millions of euros)



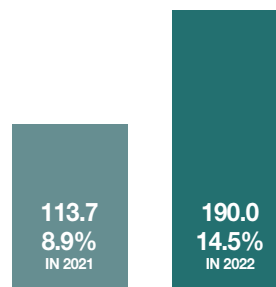
Net financial debt (excluding IFRS 16 and Put Neoresid)

(in millions of euros)



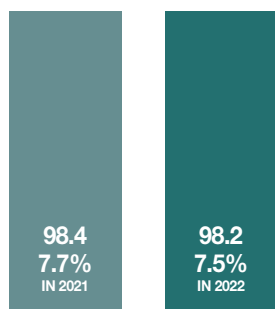
Working capital requirement

(in millions of euros and as a percentage of revenues)



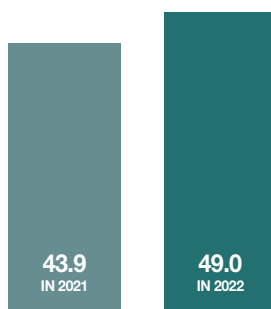
Recurring operating income or EBIT

(in millions of euros and as a percentage of revenues)



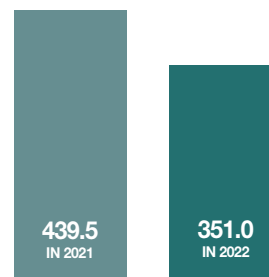
Attributable net income

(in millions of euros)



Financial capacity ⁽¹⁾

(in millions of euros)



⁽¹⁾ Cash and cash equivalents + undrawn credit line at date

STOCK MARKET DATA

€38.20

High

€18.34

Lowest

€27.45

Last quoted price on 31 December 2022

21,613,022

Number of shares as of 31 December 2022

€593.3

Market capitalisation as of 31 December 2022 (in millions of euros)

63,401

Average daily volume for all platforms combined ⁽¹⁾ (from January 1 to 31 December 2022) including Euronext platform: 23,999

⁽¹⁾ Sources: Euronext Post Listing Advisory.

Euronext market

Compartment B Mid Caps

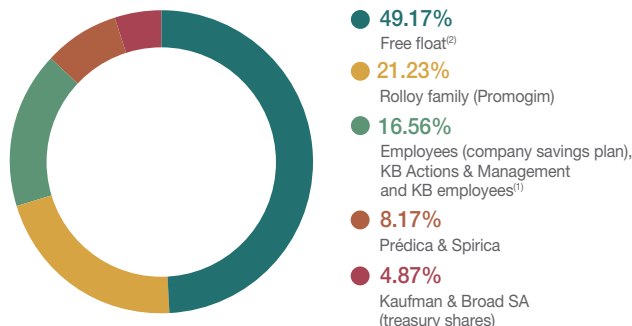
ISIN code FR 0004007813

LEI 969500CE0X343D8ALO86

Indices CAC Mid & Small and CAC Small

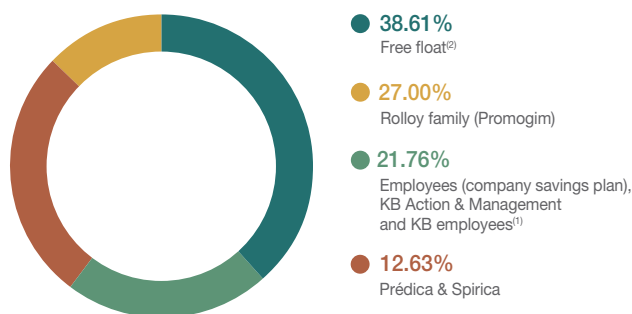
Distribution of capital

(as of November 30, 2022)



Percentage of voting rights

(as of November 30, 2022)

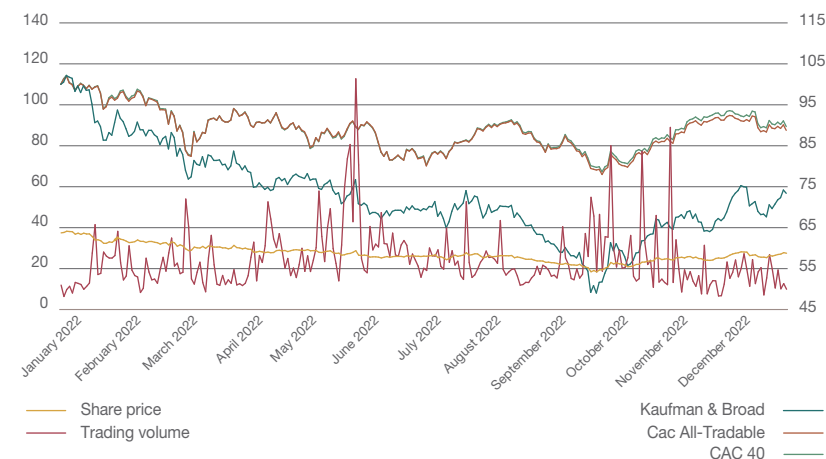


⁽¹⁾ group the company's executives and employees through Artimus Participations, the Kaufman & Broad Shareholders' mutual fund and the KB Shares 2019 and KB Shares 2022 mutual funds. They represent 16.56% of the share capital and 21.76% of the voting rights, including employees holding registered shares in a personal capacity.

⁽²⁾ The shares held by the Directors are included in the "Public" section of the shareholder structure as of November 30, 2022.

Kaufman & Broad share price evolution

Compared to CAC40 and CAC All Tradable



Activities



14,409

Units under construction



12,973

Housing units in Backlog



4.3 months

Take-up period in months



6,214

Housing units ordered



Land Reserve

(number of housing units)



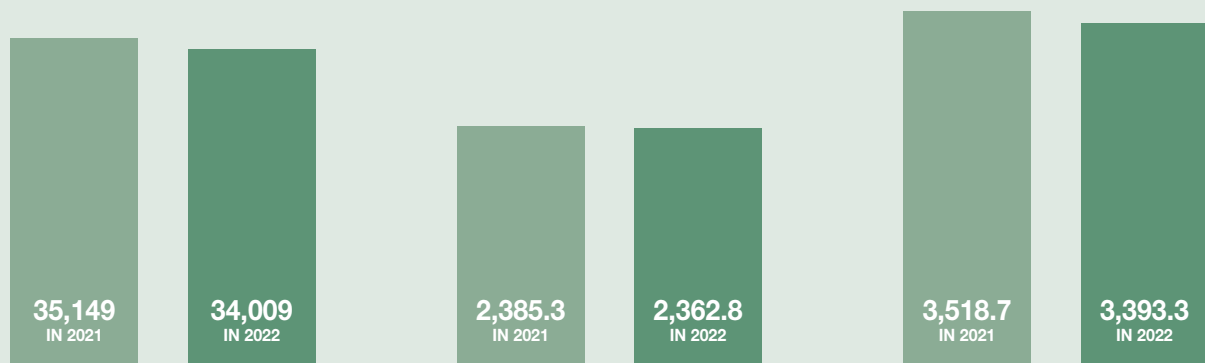
Housing backlog

(in millions of euros excl. VAT)



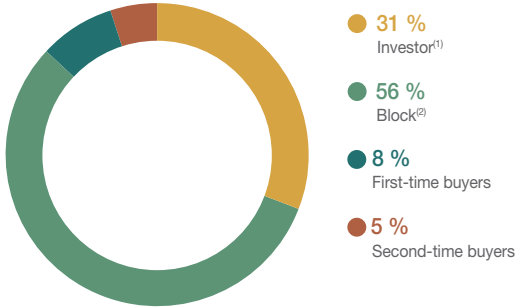
Total backlog

(in millions of euros excl. VAT)



Order by buyer type

(number as of November 30, 2022)

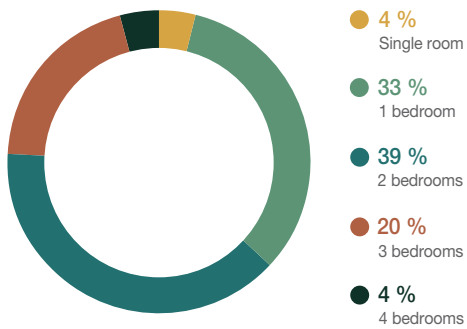


(1) of which 'Pinel' shares

(2) Excluding office blocks

Property supply by apartment type

(number as of November 30, 2022)





Headcount



784

Employees

(as of 31 December 2022)



406

Women



378

Men



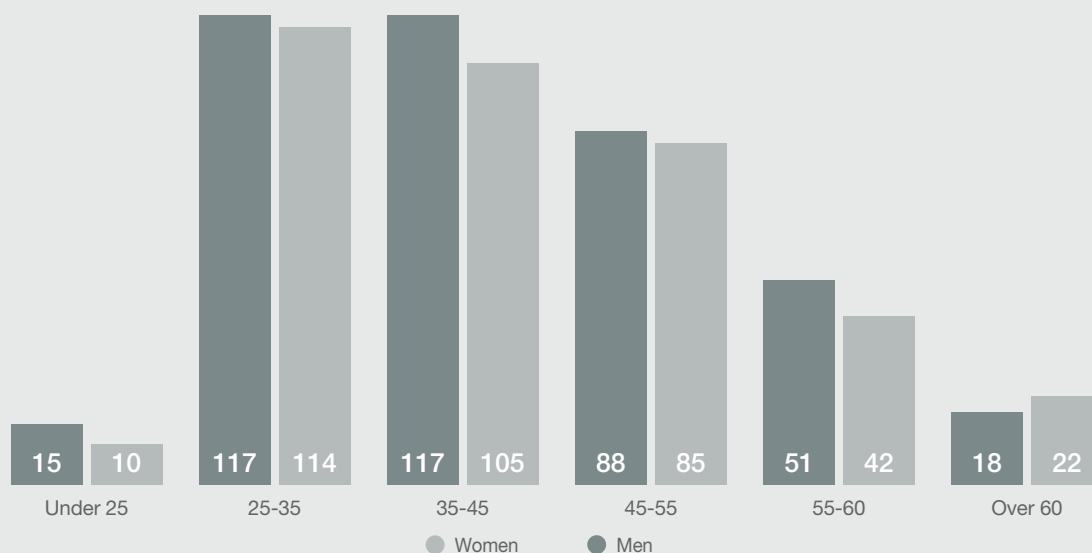
85%

Of the workforce
trained

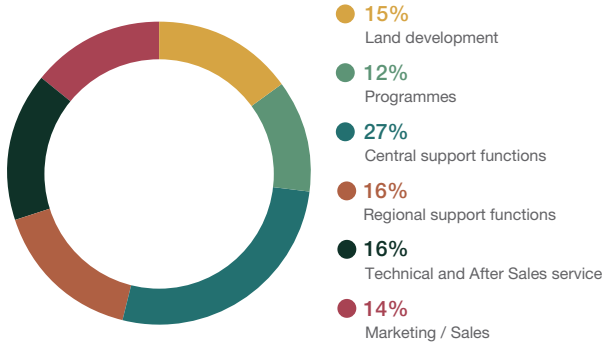


Age pyramid

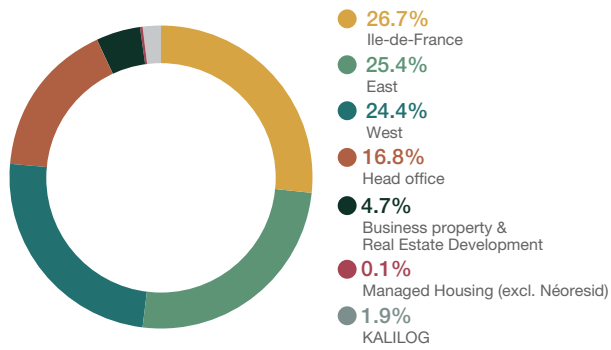
(as of 31 December 2022)



Average headcount by duty
(as of 31 December 2022)



Average headcount by region
(as of 31 December 2022)



Corporate governance

The main role of the Board of Directors is to determine the Company's business strategy and ensure its implementation.

The Board carries out the controls and verifications it deems appropriate and reviews and approves the half-year and annual financial statements (parent company and/or consolidated), as well as the closing and approval of the related reports provided for by the regulations in force. The Board of Directors of Kaufman & Broad SA currently has ten members, including eight independent members, who bring different and complementary experiences because of their varied profiles:

- Audit Committee
- Pay and Appointment Committee
- CSR Committee

Board of Directors



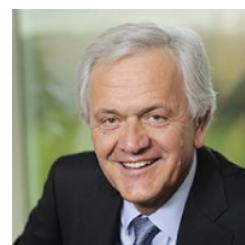
01



02 ●



03 ● ●



04



05 ●



06 ● ● ●



07



08 ●



09 ●



10

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

01. Nordine Hachemi

INDEPENDENT DIRECTORS ⁽¹⁾

02. Sylvie Charles
(Transilien SNCF)
Chairman of the Audit Committee

03. Jean Louis Chaussade
(JLCH Conseil)
Chairman of the CSR Committee

04. Yves Gabriel
(Yves Gabriel Consulting)
Director

05. Michel Giannuzi
(Verallia)
Director ⁽³⁾

06. Sophie Lombard
(Bluester Capital) Chairman of the
Compensation and Nomination
Committee ⁽²⁾

07. Annalisa Loustau Elia
Director

08. Michel Paris
Lead Director

09. Lucile Ribot
Director

OTHER DIRECTORS

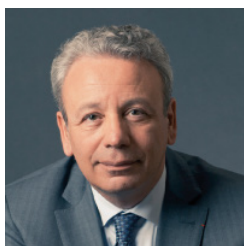
10. Aline Stickel Director
representing employee shareholders ⁽⁴⁾

⁽¹⁾ Independent Directors within the meaning of the AFEP MEDEF Code.

⁽²⁾ On the recommendation of the Compensation and Nomination Committee, the Board of Directors' meeting of 27 January 2023 decided to appoint Ms Sophie Lombard as Chairwoman of the Compensation and Nomination Committee to replace Mr Yves Gabriel.

⁽³⁾ On the recommendation of the Compensation and Nomination Committee, the Board of Directors' meeting of 27 January 2023 decided to appoint Mr Michel Giannuzi as a member of the Compensation and Nomination Committee.

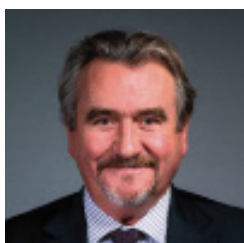
⁽⁴⁾ The Annual General Meeting of 5 May 2022 appointed Ms Aline Stickel as director representing employee shareholders



01 ●●



05 ●●



09 ●



13 ●

01. Nordine Hachemi
Chairman and Chief Executive Officer

05. Sophie Letiers
Executive Vice-Président
Human Resources

09. Christian Delapierre
Executive Vice-Président
Development, Île-de-France

13. Georges Lopez
Regional Vice-President
Nouvelle-Aquitaine



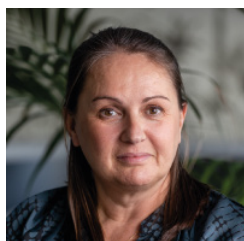
02 ●●



06 ●●



10 ●



14 ●

02. Bruno Coche
Chief Financial Officer

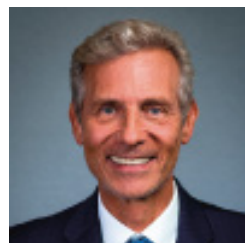
06. Jacques Rubio
Executive Vice-Président
Regions, (Housing) and managed
residences

10. Bertrand Eyraud
CSR and Innovation Vice-President

14. Chrystèle Marchand
Marketing, Communication and Digital
Vice-President



03 ●●



07 ●●



11 ●



15 ●

03. Sylvère Hamel
Executive Vice-Président
Île-de-France (Housing)

07. William Truchy
Executive Vice-President, Sales,
Marketing, Communication and Digital

11. Yannick Le Bihan
Regional Vice-President West

15. Philippe Ribouet
Executive Vice-President
South-East Region



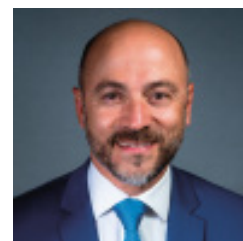
04 ●●



08 ●



12 ●



16 ●

04. David Laurent
Executive Vice-Président Business
Property, Logistics, Hauts-de-France
and East Regions (Housing)

08. Frédéric Bourg
Executive Vice-President, Quality,
Architecture and Customer Experiences

12. Luc Le Gall
Senior Vice-President
Kalilog

16. Marc Vettraino
Senior Vice-President
Île-de-France

- Executive Committee
- Management Committee

The Executive Committee has 7 members.

The Management Committee is made up of 16 members,
including those of the Executive Committee.



Group
presentation and
strategy

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Group presentation and strategy

Presentation of the Kaufman & Broad group

1.1. Presentation of the Kaufman & Broad group

For several years, Kaufman & Broad has become one of the leading French real estate players in both residential and Commercial property.

The company and its subsidiaries (together referred to as the "group" or "Kaufman & Broad") operate in France as a developer and builder of new housing, namely single-family houses in villages (grouped Single-family homes in communities), apartments, service residences (business, tourism, students or non-medicalised senior housing), hotels, as well as a Commercial property activity (offices, shops and logistics warehouses). To better meet the objectives of new urban uses, the group has adopted two new directions in recent years:

- *Development and Urban Projects*, which aims to support local authorities in carrying out new generations of eco-urban projects. But also to highlight the group's expertise in the assembly and implementation of operations with mixed programming.
- *Portfolio of managed residences*: Starting in 2020, the group also decided to extend its scope of intervention by including an investor operator activity in the managed residences sector, particularly for students and seniors, to that of developer-builder. The managed residence is an important part of the residential path that a city can offer. This provides for the contribution of new populations and the mixing of generations. It is one of the answers to the challenges of cities, which contributes to their attractiveness and their economic dynamism.

Since its creation in France in 1968, Kaufman & Broad has led to numerous innovations in favour of comfort and conviviality. The group was the first in France to offer houses with kitchen open to the living room, parental suites or cathedral living rooms, etc. Since its inception, the group has had an integrated architect service dedicated to systematically optimising the plans of our homes. Kaufman & Broad also relies on an R&D department to innovate in all aspects of housing: Personalisation and scalability of private areas, conviviality and pooling of common areas, digitalisation, home automation and service applications.

Kaufman & Broad is a strong, nationwide group with a presence in major cities and geographic sectors with high potential for medium- and long-term economic and demographic development. It is made up of men and women in the spirit of entrepreneurship who have shared the same vision of their profession for more than 50 years: Customers, who are the users, are at the heart of its strategy and decision-making. Kaufman & Broad is present in all major French demographic regions and has been a historical player in urban development since its creation. Its knowledge of local specificities allows the group to provide tailor-made solutions in perfect coherence with the identity and needs of the regions.

The group thus offers a wide range of related products and services, whether in residential or Commercial property, to meet the aspirations and demands of our customers, whether private or institutional, intended for accession (first or second buyer), or investment, namely:

Open acquisition: First and second, buyers or investors, find at Kaufman & Broad an offer that perfectly meets their expectations and supports them during their purchase journey.

Social and affordable housing: They can be integrated into home ownership programs to promote diversity, or sold in full to social-housing landlords or institutional investors. The development of social-housing rental usufruct can also meet the expectations of cities in strained areas.

Assisted acquisition: Reduced VAT, controlled prices, ready-to-finish contracts, all of which help low income households gain access to property. And in which the group offers secure solutions, such as the Real Solidarity Lease, set up in partnership with a Solidarity Real-Estate Office.

In 2020, Kaufman & Broad decided to group the development of social housing projects within an entity and under the "Kailog" brand, to be able to propose a national response to these social housing challenges, particularly in the territories in which the group does not operate.

To provide complete and effective responses, Kaufman & Broad and its teams put their expertise at the service of the regions and their inhabitants, by mastering the entire real estate chain for the realization of their projects, which is organized as follows around its main business lines (see detail in section '1.1.2. Business lines and know-how'):

Housing Segment

Private housing (collective or individual)
Managed residences

The Commercial Property

New or restructured offices
Logistics and business platforms
Hotels
Retail areas and business parks

Urban Development and Projects

Managed residences portfolio: Developer investor operator

The Kaufman & Broad brand has more than 50 years of existence and has always cultivated the sense of quality and sustainability of our achievements. These requirements are based on the following concepts:

- Make architectural quality a source of heritage for the city
- Search for the best construction quality
- Putting customer relations at the heart of our concerns
- Customer satisfaction-oriented internal tools and processes
- The most advanced customisation of its products

Since its creation in 1968, Kaufman & Broad has marketed or built more than 156,000 housing units and 1,197,000 square metres of office and business premises in France. Kaufman & Broad is one of the leading home builders (Single-family homes in communities in villages and Multi-occupancy housing) in France. Historically, its largest market is the Paris region. In 2022, the Île-de-France market accounted for 26.2% of the group's reserved housing units, compared with 36.8% in 2021.

1.1.1. History

1.1.1.1. Key dates

1968	Creation of Kaufman & Broad SA in France
1970	Delivery of the first house in the Paris region
1985	Acquisition of Bati Service
1995 to 1999	Acquisitions of Bréguet, SMCI and Park
2000	Kaufman & Broad listed on the Paris Stock Exchange Acquisition of Frank Arthur, Sefima, First Promotion and Sopra Promotion
2001	Acquisition of Résidences Bernard Teillaud
2003 to 2005	Acquisitions of Euro Immobilier, the Avantis group and Real Estate Investissement - Malardeau, and programs developed by Lotibat
2007	Acquisition of a majority stake in Kaufman & Broad SA by PAI Partners
2010	Acquisition of SM2I
2013	Acquisition of Flandres Promotion
2014	Acquisition of Concerto Développement
2015	Acquisition of a stake in Safaur
2015	Acquisition of Serge Mas Promotion
2016	Acquisition of Safaur group Sale of part of Kaufman & Broad's stake by Financière Gaillon 8 (ultimately controlled by funds managed by PAI Partners) Acquisition of the Seri Ouest group
2017	Sale of the remaining interest in Kaufman & Broad SA by Financière Gaillon 8 (ultimately controlled by funds managed by PAI Partners) Creation of Cosy Diem in partnership with Sérénis (senior establishment and healthcare operator)
2018	Employees become the group's largest shareholder with nearly 13% of the capital
2019	Creation of the company KB Aménagement
2020	Creation of Kalilog
2021	Creation of the first companies (investment vehicles) and equity investments in management companies of the new business line "developer investor operator" in the field of managed residences. In December 2021, Kaufman and Broad became the majority shareholder of Neoresid Holding.
2022	Commissioning of the first two student residences in the group's managed residences portfolio

1.1.1.2. Origins

In 1968, the company began to develop Single-family homes in communities in villages in France and delivered its first house in the Paris region in 1970. The group moved to Lyon and Marseille in 1972, then to Frankfurt and Brussels in 1973, before withdrawing from these markets and refocusing its activity in France starting in 1983.

From its inception until 10 July 2007, Kaufman & Broad was a subsidiary of KB Home, one of the top Single-family homes in communities builders in the United States. KB Home had been one of the first players in the real estate market in the United States to understand the importance of the brand and the size effect and to make it one of the essential elements of its strategy. This strategy has enabled Kaufman & Broad to establish itself as one of the industry leaders.

On 10 July 2007 and until May 2017, Kaufman & Broad SA was majority controlled by Financière Gaillon 8, a company ultimately controlled by funds managed by PAI Partners (PAI).

On 27 January 2016, Financière Gaillon 8 SA, the main shareholder of Kaufman & Broad SA with 87.95% of the share capital at that date, announced its intention to initiate the sale of its stake in Kaufman & Broad SA, through an offer to the market, if necessary, which could reduce its stake to below 50% of the capital. This private placement with institutional investors took place at the end of April 2016 for 31.5 euros per Kaufman & Broad SA share. This investment has been oversubscribed several times and has attracted high-quality investors in France and abroad.

This transaction helped Kaufman & Broad to significantly increase its free float and share liquidity. The gross proceeds from the sale of 8,958,134 shares after the full exercise of the over-allotment option amounted to 282 million euros in favour of Financière Gaillon 8. Financière Gaillon 8 successively sold 43% of the company's share capital in April 2016 and 17.76% in February 2017, through private placements and the balance of the company's share capital in May 2017. As of the date of this Universal Registration Document, Financière Gaillon 8, a company ultimately controlled by funds managed by PAI Partners, is no longer present in the company's share capital.

Group presentation and strategy

Presentation of the Kaufman & Broad group

Artimus Participations, the company held by certain executives and employees of the group acquired 944,444 shares sold by Financière Gaillon 8 SA at the offer price of 31.5 euros per share, i.e. a price of 30 million euros. As of 28 February 2018, Artimus Participations held 2,321,440 shares, or 10.62% of the capital of Kaufman & Broad SA, after taking into account the shares of Kaufman & Broad allocated under the free share allocation plans that were contributed to Artimus Participations by the executives and employees investing in Artimus Participations, and the shares of Kaufman & Broad that were allocated to Artimus Participations following the contribution by these executives and employees to Artimus Participations of their financial shares of Neuilly, and successive buybacks.

Kaufman & Broad SA announced on 21 September 2017 the launch of its leveraged and investment-guaranteed "KB Actions 2017" shareholder offering, reserved for group employees who are members of the savings plan. The offer was very successful with a 65.4% membership rate of eligible employees, a total of 236,496 shares were subscribed through the KB Actions 2017 FCPE for an amount of 7,357,390.56 euros. Through this transaction, the group's employees strengthened their position as the leading shareholder of Kaufman & Broad SA, demonstrating their commitment and confidence. The capital increase resulting from this offer (FCPE KB Actions 2017), as well as the shares held through Artimus Participations and those held by the Kaufman & Broad Shareholders FCPE, therefore brought the shareholding by the employees of Kaufman & Broad SA to nearly 14%.

On 13 May 2019, Kaufman & Broad announced the launch of its leveraged and investment-guaranteed "KB Actions 2019" shareholder offering, reserved for group employees who are members of the savings plan. Kaufman & Broad SA noted on 21 November 2019, the capital increase resulting from subscriptions to the "KB Actions 2019" offer. As in 2017, the offer was very successful. The membership rate of eligible employees reached 66.1%, with a total of 283,991 shares subscribed through the "KB Actions 2019" compartment of the KB Actions FCPE for 7,832,471.78 euros. The capital increase resulting from the offer brings the share of capital held by the group's employees through the various shareholding mechanisms to nearly 15% (including the shares held in the "KB Actions 2017" and "KB Actions 2019" compartments of the KB Actions FCPE as well as in the Kaufman &

Broad Actionnariat FCPE proposed under the savings plan, the shares resulting from the free share allocation plans and the shares held within the company Artimus Participations). Through this transaction, employees strengthened their position as the leading shareholders of Kaufman & Broad SA, demonstrating their commitment and confidence in their company. The 283,991 new shares issued as part of the offer are ordinary shares, fully assimilated to existing shares and bearing current dividend rights.

In 2014, Kaufman & Broad created an Urban Projects Department, which aims to support local authorities in carrying out new generations of eco-urban projects.

At the end of 2019, Kaufman & Broad decided to set up an organization dedicated to development activities. The Planning Department offers strong expertise and a systematic approach in the structuring and implementation of operations with mixed programming.

In 2020, Kaufman & Broad decided to group the development of social housing projects within one entity and under the "Kailog" brand. This grouping aims to be able to propose a national response to these social housing challenges, particularly in the regions in which the group does not operate (outside the major cities, i.e. in social zones 2 and 3, zones Pinel B2 and C). (See section 1.4.2.2.3 "Kailog Social housing").

Finally, the group also decided to extend its scope of intervention by integrating an investor operator activity in the managed residences sector, particularly for students and seniors, into that of developer-builder. Kaufman & Broad has already identified around ten managed student and senior residences projects under development that could constitute a starting portfolio.

In December 2021, Kaufman and Broad became the majority shareholder of Neoresid Holding, to form the manager of the student and co-living activities that the group wishes to develop, particularly through its investment subsidiary in managed residences.

During the first half of 2022, the group delivered its first residence managed for its own account, the Gagny student residence; But also the resumption in operating a student residence in Amiens, which will be extensively renovated by the group during the 2023 business year.

1.1.1.3. External growth policy

Beginning in the second half of 1980, Kaufman & Broad began an external growth policy in 1985 with the acquisition of Bati Service, a company that creates Single-family homes in communities for the first-time buyers, then acquires the goodwill and certain assets of its main competitor of the time, Bréguet, specialized in the construction of Single-family homes in communities for a total amount of 11 million euros.

In August 1997, Kaufman & Broad acquired from CDR the main assets (interests in thirteen real estate companies) of Société de Missions et de Coordinations Immobilières (SMCI) and CFP SMCI, which operates apartments in major French cities (Paris, Marseille, Lyon, Strasbourg, Rouen and Besançon), as well as associated liabilities. This acquisition was carried out for a net amount of 2 million euros, taking into account the reversal of assets and liabilities.

In the second half of 1999, Kaufman & Broad acquired Park and its subsidiaries (SNC Park Promotion, SNC Park Rénovation and the SCI housing their apartments programs), specialised in carrying out apartments operations in the Paris region for a total price of approximately 15.5 million euros. Four acquisitions were made in 2000, including two companies specialised in building apartments in Paris and in the inner suburbs of the Paris region (respectively Frank Arthur Promotion in January and Sefima in July). They were acquired to strengthen the company's market share in the Paris region. The other two companies purchased that year by Kaufman & Broad were First Promotion in Lille in July and Sopra Promotion in Toulouse in November. They illustrate the company's external growth policy to establish itself in new regional markets with high potential through acquisitions of existing and experienced local structures. These four acquisitions represented a total investment of 45 million euros.

In August 2001, Kaufman & Broad acquired Progesti SA (the Bernard Teillaud Residence group), one of the leading builders in the Grenoble region. The total price of this investment was 32 million euros, including a variable portion calculated on the basis of the company's actual results from 2002 to 2005, which amounted to 16.3 million euros.

In October 2003, Kaufman & Broad acquired Euro Immobilier, a real estate developer based in Toulouse, developing operations in Midi-Pyrénées and Gironde. The purchase price of these shares amounted to 3.2 million euros and was accompanied by a variable increase linked to the Company's actual results for the years 2003 to 2006. This variable portion amounted to 3.6 million euros.

In 2004, Kaufman & Broad completed two acquisitions of large-scale developers, mainly located in southwestern France and more particularly in Midi-Pyrénées and Aquitaine. The first of these acquisitions was made in the first half of 2004 and concerned the Avantis group. The shares in this company were acquired in May 2004, for an amount of 9.7 million euros with the acquisition of control as of 1^{March} 2004. Then, in June 2004, the Société de Développement et de Participation (Real Estate Investissement - Malardeau) was acquired by the Kaufman & Broad group for 15.6 million euros.

In June 2005, Kaufman & Broad acquired 15 housing programs at a price of 4.7 million euros, previously developed under the Lotibat brand and located in the Toulouse region.

In June 2007, Kaufman & Broad acquired 33.34% of Beaulieu Patrimoine SAS (renamed Seniors Santé), an operator in the care homes sector. As part of the refocusing of its activities, the group sold its entire minority stake in Seniors Santé on 13 October 2010.

In September 2010, Kaufman & Broad signed the acquisition of regional promotion company SM2I for 5.1 million euros. This acquisition enabled the group to accelerate its presence in the Brittany region with a real estate portfolio of more than 400 units through 12 controlled operations at the acquisition date.

In May 2013, Kaufman & Broad signed the acquisition of Flandres Promotion (a property development company in the Nord-Pas-de-Calais region) for 0.4 million euros. This acquisition allows the group to relaunch its presence in this region.

In December 2014, Kaufman & Broad acquired control of Concerto Développement, one of the French leaders in logistics development, from Affine, of which Concerto Développement was a subsidiary, for 4.4 million euros. Affine would continue to partner Kaufman & Broad as a minority partner in projects developed until 2018.

In October 2015, Kaufman & Broad acquired a stake in Safaur, a real estate developer based in Caen. The acquisition concerned an amount of 1.4 million euros, representing a 40% stake in the company's share capital. This participation is in line with the group's stated desire to develop its presence in medium-sized cities. Safaur also covers the Normandy coast and Lower Normandy. The two companies share the same values and are committed to building quality housing. On 6 January 2016, Kaufman & Broad acquired the remaining share capital of Safaur for a total amount of 5.5 million euros, representing goodwill of 1.8 million euros allocated to the programs in the portfolio.

In December 2015, Kaufman & Broad Midi-Pyrénées took control of SMP (Serge Mas Promotion), a property developer in Toulouse. SMP is active in the promotion, construction and sale of homes, apartments, seniors' residences, shops, offices, mixed housing complexes and activities in Toulouse and southwest France. This merger with a recognised regional developer demonstrates Kaufman & Broad's desire to develop and strengthen its leadership position in Languedoc-Roussillon and Midi-Pyrénées. This transaction amounted to 1.7 million euros.

Kaufman & Broad Nantes, a 100%-owned subsidiary of Kaufman & Broad SA, acquired a controlling interest of 80% in Seri Ouest on 23 June 2016. This company is active in Upper and Lower Normandy, Brittany and Pays-de-Loire, with a mix of housing programs (apartments and houses), managed residences and offices. This merger with a recognised regional developer allows Kaufman & Broad to strengthen its position in the Greater West and develop its territorial network. The remaining 20% of Seri Ouest shares were acquired on 23 June 2017. The final overall price of this transaction was 14 million euros.

In December 2017, Kaufman & Broad created the company Cosy Diem with SERENIS, the operator of senior and healthcare establishments, a joint venture to jointly develop a park of senior residences. The creation of this partnership through a management company for senior residences meets the housing needs of an ageing population that wishes to preserve its autonomy. This initiative reinforces the group's commitment to the buoyant segment of managed residences.

In December 2021, Kaufman and Broad acquired a majority stake in Neoresid Holding; a recognised operator in short- or long-stay managed residences, especially student residences. To create the manager of the student and co-living activities that the group wishes to develop, in particular through its investment subsidiary in managed residences

Group presentation and strategy

Presentation of the Kaufman & Broad group

1.1.2. Business lines and know-how

Kaufman & Broad has been a developer builder in France since 1968. It is mainly structured around two main areas, "Housing," which covers the promotion of Single-family homes in communities in villages (grouped Single-family homes in communities), Multi-occupancy housing such as apartments (which may include mixed buildings apartments/business premises/shops/offices), business managed residences, tourism, hotels, students, elderly people without medical care and "tertiary" (Commercial property, logistics and shops). Then, in recent years, to better meet the objectives of new urban uses, the group has adopted two new departments: *Development and Urban Projects and Portfolio of managed residences: Developer investor operator.*

Kaufman & Broad's core business remains mainly housing, mainly due to several factors specific to the situation of the new housing market in France, namely:

- Sustained long-term demand for new housing;
- An offer hampered by the prolonged slump in the granting of building permits;
- Environmental constraints that create new opportunities
- Based on these findings, its positioning and its know-how, the group is committed to several projects aimed at capturing new areas of profitable and sustainable growth that can be broken down as follows (see section 1.2. "Strategy and creation of financial and non-financial value of this Universal Registration Document"):

a) *Increasing integration of social and environmental impact into our projects,*

b) *Development policy (regional construction, industrial and tertiary wasteland),*

c) *Creation of a portfolio of managed residences as an investor-operator-developer.*

In addition, for the Housing Segment, it focuses on two main areas:

- first is the group's geographical presence. The group is present in major French cities where the market is deepest and most dynamic, and where customers are the most solvent. It particularly favours the Paris region and the Atlantic and Mediterranean coasts, as well as the Rhône-Alpes, Lillois and Rhenan basins, which have for several years offered the strongest economic and demographic growth and the best development prospects;
- The second area concerns customers. Kaufman & Broad's clients are traditional home buyers (first-time buyers and second-time buyers) and investors, whether individual ("Pinel", LMNP, LMP, etc.) or institutional.

The group also carries out related activities in connection with the Housing Segment, such as the sale of land, building lots, delegated project management and the sale of services complementary to those designated as "Showroom" (or "Espace Déco"). These activities are grouped under the term "Other activities."

The group generally does not carry out development construction operations outside France.

Housing Segment

Private housing (Multi-occupancy or Single-family) and managed residences

Kaufman & Broad works at every stage of a real estate program, from land research to housing marketing, project design, building permit filing and after-revenues service.

Construction is carried out by a general company or by separate state-owned companies.

Kaufman & Broad is a developer builder whose policy is:

- Not to purchase land on a speculative basis but to make only the purchases necessary for its development;
- Not to anticipate a significant increase in selling prices in its property acquisitions, but to focus on the design and quality of its products;
- Obtain information on its customers' financing plans to ensure that they are able to finance their acquisition;
- Ensuring that all group employees are aware of the new Code of Ethics that governs the relations of its employees with its customers, subcontractors and suppliers, and more generally with all of the group's interlocutors, is well respected;
- Ensure that its projects respect the environment.

Kaufman & Broad is a key success factor in a competitive market for three main reasons:

- It promotes privileged access to land;

- It generates a certain level of customer loyalty over the long term (first-time buyers are potential second-time buyers);
- Above all, it accelerates the pace of marketing, which limits the financial risk of each project and allows the group to optimize its profitability.

The group allocates its products to homebuyers and private and public investors (social operators, real estate companies, etc.). It sells its Single-family homes in communities and apartments under the brand name "Kaufman & Broad" or, where applicable, brands in its portfolio, resulting from buybacks and benefiting from a local reputation.

By listening to its customers and stakeholders, by observing how they change, their ways of living and working, the group has been able to imagine and create products that meet their aspirations and have become benchmarks in its sector. Kaufman & Broad's reputation has in particular been built on the quality of its design as well as that of the execution of its achievements. A building is a link in the heart of the city, the neighbourhood, the urban fabric, between the present and the future; a link with the group's partners, that is to say between the city, the user, the investor and the developer. This link is crucial for the company. It allows it to create truly tailor-made projects, establishing a real relationship, a continuous exchange with its customers and partners. This link does not stop at the delivery of the building: The group continues to advise its customers during the first two years of operation.

Kaufman & Broad offers its customers the opportunity to move into a ready-to-live home, which they will have been able to customize thanks to the wide range of options offered to them. In this perspective, Kaufman & Broad provides its customers with Showrooms (or "Espaces déco") where customers can see,

choose and buy the options offered to them as part of the group's achievements.

Lastly, the group has been developing tourism, business, senior (non-medicalized) and student residences for more than a decade.

The Commercial Property

Kaufman & Broad teams dedicated to Commercial property design, develop and build office projects, Retail areas complexes, hotels and logistics platforms. For the group, building an office building is first and foremost about creating value for the community, the investor, and its user. It depends in particular on the following factors: Quality, sustainability, investment security, long-term profitability, a respected and protected environment and economic attractiveness.

The group carries out this activity, either on behalf of third parties (delegated project management and property development contract) or on its own behalf to sell it, generally respecting a strict policy of buying land once the entire pre-marketed program (sale in the future state of completion).

New offices

For Kaufman & Broad, each project is designed as a single project. Present at every stage of the project, Kaufman & Broad supports its customers in the creation of their bespoke projects. A new office building is the result of a thorough creation process, the compilation of rigorous parameters and decisive choices made in close collaboration with our partners:

- Choose the best locations;
- Providing tailored responses to business needs;
- Integrate the expectations of governments and investors;
- Build the most healthy and comfortable, the most economical and virtuous, the most efficient and profitable buildings.

Restructured offices

In terms of building rehabilitation, the challenges of the restructuring are to recreate attractiveness for all real estate, allowing a new cycle of long-term profitability and optimal liquidity of these real estate assets.

The group is carrying out rehabilitation projects that help to change the use of buildings while retaining the framework structure and structure itself. This approach saves some of the carbon emissions related to materials compared to new construction and also reduces soil sealing.

To further highlight this approach and its expertise in the rehabilitation/restructuring of existing assets, Kaufman & Broad decided to establish its headquarters in 2022 in the Highlight operation it has developed. The "Highlight" project consists of the heavy renovation of a set of existing buildings. The structure of the 14-storey building was retained. With the addition of a new extension, Kaufman & Broad rehabilitated 17,600 m² of collaborative workspaces.

Logistics and business platforms

Through Concerto, created in 1998, Kaufman & Broad is one of the French leaders in logistics engineering in France. A subsidiary of the Kaufman & Broad group since 2014, Concerto strategically complements the expertise and know-how of Kaufman & Broad's Corporate Real Estate Segment and demonstrates its ability to create value for its industrial customers or distributors by offering them tailor-made solutions and projects that meet the new technical challenges facing the logistics businesses today.

Concerto offers professionals solutions for logistics functions to enable them to transform fixed costs into variable costs and remain focused on their core business. In this context, Concerto, through its experience in logistics engineering, designs turnkey projects adapted to the needs of its customers in a spirit of a long-term partnership, and carries out operations to reconvert/rehabilitate sites close to urban centers. Concerto is active in the high-value-added logistics sectors in all sectors of industry and distribution, as well as in the development of business parks.

Hotels

To develop new concepts and diversify the heritage of their future customers, Kaufman & Broad offers its know-how in hotel project design to the largest national and international brands.

These teams can offer their future customers tailor-made projects to:

- Capture the benefits of tourism growth and globalisation;
- Develop new hotel concepts that create more value and are attractive to customers;
- To meet global urban challenges and find their place at the heart of the city.

Retail areas

Kaufman & Broad does not design an operation without thinking about the inhabitants, the employees, the neighbourhood and the customs of each of these parties. The group puts its know-how and expertise in Commercial property at the service of users and the city to develop commercial premises on the ground floor of housing buildings or managed residences.

Group presentation and strategy

Presentation of the Kaufman & Broad group

Urban Projects and Innovation

Kaufman & Broad created an Urban Projects Department in 2014, which aims to support local authorities in carrying out new generations of eco-urban projects. This creation is based on the conviction that the success of a sustainable neighbourhood requires the coherence of all the components of its ecosystem. To meet the expectations of local authorities, the Urban Projects Department includes the Innovation Department, and has introduced a new model of neighbourhood projects that integrate the entire life cycle of the district from the design stage, by establishing a partnership relationship with local authorities both upstream and over the long term.

Finally, to promote the integration of these projects into their urban environment, each program has a component intended to develop and support local initiatives supported by the inhabitants. Kaufman & Broad is committed, alongside local authorities, to promoting and supporting local development players: Local businesses, local associations, integration initiatives, start-ups, etc.

Development, Urban Projects and Innovation

At the end of 2019, Kaufman & Broad decided to set up an organization dedicated to development activities. The Planning Department offers strong expertise and a structured approach in the structuring and implementation of operations with mixed programming, as well as specific resources for the realization and realization of projects with an urban vision. The Segment is also part of a strategy of integrating and mastering innovations in mobility, energy, the circular economy and new urban services to

promote a new generation of sustainable neighbourhoods. This approach establishes for each project, in agreement with local authorities, targets for excellence and measurement indicators to which the group is committed over the long term. The operations that the group is developing are of a wide variety of sizes and are based on the conviction that the success of a sustainable neighbourhood requires the coherence of all the components of its ecosystem.

Managed residences portfolio: Developer-Investor-Operator

Since 2020, the group has been committed to building up a developer-investor-operator activity in the managed residences sector. The objective is to offer a new class of institutional, private and public investors portfolios of managed residences (senior and student housing) offering regular returns with a capital risk considered low over 10 to 20 years. This activity benefits from favourable demographic trends among students and, above all, seniors.

Kaufman & Broad has decided to build a portfolio of student and senior managed residences from land exploration, design, construction and until its exploitation. The proposed financing strategy is based on the strong balance sheet structure of Kaufman & Broad. It would be based on a balance between debt and equity, which can be shared on a case-by-case basis between Kaufman & Broad and third-party investors. The portfolio identified and currently under development consists of around ten projects costing an average of 15 million euros per project, the sequenced construction of which would be spread over four years.

In 2021, Kaufman & Broad and the Banque des Territoires (group's Caisse des Dépôts) joined forces in a new joint venture to strengthen the residential offer dedicated to the ageing population in France. 51% owned by Kaufman & Broad and 49% owned by the Bank of

Territories, SCI KetB Seniors' mission is to acquire seniors' residences in the future of completion from the Kaufman & Broad group, then to entrust the operation to Cosy Diem, a joint venture of Kaufman & Broad and Sérénis. The investment strategy will focus on medium-sized cities, where the supply of managed residences and related services for seniors is reduced, while demand is growing strongly. The initial target is for 10 to 15 managed residences throughout the country, corresponding to an initial investment of 150 million euros and up to 230 million euros, over 4 to 5 years, with a rotation horizon of 7 to 8 years.

In December 2021, Kaufman and Broad acquired a majority stake in Neoresid Holding; a recognised operator in short- or long-stay managed residences, especially student residences. To create the manager of the student and co-living activities that the group wishes to develop, in particular through its investment subsidiary in managed residences.

During the first half of 2022, the group delivered its first residence managed for its own account, the Gagny Student Residence; But also the resumption in operation of a student residence in Amiens, which will be subject to major renovation by the group during the 2023 financial year.

1.2. Strategy and creation of financial and non-financial value

Kaufman & Broad's value creation strategy is based on a growth model that generates profitability and cash flow. This helps to preserve short term financial balances while maintaining the momentum to prepare for the future.

For several years, the implementation of this financial and non financial value creation model has been based on a triple observation that the consequences of the health crisis have strengthened:

- Long-term demand for new housing, which continues to be driven by demographic trends (population growth, longer life expectancy) and sociological trends (increasing trends in cohabitation, willingness to leave large urban centres for medium-sized cities);
- At the same time, a supply constraint, in particular, by a still insufficient level in the granting building permits but especially starting projects. While the total population in France increased by 2.6 million people between 2012 and 2022 (or 4.0% over the period), the number of starts rose, during this period, from 382,300 and 370,800 per year, a decrease of 3.0% (except in 2017 with more than 435,000 housing units), with a continuous decline from 2017 until 2022, an exception of 2021 linked to the catching up of the municipal elections and the health pandemic of 2020. This level is not only insufficient to maintain the stable housing stock, compared to the 500,000 housing units that should be built each year, but whose deficit has increased by nearly 120,000 housing units each year;
- Finally, growing environmental constraints that create new opportunities.

In this context, Kaufman & Broad's project, which already underway, is to capture new areas of profitable and sustainable growth in four areas:

The commitment of employees, who create value, at Kaufman & Broad

Kaufman & Broad's project is based on both individual development and collective strength. The mission of Human Resources is to develop an ecosystem that attracts and retains talent, offer motivating career paths, encourage and recognise the performance and commitment of our employees, while supporting the development of business lines and jobs.

The group is convinced that everyone's talent makes a difference and that training and development play a central role throughout the career of employees within our group.

The actions of the Human Resources team are structured around the following focus areas:

- Constantly ensuring that the group's ambition, its organization and our ability to recruit the best talent to meet them are aligned;
- Promote the integration of new employees as soon as they arrive and the appropriation of the group's culture;
- Reveal, develop the potential of employees and promote the transfer of know-how; Reduce a compensation policy that combines external competitiveness and internal equity, while

ensuring pay equity between men and women in positions and equivalent profiles.

Human Resources supports all changes in the Company, its organization and its business lines.

Kaufman & Broad allows each employee to:

- Become a shareholder in the company in which they are an employee,
- Working in a positive environment that strives to develop potential and promote new ways of organising work,
- Acquire in favourable conditions a housing KB in which they participate directly or indirectly
- Through the group's activity, contribute to the environmental and societal challenges to which we are now required to respond both as a citizen and as a company.

This social model is a differentiating asset to attract candidates in the recruitment phase and also to retain our talents. The pandemic has greatly increased the questioning from candidates and employees about the experience offered by the company, the meaning and purpose it gives to the work of employees as well as to business. The two labels awarded in 2022, "Great Place to Work" and "HappyIndex Trainees", show the pride of belonging and the commitment of employees. The human resources policy is detailed in section 5.1.4.1. "Building with employees: group human resources policy."

A development policy favouring the development of regional networks and the rehabilitation of industrial and tertiary wasteland

Kaufman & Broad's goal is to produce an offering that meets demographic, sociological, ecological transition, home quality challenges and to reduce the pressure on urban sprawl and housing costs.

The rehabilitation of industrial and tertiary wasteland creates value:

- Economically (preservation of the value of agricultural production, consumption of agricultural land avoided by the higher density of buildings on recycled land than in spreading, revaluation of the market values of property near the project by eliminating wasteland, increase in induced transfer duties, etc.);
- Environmental, with the repermeabilisation of the soil (preservation of flood risk, plant restoration of the site, creation of cool islands), the positive impact on biodiversity (pollination linked to the presence of nature), the "carbon sink" effect (biomass reservoirs, reduction of vehicle journeys vs urban extension), soil decontamination and the reduction of water treatment costs;
- Finally (better use of transport, rebalancing of social diversity in terms of employment/housing/services).
- To carry out this strategy, Kaufman & Broad has a reservoir under study of 700,000sq.m planned for rehabilitation in the medium term, on which many projects are already launched.

Group presentation and strategy

Strategy and creation of financial and non-financial value

Increasing integration of environmental and social impact into projects

New construction has been shown to improve the environmental performance of a carbon impact factor of about 2 to 3 compared to old housing (Energy and Construction), contribute to the change in mobility of occupants and promote the rehabilitation of housing during these rotations.

In addition, the leverage effect of new construction on employment and professional integration is high, with a direct and indirect job multiplier estimated at 2x. Finally, while new construction meets the demands of population growth, the city's factory also helps to catalyse the quality of social interactions.

Kaufman & Broad works simultaneously in several directions to optimise the overall environmental impact of its projects:

- Improvement of pedestrian/cycling potential with projects close to the main services and shops,
- Low-carbon approach with the application of the main energy and construction principles detailed in Section 5.1.3.2. "Mitigating climate change." (Example: The Green Oak office building in Arcueil, certified E+/C-, biosourced building, HQE (Excellent), BREEAM (Very Good) and WELL, with a mixed structure made of wood/concrete, a facade made of recycled glass paste and false floors sourced from reuse channels,
- Reducing the impact on materials' resources by favouring reused materials, as detailed in Section 5.1.3.3. Circular Economy (Example: The "Belle Etoile" hotel in Roissy (430 rooms for the Hyatt brand, delivered in 2020, for which nearly 5,000 tons of crushed concrete were reused).
- Soil preservation and consideration of biodiversity, the strategy of which is detailed in Section 5.1.3.4. Incorporate biodiversity conservation into the group's strategy (Example: "General Stores" in Reims, with the conversion of a former wasteland into a mixed urban project, the repermeabilization of the soil, the fight against the urban heat effect, a biodiversity strategy accompanied by an ecologist and the planting of 1,700 trees,
- Social diversity (see Section 5.1.4.6 Community visits): Construction in strained areas and contribution to social diversity in the territories (Example: The "Le Chailly" building in Chilly Mazarin, a mixed project implementing the Solidary Real Lease (BRS) for home ownership). The BRS is a mechanism put in place by the government to contain price increases and allow as many people as possible to access property ownership, particularly in strained areas such as Île-de-France. The buyer thus benefits from the reduced rate VAT of 5.5% and an attractive purchase price.

At the same time, Kaufman & Broad strengthened its CSR system with the establishment of a CSR & Innovation Department, reporting directly to the Chairman and Chief Executive Officer of Kaufman & Broad, and the creation of a CSR Committee of the

Board of Directors, whose role is to monitor the implementation of the CSR plan in line with the company's strategy. ESG criteria have been an integral part of the Compensation parameters of Kaufman & Broad Management since 2018. In addition, Kaufman & Broad has deployed and continues to develop tools for assessing, consolidating and reporting CSR indicators across its entire production to implement and monitor the company's CSR strategy. This methodology aims to be able to monitor the action plan with non-financial performance indicators linked to ambitious and coherent objectives and/or commitments. In 2021, Kaufman & Broad integrated an evaluation module to explain the environmental and social impacts of projects at the time of the decision-making committees. This tool evaluates each project on societal and environmental issues.

Following the adoption of Regulation (EU) 2020/852, on 18 June 2020 by the European Parliament and Council, the European Commission has put in place a system, the European taxonomy, which will allow companies and investors to assess the environmental performance of companies and to identify so-called "green" economic activities, among the sectors of activity that emit the most greenhouse gases. In 2022, all the programs being designed were aligned with the European taxonomy.

ESG assessments accompany Kaufman & Broad's CSR approach which is recognised, among others, by MSCI ESG Ratings, which raised its overall rating from BBB to A in January 2021 and is in the first quartile of its sector. In the CDP Kaufman & Broad rating is rated "A-" thus reaching the Leadership level in a sector rated "C" and is therefore in the top 17% at the global level. In addition, Moody's ESG continues to qualify Kaufman & Broad's "ESG Overall Score" as "Robust." Finally, in three years, the overall rating of Kaufman & Broad by Gaïa rating has increased from 59 to 74. The Gaïa rating also ranks is as the twentieth group out of 176 companies in the category of companies with revenues over 500 million euros. Kaufman & Broad is thus in the top 15% of the national ranking.

Creating a portfolio of managed residences as an investor operator

In 2020, the group stepped up its discussions on the development of an Investor Development business operating in the managed residences sector. The objective is to offer a new class of institutional, private and public investors portfolios of managed residences (senior and student housing) offering regular returns with a capital risk considered low over 10 to 20 years. This activity benefits from favourable demographic trends among students and, above all, seniors: According to the INSEE, the number of people over the age of 75 could increase by almost 3 million between 2022 and 2035 and by almost 7 million by 2070.

Kaufman & Broad is working on around ten managed student and senior residence projects under development that will form its portfolio by 2028.

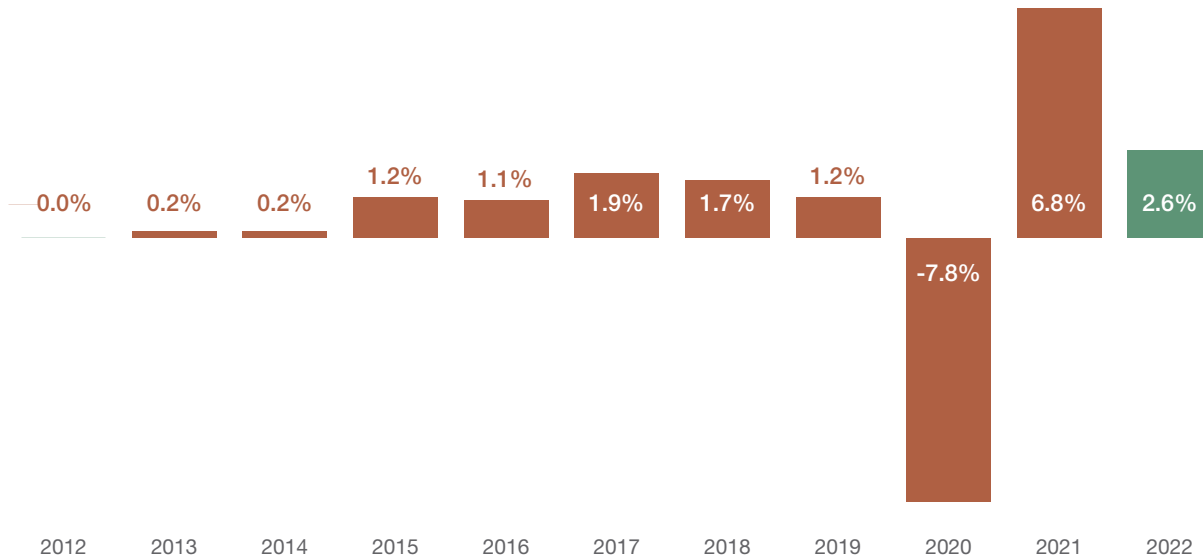
1.3. Key characteristics of the business

Trends in the new housing market are mainly influenced by economic growth (GDP), the unemployment rate, changes in interest rates, tax incentives, and selling prices and levels of housing in stock.

1.3.1. Macroeconomic indicators

The following charts show the evolution of different macroeconomic indicators over the past 10 years.

Changes in the GDP growth rate

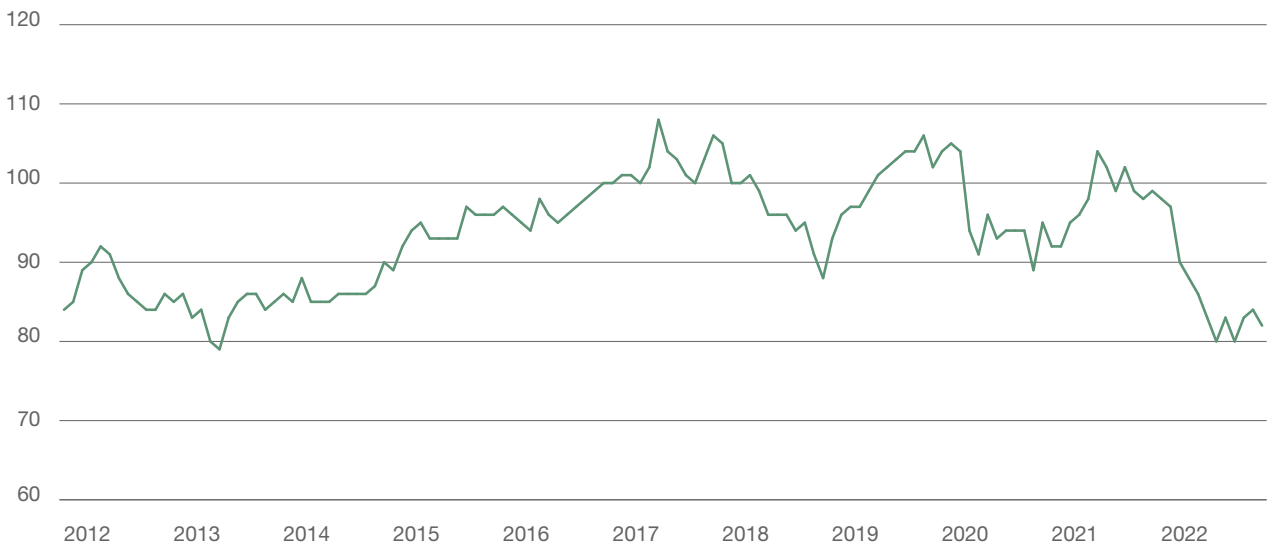


Source: INSEE - Economic Scorecard (February 2023).

Group presentation and strategy

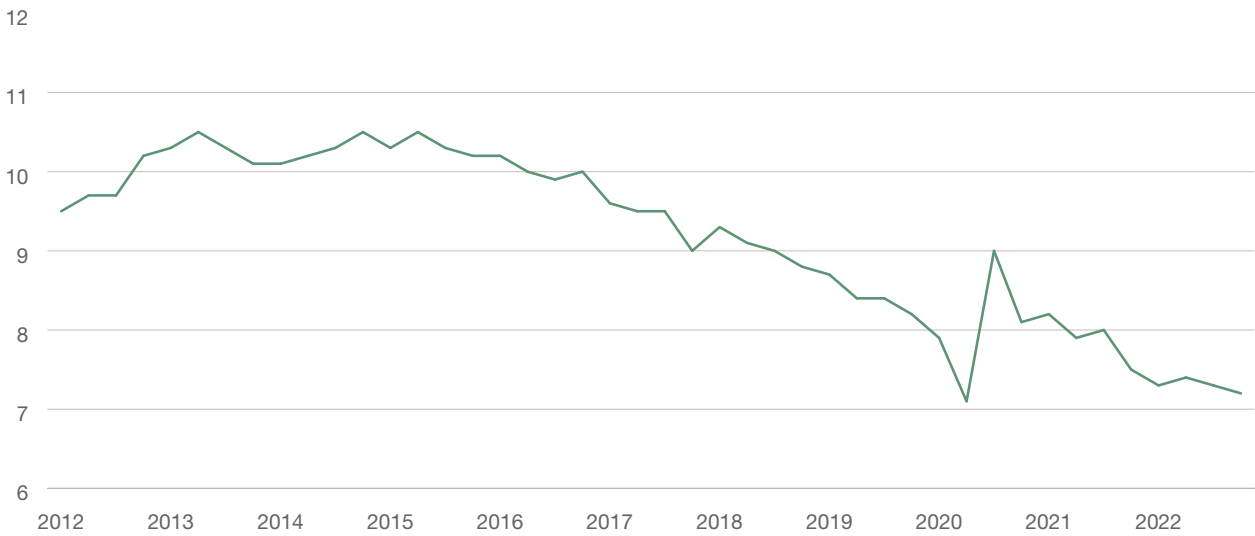
Key characteristics of the business

Monthly change in consumer confidence index



Source: INSEE.

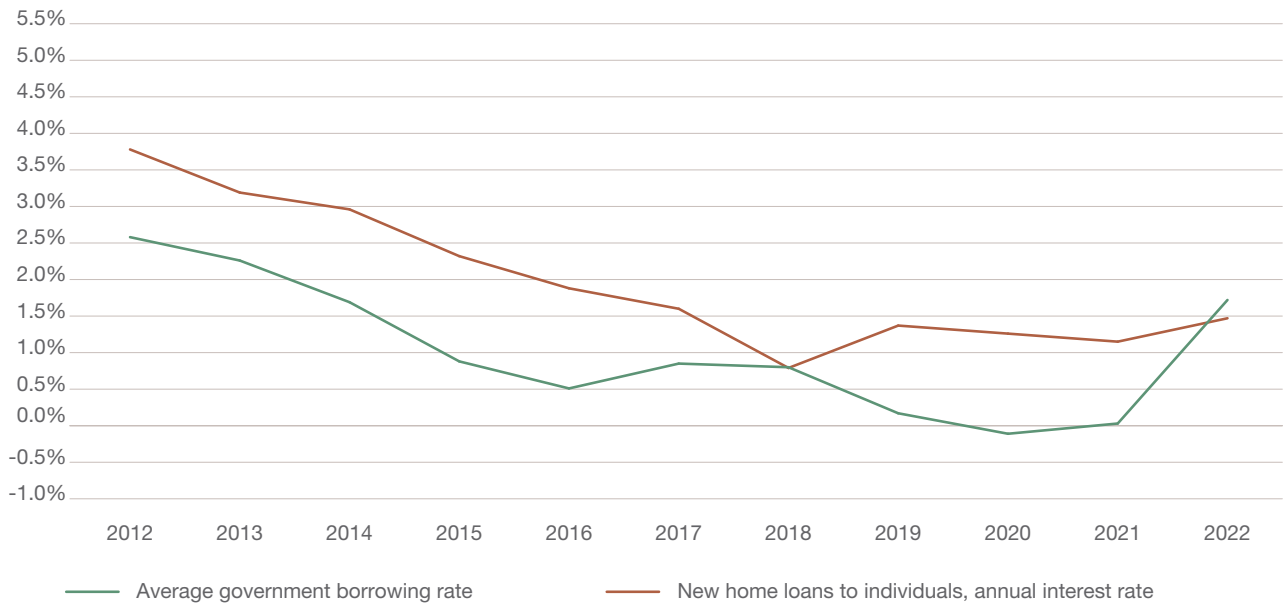
Trend in the unemployment rate in mainland France



Source: INSEE - Economic Scorecard (February 2023).

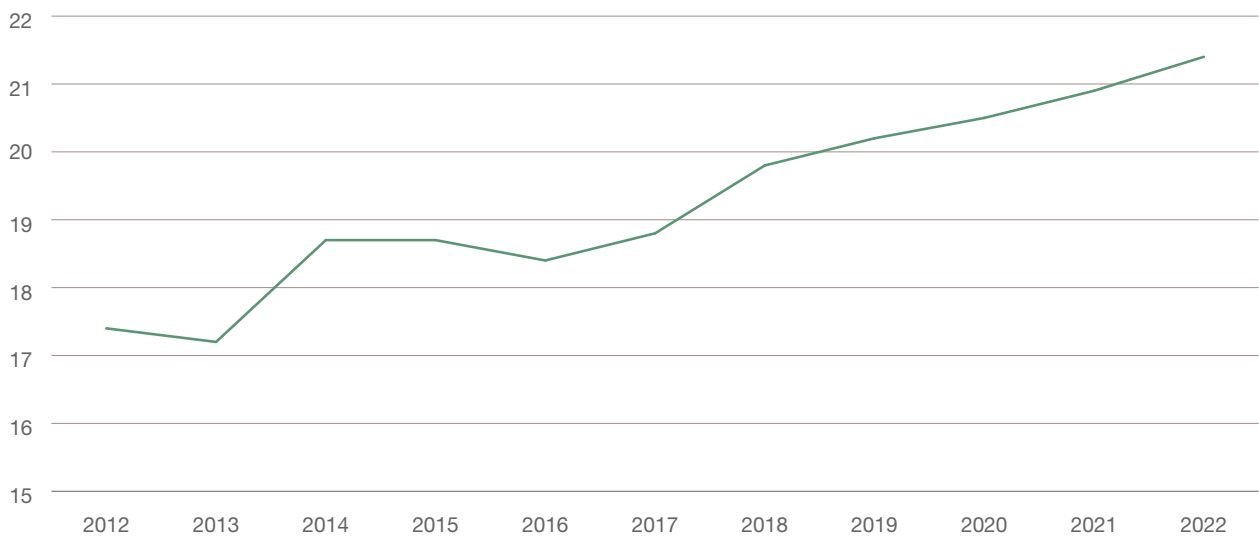
Housing property indicators

Average interest rate on real estate loans



Source: Banque de France.

Average term of housing property loans



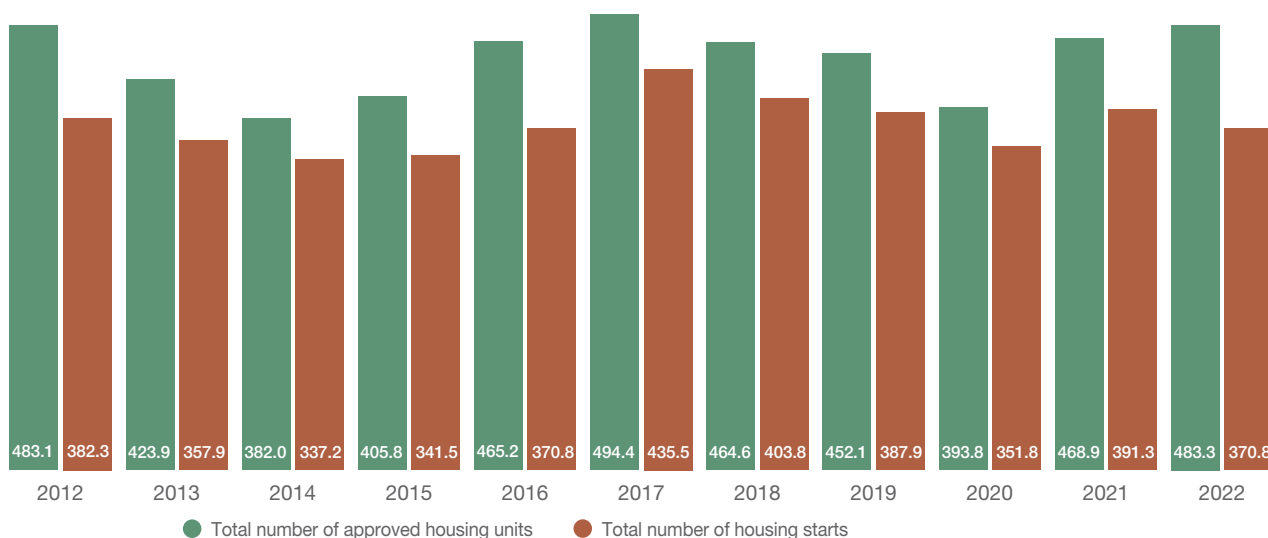
Term of housing property loans to individuals. All markets.

Source: Banque de France.

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Key characteristics of the business

Trend in the number of housing units authorised and started in France^(a)
(in thousands)



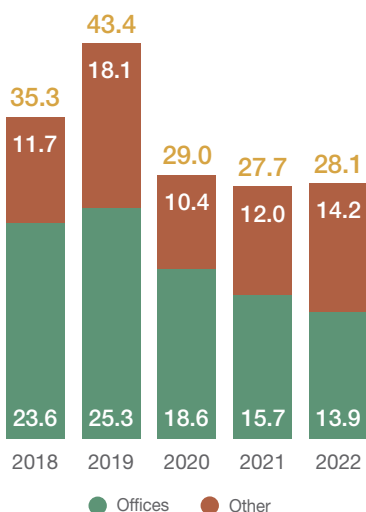
(a) Housing starts: Pure individual, grouped individual, collective, residences (new construction and construction on existing buildings).

Source: Ministry of Ecology, Sustainable Development and Energy, Sit @ del2 - from 2019 to 2022, the number of housing starts was recalculated by the Ministry.

As of 31 December 2022, 370,800 housing units had been started compared to 391,300 housing units started in 2021, a decrease of 5.2%. They can be broken down into Single-family homes in communities (125,900), grouped or village Single-family homes in communities (37,200), collective homes (174,800) and residences (33,000). As of 31 December 2022, 483,300 units had been authorised, compared with 468,900 units in 2021, an increase of 3.1%. They can be broken down into Single-family homes in communities (136,600), grouped or village Single-family homes in communities (59,000), collective homes (238,600) and residences (49,100). The new housing market in which Kaufman & Broad operates corresponds to that of Single-family homes in communities, Multi-occupancy housing and residences excluding those under construction on existing buildings (included in the data by type of housing described above).

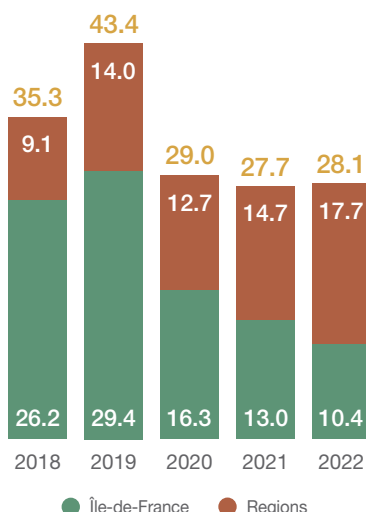
Commercial property indicators

Amounts invested in Commercial property in France:
"Offices" vs. "Other"
(in billions of euros)



Source: BNP Paribas Real Estate.

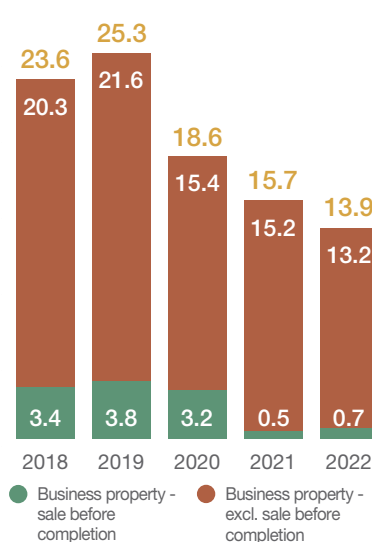
Amounts invested in Commercial property in France:
"Île-de-France" vs. "Regions"
(in billions of euros)



Source: BNP Paribas Real Estate.

Publication: At a Glance Investissement en France -2022 Q4 and Kaufman & Broad estimates

Commercial property in the Paris region
(in billions of euros)



Source: BNP Paribas Real Estate.

Publication: At a Glance Investissement en France -2022 Q4, JLL 2002 Q4 and Kaufman & Broad estimates

1.3.1.1. Tax incentives

For more than twenty years, housing construction has been the subject of various tax incentives. The French government has set up mechanisms to finance home ownership through loans such as the 'PAP', which was replaced in 1995 by the "Zero-Rate Loan," reformed in 2005, doubled in 2010 and replaced by the "PTZ +" since 1 January 2011.

Introduced by the 2013 Finance Act, the "Duflot" Bill also allowed individuals who purchase new or VEFA housing between 1 January 2013 and 31 December 2016 to benefit, under certain conditions, from an income tax reduction. The 2015 Finance Act then amended this latest system, which is now called the "Pinel" Bill, to relaunch the construction of intermediate housing units in strained areas (see Section 1.3.1.1.1 "Pinel").

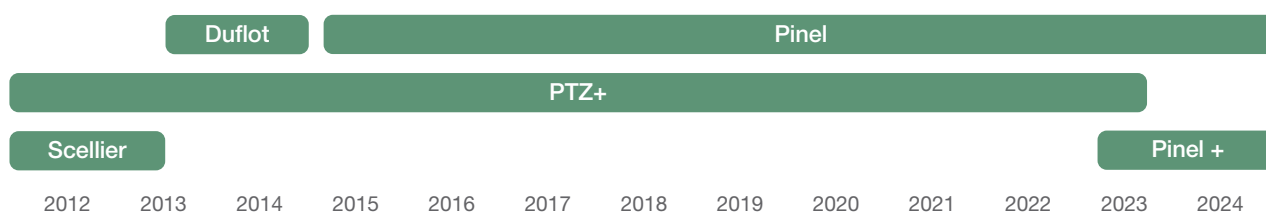
Since 1 January 2018, the tax benefit has been reserved for housing built in areas with an imbalance between housing supply and demand. Thus, only Zones A, Ab and B1 of the territory are eligible.

It should be noted that as of 1 January 2021, houses are no longer eligible for the Pinel scheme.

Lastly, Article 168 of the 2021 Finance Act extends the Pinel system until 31 December 2022. It has been renewed for 2023 and 2024, with declining tax rates. The tax reduction rates for investments made in 2023 and 2024 are maintained at their previous level for transactions involving either housing located in a priority district of the city's policy or housing that respects a high level of energy performance, use and comfort (see 1.3.1.1.2. "Pinel+" system). Thus, in 2023 and 2024, the Pinel system is accessible in two forms under different tax conditions: "Pinel Classique" and "Pinel+."

The group believes that these tax incentives have already, and should continue to have, a favourable influence on the new housing market, but it is not possible to quantify exactly the effects (see detail in Section 4.1.5.2. "Risks related to tax systems that may affect the new housing market and changes in tax regulations").

The diagram below summarises the sequence of the various tax systems concerning the housing market for more than ten years:



1.3.1.1.1. The "Pinel" incentive (in force since 1 September 2014)

The system resulting from the Duflot Act (a system adopted in the context of Act N°. 2012-1509 of 29 December 2012, known as the "2013 Finance Act"), is now called "Pinel," and amended in 2015 (Act N°. 2014-1654 of 29 December 2014, known as the "2015 Finance Act"). It was also extended for one year by Article 68 of the so-called "Finance Law for 2017" (Law no. 2016-1917 of 29 December 2016) and extended on an experimental basis to certain municipalities of zone C known as "non-strained zone."

Article 68 of the 2018 Finance Law (Law N°. 2017-1837 of 30 December 2017) renewed the system until 31 December 2021 and refocused it in strained areas. These amendments apply to acquisitions made since 1 January 2018 or to housing constructions for which a building permit application has been filed since that date.

Finally, Article 161 of the 2020 Finance Law (2019-1479 of 28 December 2019) limited the application of the scheme to Multi-occupancy housing only since 1 January 2021.

Thus, from 1 January 2013 to 31 December 2021, buyers of a new property may benefit from a tax reduction if they undertakes to rent it bare and for use as a primary residence. The investment may be made directly by the taxpayer or through a corporation not subject to corporation tax other than a real estate investment trust (SCPI).

For acquisitions before 1 September 2014, the lease commitment was to be made for a fixed term of nine years. The tax reduction, which is set at 18%, is calculated on the cost price of the home, within the limit of 5,500 euros per square metre of living space, without exceeding 300,000 euros overall.

Now, for acquisitions after 1 September 2014, the minimum term of the commitment is, by option, six or nine years, and this duration may be extended to twelve years (see below table specifying the tax reduction rate). The investment ceiling is limited to 300,000 euros per fiscal household and per year, up to a maximum of two housing units per year.

Lease term	PINEL		
	In 2022	In 2023	In 2024
6 years	12%	10.5%	9%
9 years	18%	15%	12%
12 years	21%	17.5%	14%

Group presentation and strategy

Key characteristics of the business

The tax reduction under the "Pinel" scheme is taken into account for the calculation of the overall cap on tax niches, set at 10,000 euros.

The lease commitment must include a statement that the tenant's rent and resources do not exceed the ceilings set by decree (initially Decree 2012-1532 of 29 December 2012 codified in Articles 199 novovicies III of the GTC and 2 *terdecies D* of Annexe III to the GTC).

Finally, in the case of housing units acquired in the future state of completion, for acquisitions after 1 September 2014, they must be completed within 30 months, no longer the declaration of the opening of construction, but the date of signature of the notarized deed of each buyer.

Lease conditions

The lease must take effect within 12 months of the completion of the building or its acquisition if it is later. It must be effective and continuous for a minimum period of six or nine years, the lease term being calculated from the date on which the initial lease takes effect. The option is irrevocable for the housing concerned.

As part of an initial six-year commitment, the extension is three years, renewable once, or another six years.

As part of an initial nine-year commitment, the extension is three years, non renewable.

The maximum term of the lease commitment is therefore 12 years regardless of the duration of the initial commitment.

The home must be rented bare for use as the tenant's primary residence. Rental to an ascendant or descendant, who is not a member of the purchaser's tax home, is authorised for investments made since 1 January 2015.

Housing must be located in certain geographical areas characterised by an imbalance between supply and demand: These are areas A, Ab, B1 and B2. The 2018 Finance Law refocused the system in zones A, Ab and B1 of the territory as defined by an Order of 1 August 2014. The refocusing applies to acquisitions made since 1 January 2018. However, the lots for which the building permit was filed before 31 December 2017 were eligible for the "Pinel" system in zone B2 as soon as the authentic deed takes place before 15 March 2019.

Adjustment of the lease term and tax reduction rate.

When the taxpayer has entered into a six-year commitment, the rate applicable on the first three-year extension is increased by 6%, from 12 to 18%. On the second extension, the rate is increased by 3%, from 18 to 21%.

When the taxpayer has entered into a nine-year commitment with a rate of 18%, the rate applicable on the three-year extension is increased by 3% to 21%.

For authentic documents signed between 01/01/2023 and 31/12/2023, when the taxpayer has entered into a six-year commitment, the rate applicable on the first three-year extension is increased by 4.5%, from 10.5 to 15%. On the second extension, the rate is increased by 2.5%, from 15 to 17.5%.

When the taxpayer has entered into a nine-year commitment with a rate of 15%, the rate applicable on the three-year extension is increased by 2.5% to 17.5%.

For authentic documents signed between 01/01/2024 and 31/12/2024, when the taxpayer has entered into a six-year commitment, the rate applicable on the first three-year extension is increased by 3%, from 9 to 12%. On the second extension, the rate is increased by 2%, from 12 to 14%.

When the taxpayer has entered into a nine-year commitment with a rate of 12%, the rate applicable on the three-year extension is increased by 2% to 14%.

Duration of initial commitment	Tax reduction rate		
	In 2022	In 2023	In 2024
6 years	12%	10.5%	9%
First 3-year extension	6%	4.5%	3%
Second 3-year extension	3%	2.5%	2%
Maximum tax reduction	21%	17.5%	14%
9 years	18%	15%	12%
Extension of 3 years (up to 12 years)	3%	2.5%	2%
Maximum tax reduction	21%	17.5%	14%

Ceiling on rents

During the rental commitment period, the monthly rent must be lower than the annual ceiling set by decree depending on the location of the housing and its type. This cap is raised on January 1 of each year according to the benchmark rent index.

The monthly rent caps per square metre excluding charges are set for leases entered into in 2022 at the following amounts:

Zones (in euros/sq.m/month)	Monthly rent caps per square metre
	2022
A	€13.09
A bis	€17.62
B1	€10.55
B2	€9.17

To these rent caps, a multiplier coefficient is then applied that varies according to the surface of the dwelling to take into account the reality of the rental market calculated according to the following formula, "S" being the surface of the dwelling: $0.7 + 19/S$. The resulting coefficient is rounded to the nearest second decimal place and may not exceed 1.2.

Cap on resources

The tenant's resources to be taken into account for the application of the ceiling are the reference tax income appearing on the tax notice established for the penultimate year preceding that of the signature of the lease.

The maximum amount of resources to be used depends on the composition of the tax home at the date of the signature of the lease. This cap is raised on January 1 of each year according to the benchmark rent index.

The tenant's resources are assessed once and for all on the date the lease is concluded.

The tenant's annual resource ceilings are set for leases entered into or renewed in 2022 at the following amounts:

Composition of tenant's household (in euros/year)	Zone A	Zone A bis	Zone B1	Zone B2 and C
Single person	€39,363	€39,363	€32,084	€28,876
Couple	€58,831	€58,831	€42,846	€38,560
Single person or couple with one dependent	€77,120	€70,718	€51,524	€46,372
Single person or couple with two dependents	€92,076	€84,708	€62,202	€55,982
Single person or couple with three dependents	€109,552	€100,279	€73,173	€65,856
Single person or couple with four dependents	€123,275	€112,844	€82,465	€74,219
Step up per additional dependent from the fifth	+ €13,734	+ €12,573	+ €9,200	+ €8,277

1.3.1.1.2. The "Pinel+" incentive from 1 January 2023

In 2023 and 2024, the "Pinel" system was accessible in two forms under different tax conditions: "Traditional Pinel" and "Pinel+".

The main conditions of the "Pinel" scheme do not change to benefit from the "Pinel +" scheme, namely:

- Housing located in a Multi-occupancy housing building;
- Capping the tenant's rent and income;
- Overall minimum energy performance level;
- Housing built in an area with an imbalance between supply and demand;
- Initial lease term of 6 or 9 years which may be extended to 12 years.

Article 168 II of the 2021 Finance Act made it clear that to benefit from the "Pinel+" scheme, in addition to fulfilling the conditions of the classic "Pinel," only housing:

- located in a priority area of city policy;

Or

- which meets a high level of quality in terms of energy performance, usage and comfort.

Decree No. 2022-384 of 17 March 2022 specified that housing must achieve a higher level of energy and environmental performance than the regulations in force (RE 2020). In addition, it must present a precise level of quality of use and comfort:

- A minimum living area of 28 sq.m for a T1, 45 sq.m for a T2, 62 sq.m for a T3, 79 sq.m for a T4, 96 sq.m for a T5;
- The existence of private outdoor spaces with a minimum surface area of 3 sq.m for a T1 or a T2, 5 sq.m for a T3, 7 sq.m for a T4, 9 sq.m for a T5;
- Two different directions for T3 and more housing.

Group presentation and strategy

Key characteristics of the business

If the conditions for benefiting from Pinel+ are met, the reduction rates of the "Pinel" scheme prior to 2023 are maintained:

Lease term	PINEL +
	2023/2024
6 years	12%
9 years	18%
12 years	21%

1.3.1.1.3. The "Zero Plus Loan" (PTZ+)

The "PTZ+," a central enhanced zero-interest loan scheme, has simplified the existing aid panel.

Born of the overhaul of the "PTZ 2010" as well as the abandonment of the "Pass Foncier" and the tax credit on loan interest dissolved on 1 January 2011, this interest free loan is issued by credit institutions contracted with the State.

It is intended for natural persons with a view to financing the acquisition, construction or construction of their main residence in respect of first-time home ownership (first-time buyers are considered as such if they have not owned their main residence during the last two years preceding the issue of the loan offer).

The "PTZ+" is granted to taxpayers subject to resource conditions. It is reserved for natural persons whose total amount of resources is less than a cap set according to the number of persons intended to occupy the dwelling as a primary residence on the one hand, and the geographical area of the home, on the other hand. The resources taken into account correspond to the sum of the reference tax income of the prior last year of the persons intended to occupy the housing. Article 107 of the 2016 Finance Act simplified and extended the Zero Rate Loan starting 1 January 2016. Thus, pursuant to the aforementioned Law, Decree No. 2015-1813 of 29 December 2015 amended the resource caps, loan ratios, transaction ceilings and repayment profiles. The repayment of the loan can be deferred by 5, 10 or 15 years depending on the income, and households can rent their home after six years, without waiting for the total repayment of the loan. Finally, income caps have been increased, allowing more households to benefit from them.

The facility was first extended by the French Finance Law for 2018 to loan offers issued until 31 December 2021. Article 164 of the 2021 Finance Act extends the distribution of the zero-rate loan until 31 December 2022 and provides that, as of 1 January 2022, the borrower's resources will be assessed, under the terms and conditions set by decree, on the date of issue of the loan offer and no longer for the penultimate year preceding that of the issue of the loan offer.

The 2022 Finance Act has further extended the scheme until 31 December 2023. It also postponed by one year the terms for taking into account the resources of the beneficiaries of the loan initially planned for January 2022 by taking into account the revenues of the year of the issue of the loan offer, rather than those of the penultimate year preceding the issue.

In existing properties, with construction works, the PTZ has refocused on the least strained areas for loan offers issued since 1 January 2018 (in practice, zones B and C). Similarly, dwellings located in zones A and B1 are no longer eligible for the PTZ from that date. On the other hand, the PTZ, in the former condition of sale of the social park to its occupants, is not modified. It can be granted regardless of the location of the housing.

For new housing, the PTZ has refocused on areas A, Ab and B1 from 1 January 2021. Zones B2 and C remained eligible until 31 December 2020 with a cap reduced to 20% of the maximum amount of the transaction compared to 40% today.

In addition, acquisitions of existing homes made as part of a sale of buildings to be renovated mentioned in Article L. 262-1 of the CCH can now open the right to PTZ in existing properties with construction.

Below we will only discuss the conditions of the PTZ related to the acquisition of new housing.

Since 1 January 2016, the annual caps of the acquirer have been set at the following amounts:

Composition of the acquiring household from 1 January 2016 (in euros/year)	Zones A and Ab	Zone B1
Single	€37,000	€30,000
Couple 2 children	€74,000	€60,000

Source: www.service-public.fr

To determine the PTZ, a percentage is applied to the total cost of the transaction (including tax) within the limit of a cap. The maximum amounts (unchanged for 2022) are as follows:

Number of persons occupying the housing		1	2	3	4	5 and more	
Zone A/Ab	Maximum amount used for the transaction	€150,000	€210,000	€255,000	€300,000	€345,000	
	Maximum loan amount	New housing	€60,000	€84,000	€102,000	€120,000	€138,000
		Existing housing/HLM	€15,000	€21,000	€25,500	€30,000	€34,500
Zone B1	Maximum amount used for the transaction	€135,000	€189,000	€230,000	€270,000	€311,000	
	Maximum loan amount	New housing	€54,000	€75,600	€92,000	€108,000	€124,400
		Existing housing/HLM	€13,500	€18,900	€23,000	€27,000	€31,100

1.3.1.1.4. Trend in the VAT rate in housing

The VAT rate applicable to revenues of new housing has undergone many changes in recent years, particularly in the social sector.

The table below sets the VAT rate applicable to the various systems from 1 December 2019:

Sectors or local areas concerned	SubSegment of Article 278 <i>sexies</i>	Interest rate
Social rental housing financed by an integration subsidised rental loan	1° of II	5.5%
Social rental housing financed by a rental loan for social use and covered by the urban renewal policy	2° du A du II	5.5%
Other social rental housing	3° of II	10%
Premises subject to an acquisition improvement when the acquisition is financed by a rental loan assisted by integration or a rental loan for social use	2° of B of II	5.5%
Housing similar to social rental housing	C of II	10%
Social home ownership	III	5.5%
Social and medical-social sector	IV	5.5%
Building land for premises subject to a reduced tax rate	V	10%

1.3.1.2. Social home ownership

1.3.1.2.1. The ANRU zones

In application of the ENL (National Commitment for Housing) Act of 13 July 2006, social home ownership operations for new housing located in neighbourhoods undergoing urban renewal and 500 metres around benefited from the reduced rate of VAT at 5.5%. The Amended Finance Law for 2011 raised the reduced VAT rate from 5.5% to 7%, except for social housing operations referred to in Article 278 *sexies* of the GTC initiated before 1 January 2012.

The Amending Finance Law for 2012 announced the increase of the VAT rate from 7% to 10% in the above mentioned areas as of 1 January 2014.

However, the 2014 Finance Act amended the system before it came into force. Thus, since 1 January 2014, the VAT rate has been lowered to 5.5% in the ANRU zones and, on the other hand, made applicable in a reduced scope of 500 to 300 meters around these zones. Finally, for operations not completed as of 1 January 2014 and located in the same zone, the VAT rate was retroactively reduced from 7% to 5.5%.

In addition, the 2016 Finance Act extended the maintenance of the 5.5% rate until 31 December of the second year following the expiry date of the agreement signed with the National Agency for Urban Renovation (ANRU) for operations whose construction permit application was filed during these two years.

On the other hand, for operations located beyond 300 metres of an ANRU area, the VAT rate has been raised to 20%, with the exception in particular of operations located within the 300-500 metres perimeter for which a building permit was filed before 31 December 2013, which retain the rate of 7%.

To benefit from this system, the following conditions must be met:

- The neighbourhoods concerned by this system are sensitive urban areas (and neighbourhoods subject to a derogation from Article 6 of Law No. 2003-710 of 1 August 2003) within which an urban renewal agreement has been signed with the National Agency for Urban Renovation or entirely located within a distance of less than 300 metres from the boundary of these neighbourhoods;
- Housing acquired by natural persons is intended for use as a primary residence;
- The acquirer's resources do not exceed by more than 11% the resource caps provided for in Article L. 441-1 of the French Construction and Housing Code (Code de la Construction et de l'Habitation), it being specified that resource conditions are taken into account on the date of signature of the authentic deed of sale (in the context of a sale of built property) based on the taxable annual resources of year N-2 and must be justified by the production of the corresponding tax notice.

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1.3.1.2.2. Priority districts in urban policy

The 2015 Finance Act (Act N°. 2014-1654 of 29 December 2014, known as the "Finance Act for 2015") introduced a reduced VAT rate of 5.5% for the delivery of housing in the context of home ownership transactions for the primary residence, intended for people in modest circumstances and located in priority neighbourhoods of city policy.

These districts have gradually replaced ANRU zones. Benefiting from taxation similar to that of ANRU zones, these districts allow for the construction of housing in new territories.

The city contracts in question are concluded at inter-municipal level between, on the one hand, the Government and its public institutions and, on the other hand, the municipalities and public institutions of inter-municipal cooperation with its own taxation, the departments and the Regions in order to implement the actions contributing to the achievement of the objectives of the city's policy. Priority neighbourhoods of the city policy are located in urban areas and are characterised by a minimum number of inhabitants and a gap in economic and social development assessed by a criterion of income of the inhabitants.

Article 30 of the 2017 Finance Act extended, subject to conditions, the eligible geographical scope of up to 500 metres around the priority neighbourhood for the QPVs covered by a city contract and an agreement signed with the ANRU under the New National Urban Renewal program (NPNRU) as of 1 January 2018.

Therefore, for accession operations in priority neighbourhoods of the city policy for which the PC has been filed since 1 January 2017, buildings for which the sale price does not exceed the ceiling must now meet new geographical conditions assessed on the date of filing of the building permit, namely:

- Be located in a QPV that is the subject of a city contract; or
- Fully located at a distance of less than 300 metres from the boundary of a QPV; or
- provided that the QPV is the subject of a multi-year urban renewal agreement, signed with the ANRU under the NPNRU, be integrated into a real estate complex entirely located, on the same date, less than 500 meters within the boundary of a QPV and partially less than 300 meters of the same limit.

Priority neighbourhoods were defined by the Urban Planning and Cohesion Act of 21 February 2014, which entered into force on 1 January 2015. Natural persons can only benefit from this scheme if they are dependent on income.

Thus, the acquirer's resources must not exceed more than 11% the maximum caps provided for in Article L. 411-2 paragraph 8 of the French Construction and Housing Code. In addition, this reduced rate only applies subject to compliance with the conditions relating to the sale price.

Lastly, this system only applies to transactions for which a building permit application is filed between 1 January 2015 and 31 December 2024.

It also applies to building permits filed between 1 January 2015 and the date of the signature of the city contract, which was to have taken place no later than 31 January 2015.

1.3.1.3. New housing market indicators

1.3.1.3.1. Market volume

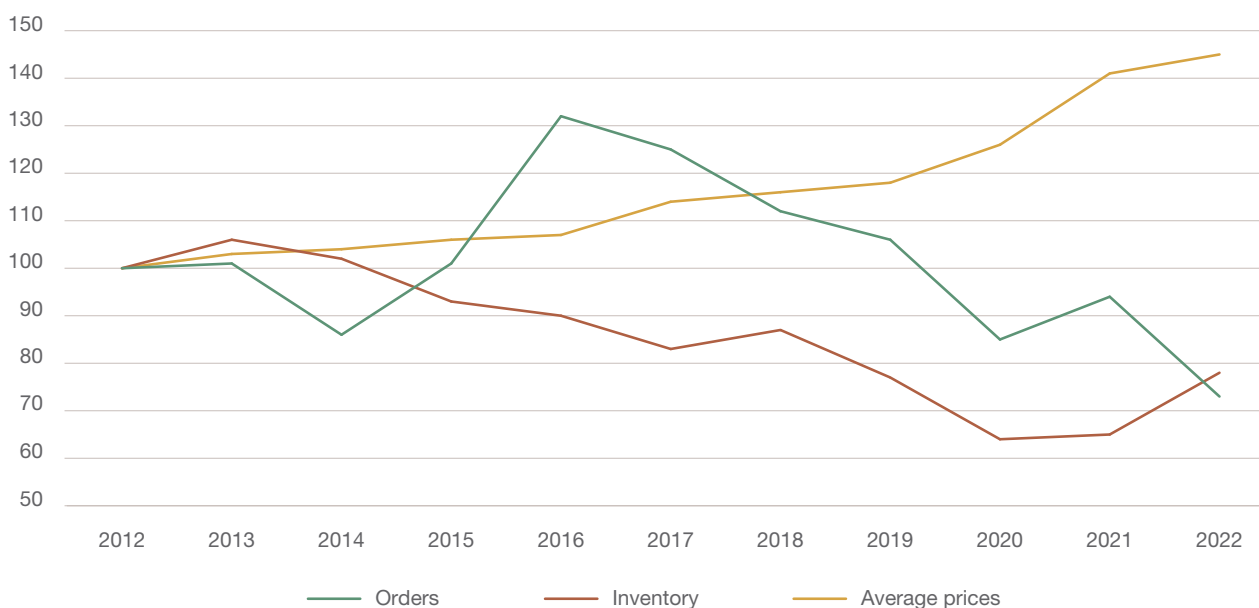
A. Single-family homes in communities

The French market for Single-family homes in communities represented 7,851 and 6,105 orders respectively in 2021 and 2022.

Trend in orders, inventories and the average price of Single-family homes in communities over the past 10 years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Orders	8,343	8,447	7,211	8,385	11,023	10,426	9,320	8,813	7,106	7,851	6,105
Inventories	10,322	10,945	10,537	9,588	9,331	8,519	8,953	7,925	6,601	6,683	8,041
Average price (in euros)	238,396	246,377	248,486	251,653	254,293	271,455	275,637	280,863	299,224	336,338	345,862

Trend in the Single-family homes in communities market in villages



(Data on a 100 - 2012 basis)

Source: Ministry of Ecology, Sustainable Development and Energy, New Housing units sales Study (ECLN).

The table below shows the largest Single-family homes in communities markets in France:

Orders	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Île-de-France	1,096	1,244	1,194	1,492	2,296	1,774	1,818	1,652	1,194	1,188	969
Occitanie	1,100	1,066	986	1,105	1,468	1,488	1,102	1,000	962	739	768
West ^(a)	920	972	643	685	837	1,135	1,064	929	740	1,012	714
Provence-Côte-d'Azur	736	805	760	780	1,105	791	687	694	687	907	696
Rhône-Alpes ^(b)	1,373	1,206	1,085	1,213	1,505	1,652	1,449	1,459	1,028	1,100	944

(a) Pays-de-la-Loire and Brittany.

(b) Rhône-Alpes including Auvergne.

Source: Ministry of Ecology, Sustainable Development and Energy, New Housing units sales Study (ECLN).

B. Apartments (multi-occupancy housing)

The French market for new apartments represented respectively 111,647 and 95,937 orders in 2021 and 2022.

Evolution of orders, stocks and average price per square metre of apartments for 10 years

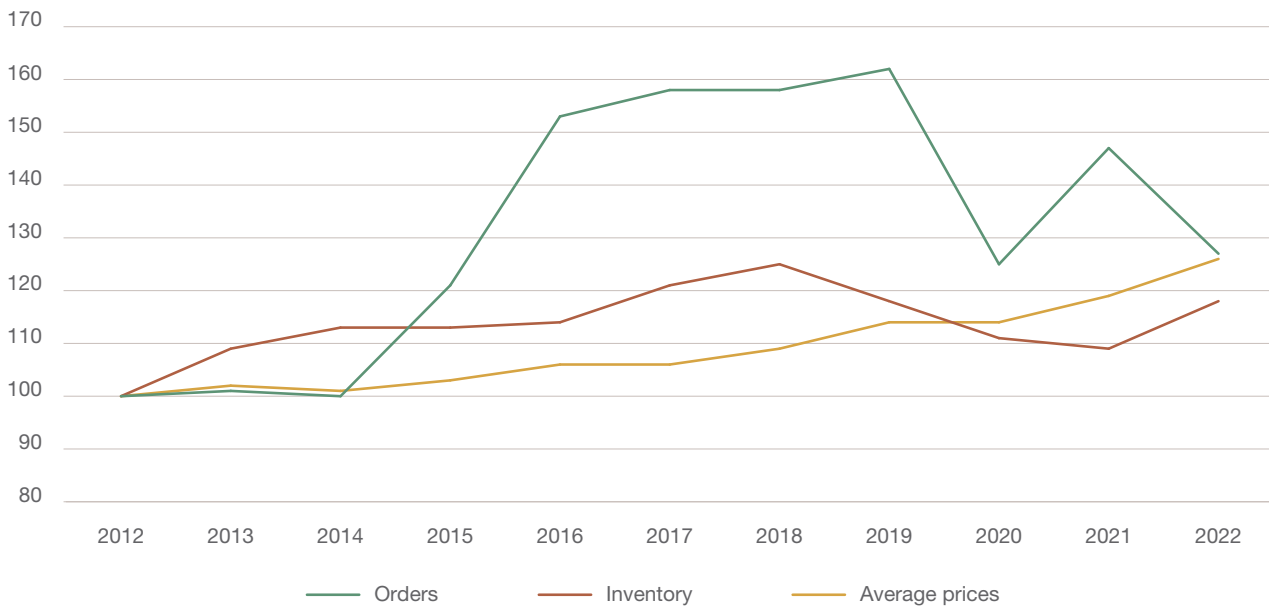
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Orders	75,752	76,494	75,618	91,499	115,889	119,842	119,934	122,380	94,789	111,647	95,937
Inventories	82,295	89,454	93,337	92,671	94,159	99,172	102,876	96,784	91,487	89,438	97,053
Average price (in euros/sq.m)	3,782	3,855	3,819	3,887	4,010	3,996	4,126	4,315	4,315	4,499	4,756

Source: Ministry of Ecology, Sustainable Development and Energy, New Housing units sales Study (ECLN).

Group presentation and strategy

Key characteristics of the business

Trend of the apartments market



(Data on a 100 - 2012 basis)

Source: Ministry of Ecology, Sustainable Development and Energy, New Housing units sales Study (ECLN).

The table below shows the largest apartments markets in France.

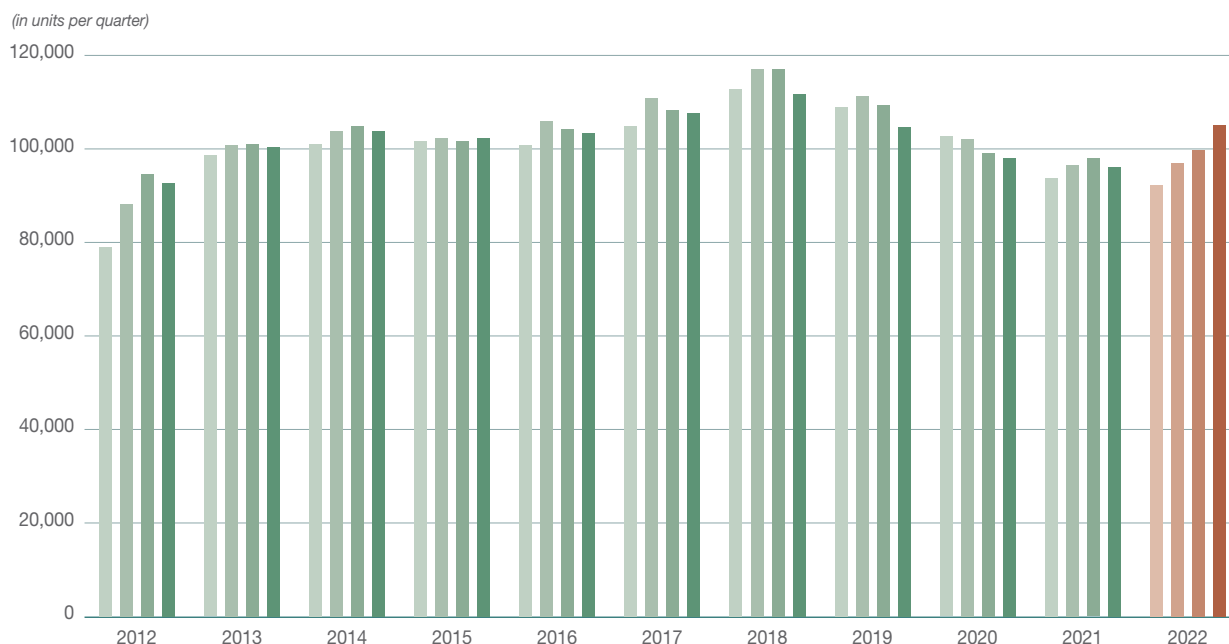
Orders	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Île-de-France	19,355	21,169	20,356	23,106	31,327	33,642	37,116	38,994	26,681	27,186	23,532
Occitanie	8,529	8,554	8,493	10,444	12,455	14,050	14,696	14,498	10,997	13,109	10,380
West ^(a)	7,364	7,031	6,801	9,332	11,734	12,270	11,498	10,974	9,103	11,183	8,745
Provence-Côte-d'Azur	9,712	9,034	9,553	10,987	13,060	12,699	12,286	11,900	9,846	12,332	10,094
Rhône-Alpes ^(b)	13,183	11,740	12,388	14,956	18,029	17,938	16,456	16,921	13,511	16,761	15,507

(a) Pays-de-la-Loire and Brittany.

(b) Rhône-Alpes including Auvergne.

Source: Ministry of Ecology, Sustainable Development and Energy, New Housing units sales Study (ECLN).

1.3.1.3.2. Housing inventory units available for sale in France



Source: Ministry of Ecology, Sustainable Development and Energy, New Housing units sales Study (ECLN).

Housing inventory: Housing projects, housing under construction and completed housing units.

The stock of available for sale housing units increased at end December 2022 (+9.3%) to 105,094 units, compared to 96,121 units at end December 2021. In 2022, 102,042 housing units were reserved, down 13.5% compared to 2021 with 117,938 orders. Put up for sale fell by 5.2% between 2021 and 2022, from 106,333 housing units in 2021 to 100,794 housing units in 2022. Finally, cancellations increased by 4.8% between 2021 and 2022, according to data from the Ministry of Ecology, Sustainable Development and Energy, survey on the marketing of new housing (ECLN) in the fourth quarter of 2022.

At November 30, 2022, the group had 35 completed housing units to be reserved, or 1.6% of its commercial offer, compared to 51 units at the same date in 2021.

1.3.1.4. Main market players

In addition to competition from regional developers with a good geographical presence, Kaufman & Broad is faced with large national operators operating in the group's markets.

The following table shows the number of housing orders by the main players in the new housing market in France:

Market operators	2022	2021	2020
Nexity ^(a)	18,015	20,101	19,999
Cogedim ^(b)	10,017	11,521	11,929
Bouygues Immobilier ^(c)	7,884	9,510	8,547
Kaufman & Broad	6,214	6,609	6,305
Vinci ^(d)	6,059	7,325	6,120
ICADE ^(e)	6,014	6,004	5,338
Bassac ^(f)	2,779	3,583	2,638
Eiffage ^(g)	2,481	4,164	4,273

Sources:

(a) Nexity: Press release 2022 results of 22 February 2023 (2021 and 2020 data restated according to Nexity's rating: Excluding discontinued operations in 2021 (Century 21 and AEgide-Domitys) and non-recurring items).

(b) Cogedim: Press release 2022 results of 28 February 2023.

(c) Bouygues Immobilier: "2022 Universal Registration Document" (22 March 2023) - including international orders - share in France not published.

(d) Vinci: Press release 2022 results of 9 February 2023.

(e) ICADE: Press release 2022 results of 20 February 2023.

(f) Bassac formerly Les Nouveaux Constructeurs: Press release 2022 results of 9 March 2023.

(g) Eiffage: Press release 2022 results of 22 February 2023.

Group presentation and strategy

Key characteristics of the business

1.3.1.5. group market share

The group's estimated market shares, in terms of orders for each of its business segments, were as follows:

Market share	2022	2021
grouped Single-family homes in communities		
Île-de-France	21.4%	12.2%
Grand-Est	0.0%	0.0%
Hauts-de-France	41.3%	0.0%
Normandy	6.6%	7.3%
Brittany	35.6%	0.0%
Pays-de-la-Loire	0.0%	0.0%
Nouvelle Aquitaine	24.9%	8.1%
Auvergne-Rhône-Alpes	0.0%	3.0%
Occitanie	10.4%	9.1%
PACA	3.0%	1.3%
Total grouped Single-family homes in communities France	13.0%	3.9%
Apartments ^(a)		
Île-de-France	6.2%	9.1%
Grand-Est	3.8%	3.8%
Hauts-de-France	7.1%	5.7%
Normandy	12.6%	9.0%
Brittany	4.9%	2.2%
Pays-de-la-Loire	6.2%	5.4%
Nouvelle Aquitaine	9.2%	8.4%
Auvergne-Rhône-Alpes	2.2%	2.2%
Occitanie	8.7%	8.7%
PACA	5.8%	2.6%
Total Apartments France	5.6%	5.6%
Total Housing France	6.1%	5.5%

Source: Kaufman & Broad and Ministry of Equipment, New Housing units sales Study.

(a) Represents the Multi-occupancy housing business, namely: Apartments, serviced residences and hotels.

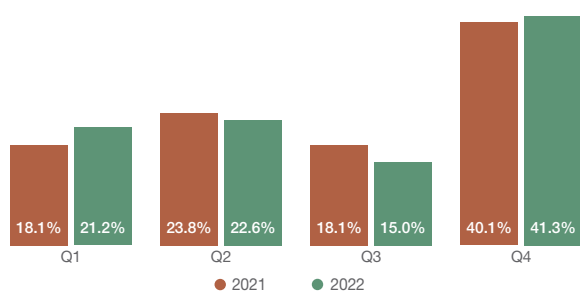
1.3.1.6. Cyclical and seasonality

The sector in which Kaufman & Broad operates is cyclical in nature and can be influenced by many macroeconomic factors, including financial, economic, demographic, sociological or other (see section 1.3.1. "Macroeconomic indicators").

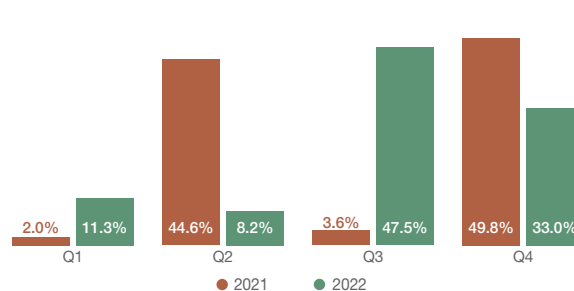
The group's commercial activity, which is reflected in orders, was as follows for the last two financial years:

Breakdown of orders by quarter

Multi-occupancy housing



Single-family homes in communities



See cycle analysis and seasonal orders in section 2.1.3.1.1.1. "Housing Segment" paragraph "Cycles and seasonality of housing orders by type of product (in volume)."

1.4. Business model

1.4.1. Group operational organization

Since its creation in France, Kaufman & Broad has been convinced that in-depth knowledge of each local market is necessary to (i) purchase the most favourable land benefiting from the best situation, (ii) design products adapted to demand by anticipating changes in this situation and (iii) best manage relations with local authorities, construction companies and subcontractors.

1.4.1.1. Group operational structure

The group is organised around corporate divisions and two business lines, Housing and Commercial Services.

Housing is organised around three operating divisions headed respectively by Sylvère Hamel for the Île-de-France region, Marc Vettraino, who is responsible for Greater Paris, with Krystal Briant for Essonne, Val d'Oise and Seine-et-Marne, David Laurent for the Rhône-Alpes-Auvergne region, Hauts-de-France and Est, and Jacques Rubio for the other regions. Jacques Rubio is supported by Georges Lopez for the Nouvelle-Aquitaine region, Yannick Lebihan for the North West region and Philippe Ribouet for the South East region.

The Office, headed by David Laurent, includes the Operational Departments Commercial Property, Logistics and Real Estate Development and Territories.

Kaufman & Broad also has 21 agency divisions and local offices: The Île-de-France region (comprising 6 agencies: Paris Nord (75-93); Paris Sud (92-94); Yvelines (78) and a regional head office regrouping the three agencies of Essonne (91), Val-d'Oise (95) and Seine-et-Marne (77)), Loire-Atlantique (Nantes, Val-de-Loire), Brittany (Rennes), Normandy (Caen, Le Havre and Rouen), Nord Flandres (Lille), Est (Strasbourg and Reims), Bourgogne-Rhône-Alpes (Dijon and Lyon), Savoie (Annecy and Grenoble), Côte-d'Azur (Nice), Méditerranée (Marseille), Languedoc-Roussillon (Montpellier and Perpignan), Midi-Pyrénées (Toulouse), Serge Mas Promotion (Toulouse), Pyrénées-Atlantiques (Bayonne), Aquitaine (Bordeaux and La Rochelle) and Kalilog (National Agency for Social Housing) as well as a directorate for the Commercial Property. In addition, Kaufman & Broad regularly strengthens its local network in smaller urban areas by opening local satellites. These agencies, whose workforce is reduced to the development, structuring and monitoring of programs, and marketing functions where appropriate, benefit from the resources made available by the agencies on which they depend to develop their real estate operations. The management teams of each of these agencies have extensive experience in their markets.

In addition to its operational departments in the Housing and Commercial Segments, the group has set up departments to enrich its activities, namely:

- A Major Urban Projects Department, which aims to support local authorities in eco-urban projects. It is a global "tailor-made" response to the expectations of communities, for the realization of a new generation of sustainable neighbourhoods.
 - A Real Estate Development and Territories Department, whose purpose is to enable the group to develop its business over longer periods (5 to 10 years) and on more complex (multi-product) projects of large scale to be carried out on land holdings to be transformed. But also, to support local authorities in carrying out new generations of eco-urban projects;
 - In 2017, Kaufman & Broad created, through two structures, a new way of developing co-development, through Kapital Partners Promotion, the purpose of which is to take minority stakes in residential real estate development operations carried out by local developers and, secondly, the group is in charge of marketing homes through the company KETB partners, specialized in marketing networks;
 - Finally, in 2020, Kaufman & Broad decided to group within an entity the development of projects to carry out social housing operations, particularly in the territories in which the group does not operate (outside the major cities, i.e. in zones 2 and 3 social, Pinel zones B2 and C), to propose a national response to these challenges. (See section 1.4.2.2.3 "Kalilog Social housing").
- In addition, agency management has considerable autonomy in the search for land, the development of revenues strategies, the conduct of land development and construction operations and the control of costs.
- Each operational agency has an Business Development and Project Management Department, a Technical Department, a Sales Department and a Showroom (or "Espace Déco") where applicable; and for local agencies, all or parts of these departments are shared between agencies. In addition, the agency departments also benefit from the support of shared regional resources (legal, management control, technical purchases, sales administration) as well as the group's central resources, namely the corporate divisions, which are in particular the Finance, Audit, IT, Legal, Tax, Marketing/Digital and Communication, Human Resources, Architecture and Quality, CSR and Innovation Departments.
- The company provides its various subsidiaries and regional Segments with administrative and management services, including advice on:
- Project financing;
 - organization development, recruitment, training in individual and collective management of employees, career management, salary policy and administration of payroll and personnel files;
 - Accounting, legal, tax and cash management;
 - Processing and implementation of IT systems;
 - Assistance and consulting on sales to individuals;
 - Quality, architecture and customer experience;
 - CSR and Innovation

Group presentation and strategy

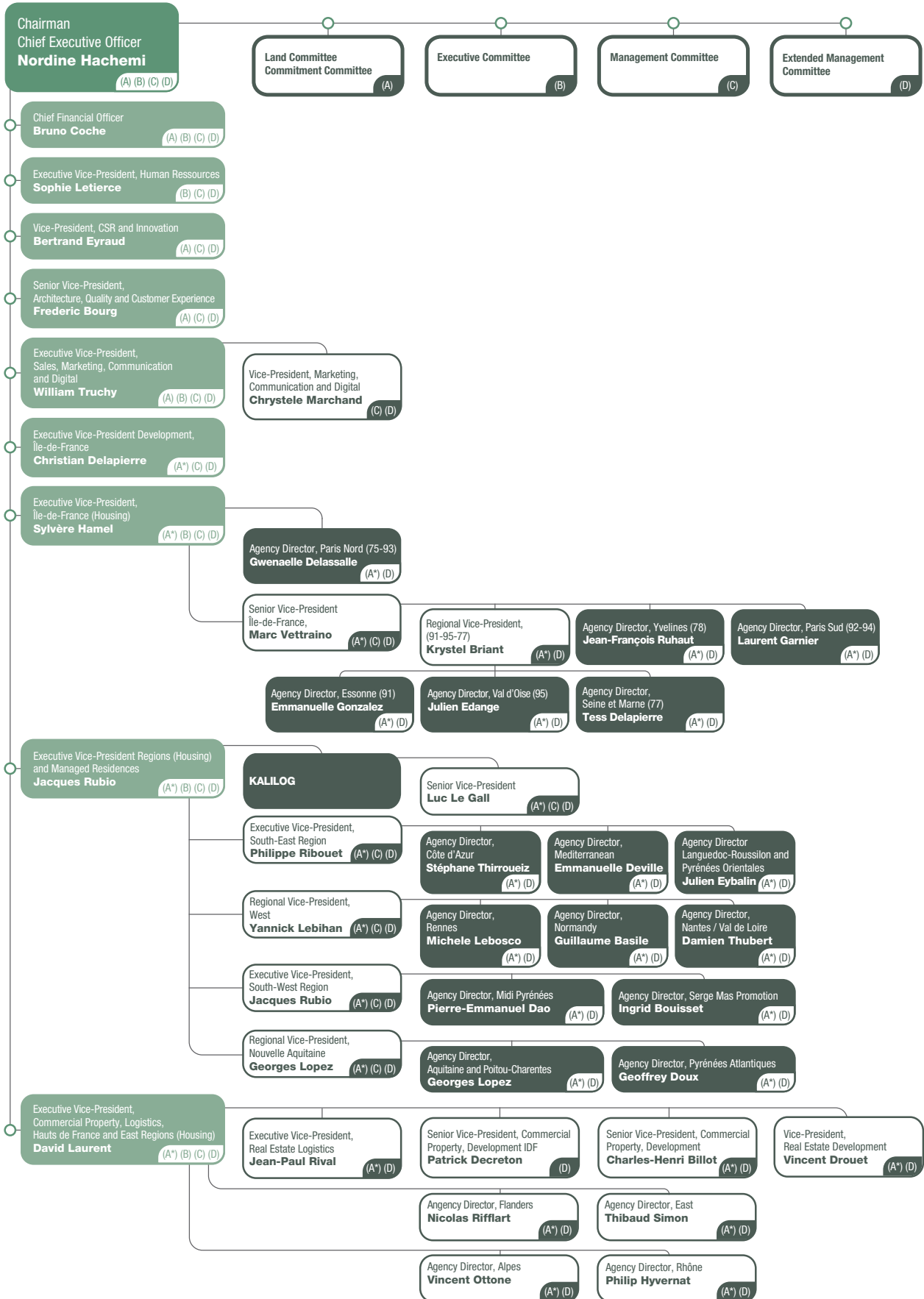
Business model

The cost of these services, excluding head-office and IT costs, which are fully invoiced by the company to its subsidiaries according to a distribution set for each financial year when the budget is drawn up based on the volume of activity of each subsidiary and the area used by each of them, is divided between the group companies through the "*groupement d'Intérêt Économique*" according to a distribution key set on the basis of the number of people assigned to each activity and the volume of activity of each group company.

The company's main subsidiaries (Kaufman & Broad Homes, Kaufman & Broad Développement, Kaufman & Broad Real Estate, Concerto Développement, Kaufman & Broad Nantes, Kaufman & Broad Rhône-Alpes, Kaufman & Broad Savoies, Résidences Bernard Teillaud, Kaufman & Broad Côte-d'Azur, Kaufman & Broad Provence, Kaufman & Broad Méditerranée, Kaufman & Broad Languedoc-Roussillon, Kaufman & Broad Midi-Pyrénées, Kaufman & Broad Pyrénées-Atlantiques, Kaufman & Broad Gironde, Kaufman & Broad Bretagne, Kaufman & Broad Flandres, Safaur, SMP (Serge Mas Promotion),

Seri Ouest, Kaufman & Broad Poitou-Charentes, Kaufman & Broad Pyrénées Orientales, Kaufman & Broad Normandie, Kaufman & Broad Est, Kaufman & Broad Champagne, Kaufman & Broad Bourgogne-Franche Comté, Kaufman & Broad Europe, Kaufman & Broad Financement, Kaufman & Broad Immo, Kaufman & Broad Territoires et Aménagement, Kaufman & Broad Innovation et Technologies, Kaufman & Broad Marketing et Ventes, Kaufman & Broad Investments, KETB Partenaires, Kapital Partenaires Promotion, Cosy Diem, Kalilog et Néorésid) provide development and management, marketing and project management services to the companies hosting the property programs. As compensation for the services provided, service providers receive fees under the agreements entered into. These agreements generally provide for a Compensation of 4.8% (excl. VAT) of revenues (excl. VAT) for management and administrative, legal, financial and accounting services, 5.5% (excl. VAT) of revenues (excl. VAT) for marketing and making brands available and 3% (excl. VAT) of technical costs (excl. VAT) for technical management assistance services.

KAUFMAN & BROAD ORGANIZATION



A* : Land Committee and Commitment Committee of their region

Group presentation and strategy

Business model

1.4.1.2. Geographic presence

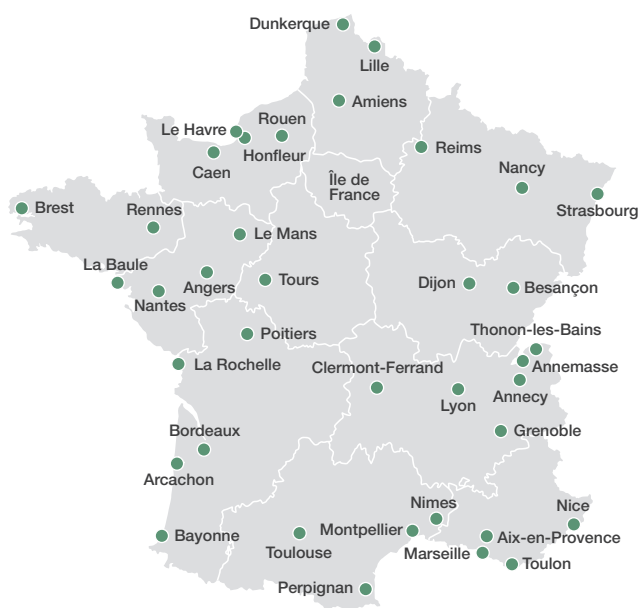
Kaufman & Broad's policy is to deploy its business in geographical sectors with medium and long term potential for economic and demographic development. This objective led the group to focus its activity in the most dynamic regions to increase its market share. In 2022, Housing revenues were 39% in the Paris region and 61% in the Regions.

Kaufman & Broad intends to continue to develop its activities in major economic and demographic hubs where it believes it can still benefit from growth potential, such as: The Hauts-de-France, Grand-Est, Brittany and Normandy, the Atlantic coast with Pays-de-la-Loire and Nouvelle-Aquitaine, Occitanie, the Mediterranean

arc with the PACA region, Auvergne-Rhône-Alpes and in particular in the Île-de-France region.

Kaufman & Broad believes that the positioning of its various programs across the country is in line with the identified customer base. Kaufman & Broad has set up operations in more than twenty new cities since 2015: Aix-en-Provence, Amiens, Angers, Annemasse, Arcachon, Besançon, Brest, Caen, Clermont-Ferrand, Dijon, Dunkerque, Honfleur, La Baule, Le Havre, Le Mans, La Rochelle, Nancy, Nîmes, Perpignan, Poitiers, Reims, Strasbourg, Thonon-les-Bains and Tours, among others.

The map below reflects the group's locations in France in 2023:



1.4.2. Customers and products

1.4.2.1. Customers

The group's policy is to develop a range of housing units in cities with a proven market depth (Multi-occupancy housing, Single-family homes in communities in villages, residences with services, etc.) that meet the requirements and developments of a large customer base. This is made up of private individuals (first-time home buyers in main and secondary residences or investors) and private, social and institutional block investors.

This diversification of customer targets gives the group flexibility to adapt quickly to market changes.

Building on its roots as a specialist in Single-family homes in communities in villages and the small standing collective, Kaufman & Broad is today a general promoter offering a broad commercial offer, adapted to the markets in terms of typologies, surfaces or type of residence.

Type of buyer	Share orders in number		Share of revenue from orders (excl. VAT)	
	2022	2021	2022	2021
Investor ^(a)	31%	34%	33%	34%
Block	56%	54%	45%	46%
First-time buyers	8%	8%	13%	12%
Second-time buyers	5%	4%	9%	8%
Total	100%	100%	100%	100%
(a) Of which "Pinel" scheme	21%	24%	24%	26%

In an economic environment shaken by the geopolitical context, the energy crisis and rising interest rates, the French people's appetite for new housing remains a solid fundamental on which Kaufman & Broad supports a two-pronged strategy, which consists of:

- first, to strengthen its activity focused on first-time buyers, supported by the "Zero Plus Rate Loan" and private investors under the "Pinel" scheme,
- second, to further strengthen its offer of managed residences, especially for students and seniors - sectors where the needs are extremely high.

In addition, in 2022, the group made a significant portion of its block orders, namely 54% in number and 46% in value (down 3% in number compared to 2021, where they were 56%) although still high; As well as a still significant proportion of investor orders representing nearly 31% of all orders in number and 33% in value. The proportion of orders in revenues (excluding VAT) intended for rental investment under the "Pinel" scheme was 21%, down 17% compared to 2021 at 24%; However, the decline in this system is only 4% in value, from 26% to 24% in 2022. The share of first-time buyers and second-time buyers rose by 12% to 22%, compared with 10% in 2021 in value (including tax).

1.4.2.1.1. Buyers of primary residences

First-time buyers are couples between the ages of 25 and 35, without or with a child, who have a monthly family income of about 3,000 to euros 4,000. Their purchases generally concern a dwelling of about 60 sq.m habitable for apartments and 85 sq.m habitable for houses. To finance the purchase of his home, the first buyer may potentially benefit from the "Zero Rate Loan," and the 1% employer loan.

Kaufman & Broad believes that first time buyers still represent a significant business potential, although in 2022 they represent only 8% of the group's orders in number as in 2021 and 13% in value compared to 12% in 2021, experiencing increased difficulties due to the increase in rates.

Second home buyers, who are already owners and are reselling their home, are couples aged 35 to 60 and over, with one or more children. Their monthly family income is generally between 4,500 and euros 9,000. The second buyer's standard purchase concerns housing of 80 to 120 sq.m. Their share in the market has remained stable at low levels since the 2007 crisis, with 4% in 2021 and 5% in 2022, respectively, of orders in number within the group compared to 9% in value for 2022 compared to 8% in 2021.

In 2022, the selling price (including tax) of the group's Single-family homes in communities varied between 239,000 and 812,000 euros. Its average price is approximately 453,281 euros in the Paris area and 374,216 euros in the Regions. The habitable areas of the houses are between 70 and 140 sq.m depending on the programs (see Section 2.1.3. "Monitoring of indicators").

The sale price (incl. VAT) of Multi-occupancy housing units in 2022 varies between approximately 3,000 and 9,400 euros per square metre in the Paris area and varies between approximately 2,700 euros/sq.m and 17,000 euros/sq.m in the Regions. The average selling price (incl. VAT) of Multi-occupancy housing units (including parking) was nearly 5,376 euros/sq.m in the Paris area and 4,912 euros/sq.m in the Regions.

(See section 2.1.3. "Monitoring of indicators" table showing the characteristics of individual houses in villages and Multi-occupancy housing units.)

The following tables show the evolution of the average price (including tax) and the average surface area (excluding land) of Single-family homes in communities in the Paris region and the average price of Multi-occupancy housing units delivered by the group over the past 10 years:

Average price and average surface area of Single-family homes in communities in Île-de-France

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Average price (incl. VAT in euros)	252,500	313,100	381,400	367,000	325,000	365,500	375,200	351,775	306,840	334,285	453,281
Average surface area (sq.m)	80	90	98	88	87	94	94	92	94	97	95

Average price of Multi-occupancy housing in Île-de-France and the Regions

(incl. tax in euros)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Île-de-France	238,800	207,800	205,800	256,300	225,900	235,800	256,200	283,077	267,624	298,739	310,409
Other Regions	212,000	198,500	183,700	197,500	194,000	205,800	227,300	213,975	236,103	265,641	263,876

1.4.2.1.2. Individual investors

The group designs programs whose characteristics meet the quality and profitability requirements of individual investors, regardless of whether they are seeking to tax out or build up assets. In 2022, the group estimates that it booked 31% of its orders in number to individual investors through specifiers, specialised revenues networks and internal revenues, compared with 34% in 2021.

Based on the declarations of intent made by private investors, the group estimates that 21% of the number of orders made by private investors under the "Pinel" system, compared with 24% in 2021.

1.4.2.1.3. Institutional investors and Public housing operator

Kaufman & Broad has for several years been developing a strong partnership with the main French and foreign institutional investors (insurance companies, pension funds, real estate companies and social operators) and enjoys a great reputation in this environment.

Group presentation and strategy

Business model

1.4.2.2. Products

Kaufman & Broad's products consist of four main types of products: (i) apartments, (ii) individual houses in villages, (iii) managed residences (business, students, tourism and services) and (iv) Commercial property.

Kaufman & Broad's reputation is built on the quality of its achievements. With this in mind, the group closely monitors the achievements of the construction companies it uses, which allows it to select the best subcontractors for future programs. For this purpose, and, generally, at the end of each project, companies are assessed by the group's technical departments.

Kaufman & Broad focuses on ensuring that its houses have a harmonious architecture and functional interior design (large reception lounge, separation of daytime and nighttime rooms, master bedroom, possible extensions or evolutionary models, etc.). The group also attaches great importance to the landscaping environment of its programs.

Similarly, in its Multi-occupancy housing programs, the group, which favours integrated architecture in urban sites, may use renowned architects. With an internal service dedicated to this function, which reworks the plans proposed by architectural firms, the plans of the apartments are optimized in terms of volume and functionality.

Private housing (multi-occupancy or single-family)

The group offers its future customers who plan to become the owner of new housing, and thus take advantage of the many assets reserved for this type of property, namely: Increased comfort and safety, energy savings (labels and respected standards), financing aid, specific legal provisions, etc.

The benefits can be broken down as follows:

- 1) "Bespoke" real estate projects: The group offers its customers many possibilities to develop and customise their accommodation, such as moving partitions or doors, replacing a bath with a shower, etc. Depending on the stage of progress of the work, dedicated teams may propose more or less important adaptations. Investing in new housing also offers customers the opportunity to personalise their decoration: Paint color, choice of tiles, type of parquet floors; to this end, the *group has* Showrooms or Espaces Déco to discover both the range of contractual services and a wide range of options;
- 2) Labels and certifications: Acquiring new housing makes it possible to benefit from many advantages that this type of property holds. Labels and certifications guarantee the quality of properties in various areas: The health, safety and well being of occupants, the environment and energy performance and the quality of the property. All housing projects launched include quality and environmental certification by an

independent third party accredited by COFRAC (NF Habitat, Prestaterre Bâtiment Environnement or Promotelec). COFRAC is the French national accreditation body internationally recognised by the International Laboratory Accreditation Cooperation (ILAC), the International Accreditation Forum (IAF) and the European Co operation for Accreditation (EA).

- 3) Financing assistance, tax benefits and reduced costs, such as:
 - Zero_interest Plus Loan (PTZ+): This is an interest-free advance, granted by the French State, intended to finance the borrower's primary residence and which may cover up to 40% of the acquisition,
 - Notary fees (or registration fees) are reduced for the acquisition of new housing, ranging from 1.8 to 3% of the acquisition price (compared to 7 to 8% in the case of old property),
 - Or a reduced VAT rate, by buying a new home as a principal place of residence, in an area called ANRU (or QPV), buyers can thus benefit from a reduced VAT of 5.5% compared to 20%. This benefit can be combined with the benefits offered by the PTZ+ loan,
 - Tax benefits related to the investment. These incentives on the part of the State are intended to increase the private rental stock while maintaining a social commitment by capping rents. The main scheme is the Pinel scheme, which allows, in 2023, a tax reduction of 10.5%, 15% or 17.5% of the amount of the transaction in exchange for a rental commitment of 6, 9 or 12 years (see section 1.3.1.1. "Tax incentives"). However, other schemes applicable to the new are possible, such as the recovery of VAT for managed residences and the LMNP for furnished apartments,
 - The exemption from the communal portion of the property tax when it has been passed by the City in which the building is built, because by purchasing a new home (apartment or individual house for sale in the state of future completion) buyers can be exempt from property tax for two years from January 1 of the year following that of completion of the construction;
- 4) Guarantees: The purchase of new housing benefits from various guarantees such as:
 - The guarantee of repayment or completion,
 - The guarantee against apparent defects,
 - The guarantee of perfect completion,
 - The biennial guarantee,
 - The ten-year good performance warranty.

1.4.2.2.2. Single-family homes in communities

For more than 50 years, the group has developed the concept of Single-family homes in communities in France. Particular attention is paid to site selection.

Each village, depending on its size, has different models, the average size of a program ranging from 20 to 60 houses.

The strengths and reputation of Kaufman & Broad in Single-family homes in communities are as follows:

- Strong identification of our programs and homes;
- Operations with high landscape quality:
 - *Open* space, careful treatment of program entries and plantations;
- Expertise in home design:
 - Empty on living room,
 - Parental suite,
 - *Family room*,
 - *Extra room...*;
- Particular attention is paid to light and volume optimisation.

Each detached house comes with a landscaped private lawn with garden.

These house models are offered with several architectural styles.

In the Paris region, individual village houses generally offered by the group are:

- Either single- or semi-detached houses with a surface area of 75 to 90 sq.m intended mainly for the first-time buyers or market investors; for prices generally starting from 320,000 euros

1.4.2.2.3. Multi-occupancy housing

To develop its apartments, Kaufman & Broad is very attentive to the selection of its sites. In the Paris region, they are often close to public transport and local services. In the Regions, they are also located in city centres or near outskirts of cities such as Aix-en-Provence, Amiens, Angers, Annecy, Annemasse, Bayonne, Besançon, Bordeaux, Brest, Caen, Clermont Ferrand, Dijon, Dunkerque, Grenoble, Honfleur, La Baule, Le Havre, Le Mans, La Rochelle, Lille, Lyon, Marseille, Montpellier, Nancy, Nantes, Nice, Nîmes, Orléans, Perpignan, Reims, Rennes, Rouen, Thonon-les-Bains, Toulon, Toulouse, Tours, Strasbourg, etc.

Kaufman & Broad pays great attention to the architecture of its buildings, the treatment of common areas (entrance halls, floor level, shared areas, gardens and green spaces), the development and optimization of spaces and openings to the outside. The group also constructs buildings taking into account the latest energy saving requirements, in accordance with the RT 2012, RE 2020 legislation in force since 1 January 2022, or even higher.

In the Île-de-France region, the group builds Multi-occupancy housing intended primarily for:

- first-time buyers or investors, in the first, second and third orders of Greater Paris, with an average surface area of between 40 and 65 sq.m, for prices generally varying between euros 3,700/sq.m and euros 5,700/sq.m (incl. VAT);

- Either individual houses in villages with a living area generally between 95 and 130 sq.m and which are mainly intended for the first-time buyer market; for prices generally varying between 360,000 and 800,000 euros.

In this type of transaction, the group proposes taking into account and integrating considerations based on the following criteria:

- A project adapted to the wishes and needs of our customers and municipalities;
- Quality urban planning incorporating environmental considerations;
- Minimising the impact of taxiways and cars;
- Special treatment for pedestrian areas and soft traffic;
- Rainwater collection in landscape nodes;
- A variety of house models, in typology, volume and architectural treatment.

In the Regions, the group is developing its activity as Single-family homes in communities with products intended for both first- and second-time buyers at prices generally ranging from 260,000 to 650,000 euros.

To keep pace with customer expectations, Kaufman & Broad regularly develops its range of houses to offer new models, taking into account today's requirements in terms of Sustainable Development and energy savings.

- second-time buyers, in the first and second orders of Greater Paris, with an average surface area of between 65 and 95 sq.m, for prices generally varying between 4,500 euros/sq.m and 7,900 euros/sq.m (incl. VAT);
- In the Regions, the group carries out its Multi-occupancy housing programs under the Kaufman & Broad brand, mainly aimed at:
 - first-time buyers or investors with an average surface area of between 40 and 65 sq.m, with prices generally varying between 2,700 euros/sq.m and 4,800 euros/sq.m,
 - second-time buyers for an average surface area of between 60 and 90 sq.m, with prices generally varying between 4,000 euros/sq.m and 7,000 euros/sq.m.

The development of the Kaufman & Broad group in Regions allows it to build Multi-occupancy housing for first-time buyers, second-time buyers and investors in the main urban areas but also in secondary cities with high economic activity.

In addition, on the Atlantic, Normandy, Breton and Mediterranean coasts, Kaufman & Broad's achievements in qualitative sites attract a clientele of pensioners and remain highly attractive areas on which Kaufman & Broad has been positioned for several years.

Group presentation and strategy

Business model

1.4.2.2.4. Social housing (Kalilog)

To meet the need to implement social housing programs, particularly in regions where Kaufman & Broad does not operate (outside the major cities, i.e. in social zones 2 and 3, Pinel B2 and C), the group has created a dedicated structure that operates throughout the country. This activity is for the group a new diversification and additional development for 100% VEFA social

projects. This is a "tailor-made" offer for local authorities, adapted to each region; namely: A municipality, a need, a project, and this, within an optimised time. Kalilog is a response that will allow local authorities to reach the 25% threshold of social housing imposed by the SRU law, but also to acquire a real estate offer that meets all the real estate paths of their inhabitants.

1.4.2.2.5. Managed residences

Kaufman & Broad develops tourism, student, business and seniors residences throughout the country.

The operation of managed residences is entrusted to selected managers with recognised know-how, reputation and proven financial strength, ensuring owners a rental guarantee. These specific housing units are marketed as part of the depreciable LMNP investment schemes, allowing buyers to benefit from the recovery of VAT.

The development of this activity is based on three major strategic priorities:

- Student residences: The group's objective is to maintain the level of development in "traditional" student residences to meet the growing need for housing in this sector while developing "new generation" student residences concepts;
- Tourism and business residences: The group intends to open up its real estate research to socially managed residences and to appropriate new products such as Co-living, hostels, intergenerational residences, etc.;
- Senior residences: Kaufman & Broad is positioned as a key player in the Silver Economy and responds to the national challenge of maintaining people with a loss of autonomy at home, by offering two solutions: to adapt housing for most of purposes and, for people seeking social ties, housing residences grouped for seniors in partnership with nationally recognized service providers. These Multi-occupancy housing units are offered in home ownership, free investment furnished, LMNP or "Pinel" schemes.

New needs and expectations of a French population. According to the *INSEE*, population growth may be +7.0 million by 2070, bringing the French population from 68.3 million (at the end of 2022) to nearly 76.5 million by 2070. The continued increase in life expectancy will profoundly change the age pyramid towards a growing ageing population (by 2060: nearly one-third (33.4%) of French people will be over 60 years old. The proportion of persons aged 75 or over is estimated to be almost twice as high in 2060 (16.2% of the population) as in 2022 (8.7% of the population is +6.0 million). There is therefore a strong trend: seniors want to age at home, where they have always lived, for as long as possible. To meet this demand, Kaufman & Broad launched an innovative concept in 2017: "Cosy Diem." This concept aims to meet the need for autonomy and independence of this population wishing to extend their autonomy while taking advantage of a presence and a friendly environment.

It is structured around the following elements:

- a personalised coaching program developed with the help of the *Gérontopôle* to maintain the capacities of residents according to their wishes;
- on-site dining based on healthy, organic and fresh products designed for the health of local residents and from short supply chains;
- maintaining social ties and developing intergenerational ties through a presence in the heart of cities and opening the residence to its immediate environment, both geographical and societal (e.g. accessibility of the local market, shops, partnership with nurseries, etc.).

1.4.2.2.6. Commercial property

In the past, Kaufman & Broad developed a major business in commercial commercial property that strengthened its reputation in the Paris region. Since 2011, the group has relaunched this activity at the rate of one to two office operations on average per year and, since the acquisition of Concerto European Developer at the end of 2014, one to two logistics platforms per year. As part of its service activities, the group may also develop hotel or Retail areas operations. The group carries out this activity, either on behalf of third parties (delegated project management and property development contract) or on its own behalf to sell it, generally respecting a strict policy of buying land once the entire pre-marketed program (sale in the future state of completion).

Kaufman & Broad strives to address the key concerns of users in all of its commercial property projects by designing:

- Quality, pleasant spaces for use and adapted to new ways of working,
- Efficient buildings (optimisation of the surface area per workstation), with technical, energy and environmental performance and optimised operating costs;
- These buildings also respond perfectly to investors' expectations, by maximising the value of the investment made by a high-quality design (high-end building), favouring the flexibility of spaces and their ability to evolve over time and therefore their sustainability.

New offices

Each project for a new set of offices is unique. The Kaufman & Broad Commercial Segment teams are therefore present at every stage of the project, from design to construction, to support customers, investors and occupants in the creation of a "tailor-made" project. A new office building is the result of a careful creation process, the compilation of rigorous parameters and decisive choices made in close collaboration with the group's partners to:

- Choose the best locations;
- Providing tailored responses to the needs of companies;
- Integrate the expectations of governments and investors;
- Build the most healthy and comfortable, the most economical and virtuous, the most efficient and profitable buildings.

Restructured offices

Since 2010, Kaufman & Broad has been involved in the commercial building restructuring market to address building managers who wish to avoid the discount of their property holdings due to obsolescence. This renovation offer should enable them to benefit from both a revaluation of their real estate assets, significant reductions in energy consumption, compliance with standards and the customised restructuring of buildings.

For the group, the challenges of restructuring can be broken down as follows:

- Create "core" assets by repositioning them through their restructuring into the premium segment of the Commercial property market in VEFA;
- Restoring the functional and technical qualities of new buildings;
- Optimise surfaces and spaces;
- Enhance the charm and authenticity of the original architecture or propose a new interpretation of the site.

With this in mind, Kaufman & Broad strives to:

- Anticipate the legal and regulatory framework;
- Reducing the energy consumption and carbon footprint of user companies;
- Protect the health of users.

The objective is to recreate an appeal that will allow for a new cycle of long term profitability and optimal liquidity of real estate assets.

Real Estate Development, Urban Projects and Innovation

The group believes that the development of complex projects on an urban scale could offer it growth potential in the coming years. Kaufman & Broad therefore created at the end of 2019 a Development Department, which aims to support and meet the expectations of local authorities in their eco-urban projects. This department introduces a new model of neighbourhood projects that integrate the entire life cycle of the neighbourhood from the design stage, establishing a partnership relationship with local authorities both upstream and over the long term.

The Planning Department offers strong expertise and a structured approach in the structuring and implementation of operations with mixed programming, as well as specific resources for the

Logistics and business platforms (Concerto)

Created in 1998, Concerto is one of the French leaders in logistics engineering in France. A subsidiary of the Kaufman & Broad group since 2014, Concerto strategically complements the expertise and know-how of Kaufman & Broad's Corporate Real Estate Segment and demonstrates its ability to create value for its industrial customers or distributors by offering them tailor-made solutions and projects that meet the new technical challenges facing the logistics businesses today.

Concerto offers professionals solutions for real estate/logistics functions to enable them to transform fixed costs into variable costs and remain focused on their core business. In this context, Concerto, through its experience in logistics engineering, designs turnkey projects adapted to the needs of its customers in a spirit of long-term partnership, and carries out operations to reconvert/rehabilitate sites close to urban centres. Concerto is active in the high value-added logistics sectors in all sectors of the industry, local logistics (large Retail areasers, Retail areasers) and logistics for new locations.

Hotels

To develop new concepts and diversify the heritage of its future customers, Kaufman & Broad offers its know-how in hotel project design to the largest national and international brands.

These teams can offer their future customers tailor-made projects to:

- Capture the benefits of tourism growth and globalisation;
- Develop new hotel concepts that create more value and are attractive to customers;
- To meet global urban challenges and find their place at the heart of the city.

Retail areas

Kaufman & Broad does not design an operation without thinking about the inhabitants, the employees, the neighbourhood and the customs of each of these parties. The group puts its know-how and expertise in Commercial property at the service of users and the city to develop commercial premises on the ground floor of housing buildings or managed residences.

realization and realization of projects with an urban vision. The Segment is also part of a strategy of integrating and mastering innovations in mobility, energy, the circular economy and new urban services to promote a new generation of sustainable neighbourhoods. This approach establishes for each project, in agreement with local authorities, targets for excellence and measurement indicators to which the group is committed over the long term. The operations that the group is developing are of a wide variety of sizes and are based on the conviction that the success of a sustainable neighbourhood requires the coherence of all the components of its ecosystem.

1.4.2.2.7. Managed residences portfolio: Developer-investor-operator

In 2020, the group decided to create a developer-investor operator activity in the managed residences sector. The aim is to offer a new class of institutional, private and public investors portfolios of managed residences (senior and student) offering regular returns with low capital risk over 10 to 20 years.

1.4.3. Marketing and sales

Kaufman & Broad deploys a marketing organization to meet two major strategic objectives:

- Provide the sales force with a continuous flow of qualified and mature prospects or contacts in their acquisition project, thanks to appropriate marketing mechanisms;
- Improve acquisition costs and transformation rates through rigorous control of the effectiveness of the actions implemented, and a test *and learn* policy.

For Kaufman & Broad, marketing is a key step in the customer journey and one of the important criteria for its final satisfaction.

1.4.3.1. Sales team

Kaufman & Broad relies on all the sales channels available to it according to the nature of its offer and to always find the best ratio between marketing costs and flow rates. These channels are as follows:

Internal Direct sales

As of November 30, 2022, the sales teams were made up of 116 people, including 50 new real estate advisers with an average length of service of 10.4 years in the group. Sellers receive a fixed Compensation plus a commission from sales made. Kaufman & Broad believes that its sales team is particularly efficient, professional and efficient. It benefits from dedicated guidance and training that allows it to adapt quickly to the expectations of customers, whether individual investors or future residents of their acquisition.

The revenues team is equipped and trained to offer the same customer experience to potential buyers in all geographic sectors. They are trained to discover and support customer needs and to be able to offer Kaufman & Broad's national offering.

To be as close as possible to its customers' expectations, Kaufman & Broad has developed modern, multi-program revenues spaces that allow for a personalised digital experience, but has also equipped its sales force with tools to offer buyers meetings at home or in a third place of their choice, as well as the possibility of video conference interviews supported by a particularly efficient document sharing platform.

Since 2017, Kaufman & Broad has developed the concept of shopping spaces as multi-program and offer a digital and personalised experience. They are located in some twenty major cities in which the group operates, namely: Aix-en-Provence, Anglet, Bordeaux, Caen, Dijon, La Rochelle, Lyon, Montpellier, Nantes, Nice, Rouen, Serge Mas Promotion, Strasbourg, Toulouse... as well as in the Paris region in Athis Mons and Courbevoie.

Intermediated sales

Kaufman & Broad also relies on:

- Independent wealth management advisers;
- Banking networks;
- Marketing networks;
- revenues platforms

whom it mandates to distribute the products developed by the brand to a clientele mainly composed of private investors. This revenues channel is managed by an internal team of Prescription Managers, who are responsible for leading these players, facilitating product selection and presentation to their customers using dedicated marketing tools, including an extranet site www.kbpatrimoine.fr.

Block sales

Finally, Kaufman & Broad sells part of its production to institutional investors. To this end, its General Management in charge of revenues and institutional sales, in constant contact with major providers of "social housing" or "intermediate" housing, identifies needs and opportunities and relies on regional departments to develop appropriate proposals.

1.4.3.2. Points of sale

Kaufman & Broad marks the customer journey by adapting its points of sale according to the time of marketing and the needs of the targeted prospects. As a result:

- On an ad hoc basis, conventional sales offices at construction sites in dense catchment areas and in commercial zones;
- Pop-up *BV*. These are temporary, bespoke and event-based revenues offices intended to launch or commercial events;
- The *BoutiK*, which are generally open 6 days out of 7 and are located in the centre of a given sector of operations; they offer a permanent address for the Kaufman & Broad brand in a given geographical sector and allow all of its operations to be marketed;
- Appointments at the customers' home or in any other place that allows them according to their schedule of time and availability;
- Decorated apartments or Show homes that have not only the function of point of sale but also of tools to visualise the product sold.

The health crisis has had the effect of generalizing distance selling, which relies on effective online presentation and signature tools.

1.4.3.3. Showrooms

One of the first expectations of new real estate customers is the personalisation of their homes before delivery. This is why Kaufman & Broad offers a wide range of services and services to support buyers in this approach. Kaufman & Broad welcomes its customers in Showrooms in Courbevoie, Lyon, Toulouse, Fréjus and Nantes. These spaces have many references (carpets, tiles, floors, fireplaces, closets, storage rooms, bathrooms, kitchens, etc.) In simulation, allowing customers to view and make local choices with expert advice. This service provides Kaufman & Broad's customers with a genuine link between commercial and technical services. Digital tools also enable customers to make their choice remotely.

1.4.3.4. Operational Marketing and Advertising

The contacts made to the revenues force come from two types of levers:

- "Production-centric" advertising campaigns geolocated and targeted according to the characteristics of the program, the market and the competitive context. These campaigns are implemented in particular when programs are launched.
- Transversal "client-centric" campaigns that are geolocalized and thematized. These campaigns have the dual objective of nurturing Kaufman & Broad's prospects and maintaining or developing its brand image and reputation. They rely largely on targeted digital marketing actions.

These actions are determined and managed using data reporting tools, which enable the team to accurately and in real-time ensure the return on investment of the actions carried out.

1.4.3.5. Digital tools

All operational marketing and advertising initiatives focus on digital tools dedicated to supporting customers. The main B2C www.kaufmanbroad.fr website is constantly benefiting from functional changes aimed at continuously improving the user experience on the one hand and natural referencing on the other.

Kaufman & Broad offers a 3D view of the residence for all its programs sold to individuals. This special feature contributes to customer satisfaction and allows all marketing channels to be particularly effective in selling remotely and meeting the needs and wishes of their customers in this new mode of consumption for real estate.

The digitisation of sales assistance tools is at the service of all sales channels and in particular intermediated revenues through the provision of the www.kbpatrimoine.fr website to all mandated partners. This extranet presents the majority of the offer and offers intermediaries several tools (tablets, selection tools, dashboard, etc.) that will facilitate their presentation to their customers.

The entire offer is also distributed via secure and automated flows on various distribution or marketing platforms.

Lastly, an extranet site dedicated to orders, www.mon-espace.kaufmanbroad.fr, supports customers in their journey from booking to delivery and allows them to communicate with their internal contacts directly from their secure space.

1.4.4. Marketing method

To limit its financial commitments, Kaufman & Broad generally begins the process of marketing its programs before the final purchase of the land.

This pre-marketing of the operation is launched if possible at the beginning of the construction permit investigation. As soon as the cost of the operation has been established and the delivery deadlines for the housing units are fixed, order contracts may be offered to customers.

Kaufman & Broad must comply with the laws protecting purchasers, in particular, the *SRU* Law included in the Construction and Housing Code. As a result, the revenues administration department notifies the customer, by AR 24, of a copy of the signed order contract. All customers have a legal reflection period of 10 clear days from the receipt of the contract during which they may withdraw.

In the absence of withdrawal, the sale to be made following the order is no longer subject to the usual condition of obtaining loans and the related insurance contract. The bookrunner nevertheless retains the right to withdraw in return for the loss of the security deposit.

1.4.4.1. Customer assistance during the marketing process

revenues teams can help customers set up a financing project if they wish and in view of the elements they provide. This initial analysis makes it possible to approximate the financial capacity of each buyer and to limit the risks of calling into question the cancellation condition related to the non-receipt of financing.

To comply with applicable regulations, Kaufman & Broad has registered several of its subsidiaries with ORIAS as a Bank Transaction Intermediary and Payment Service in the non-exclusive agent category.

As part of its customer service development strategy, Kaufman & Broad generally provides its customers with financial institutions (leading banks in the marketplace) and brokerage platforms with which the group has partnered to offer its customers loans in the best possible conditions. A financial adviser may also be present at a revenues office when launching a significant transaction.

The group's revenues administration department supports customers until the signature of the authentic deed of sale. It generally monitors customers in the financial structuring of their loans, particularly in the structuring of their loan files and their insurance. It ensures that the notary makes the notifications of the draft revenues contracts of the customers which must, in accordance with the legal provisions, be sent to the customers at least one month before the provisional date of signature. Lastly, it ensures that the notice of signature of the notarial deed is sent according to the timetable set.

1.4.4.2. Form of revenues and timing of payments

Since 1 September 1999, the group has marketed all its operations under the rules governing sales before completion ("VEFA") regime, as do most of its competitors.

Through the sale-before-completion agreement *VEFA* contract, the legislator has given real estate developers the option to call customers funds according to the progress of the work according to a schedule governed by the Law, on the one hand, and the obligation to issue in consideration to customers a financial guarantee of completion (*GFA*) (see paragraph 1.5.4. "Financing of programs"), on the other hand. Payments may not exceed in total 35% of the price upon completing the foundations, 70% at the provision of water and 95% at the completion of the building. The balance is due at delivery. The signing of the *VEFA* contract makes the buyer immediately the owner of the land and then the building as it is built.

In a sale before completion, most of the calls for payment (*VEFA*), the deadlines for customers follow this schedule, for most Single-family homes in communities programs: 5% deposit guarantee upon booking on an escrow account if the authentic deed has occurred in the year following the booking, 25% at the declaration of the opening of the site with works actually started, 5% upon completing the foundations, 20% upon completing the framework, 15% at the provision of water, 15% upon completing the interior partitions, 10% upon completing the final works and 5% at the delivery. For Multi-occupancy housing programs, the deadlines follow this schedule in most cases: 5% deposit guarantee deposit at the booking on an escrow account if the notarized deed has passed in the year following the order, 25% declaration of the opening of the site with works actually started, 5% upon completing the foundations, 20% upon completing the lowest or ground floor, 10% upon completing the lowest floor 2nd floor, 5% upon provision of water, 10% upon completing the external joinery, 10% upon completing the interior partitions, 5% upon completing the final works and 5% upon the delivery. Calls for funds are sent to customers on the basis of certificates of work drawn up by the execution project manager. It is specified, however, that if the signature of the deed of sale occurs after the completion of one of the above events, the fraction of the price payable at the signature will be that provided according to the progress of the work, as determined by the said schedule. Kaufman & Broad is likely to adjust this schedule for customers as part of one-off promotional operations to increase the pace of marketing of certain programs. Except for exceptions related to the particularities of the order contracts entered into by the external revenues networks, on the one hand, and exceptional commercial conditions, on the other hand, 2 to 5% of the price including tax of the accommodation are generally paid by the customer when signing the order contract, this amount must be deposited by the group in a deposit escrow account. This amount is frozen until the signature of the definitive sale agreement, the date on which the sums are definitively acquired by the group. This amount is returned to the customer if (i) the sale contract is not concluded by the group within the time period provided for in the order contract, (ii) the loan(s) provided for in the order contract are not obtained by the customer or their amount is 10% lower than the forecast of the order contract, (iii) one of the equipment elements provided for in the order contract must not be realized or (iv) the building or part of the building that was the subject of the order contract presents, in its consistency or quality of the planned structures, a value reduction, assessed by an expert, greater than 10%.

1.4.4.3. Customer service

In the interest of customer satisfaction, Kaufman & Broad has set up a customer service department to provide answers to all questions buyers may have about the operation of their property and any defects they may have found.

This service comes from the delivery of the property and becomes the point of contact for customers able to provide them with all the information necessary for the proper operation of their property and their proper installation, and to assist them in their procedures.

Thus, when a defect in the functioning of the property is reported, customer service contacts the responsible construction company and ensures its rapid intervention. Similarly, in the event of the guarantee of perfect completion (one year), the biennial guarantee

of good operation or the ten-year guarantee, the customer service assists the customer in its procedures by contacting the works companies concerned or the insurance companies (for a description of these guarantees, see section 4.2.3. "Insurance").

To ensure customer satisfaction and the constant improvement of its customer service, Kaufman & Broad has entrusted a third-party organization (*BVA*) with the implementation of a customer satisfaction survey. Thus, customers are asked at different stages of their journey about both the general quality of construction and the different services of the group (revenues team, technical service, showroom advisor and customer service). The analysis of results allows the group to better understand customer requirements and continuously improve the products and services it offers them.

1.5. Operations sequence

1.5.1. Product typology

1.5.1.1. Single-family homes in communities, multi-occupancy housing and managed residences

The development of a program of Single-family homes in communities and for Multi-occupancy housing generally takes place in four stages: Obtaining administrative permits, buying land, marketing housing and building it.

If possible, marketing (order contracts) begins when the building permit is filed and even before the land is purchased.

The normal cycle of implementation of a traditional program (construction of various roads and networks and construction) of Single-family homes in communities is on average 18 months.

The cycle for a multi-occupancy housing program is approximately 18 months, this period does not take into account the prior period necessary for the assembly and pre-marketing of the operation.

1.5.2. Purchase of land

1.5.2.1. Land selection

Kaufman & Broad's strategy is to purchase only the land necessary for the development of its activities and never to purchase land as a speculative investment.

Land purchased by the group over the last three fiscal years (including land purchased by companies acquired during the fiscal year in which they were acquired) represented a total investment of 209.2 million euros for fiscal year 2022, 242.3 million euros for fiscal year 2021 and 157.7 million euros for fiscal year 2020.

Kaufman & Broad has its own teams specialising in real estate research and transaction structuring.

These teams search for land, study the administrative, legal, commercial and technical aspects and also prepare a forecast financial balance sheet of the project. They are looking for land that meets the selection criteria set by the group, particularly regarding:

- Their geographical location (near a dynamic city with a good image for Single-family homes in communities and in downtown areas or close to an attractive urban area with a good image for Multi-occupancy housing);
- Their environment (proximity to job pools, public transport, public facilities such as nurseries and schools, shops and cinemas, green spaces, sports infrastructure - golf, swimming pool, etc.);
- Their quality (soil and exposure);

The group's investment criteria are as follows: Land for Single-family homes in communities to carry out programs ranging from 15 to 90 houses and, for Multi-occupancy housing units, operations ranging from 10 to 200 units or more, with a minimum projected gross margin of 19.0% (excluding social housing).

1.5.1.2. Commercial property

Commercial property transactions are generally carried out only on behalf of third parties or sold in the future to an identified end user or end investor. In the context of restructuring or renovation operations, the group is entrusted with a property development contract (the group designs and builds the project on behalf of an investor who owns the building at a fixed price including his fees) or delegated project management (the group does not advance any funds for construction and receives only fees). As part of a sale on completion, the group designs the real estate project with the assistance of external architects. As soon as the sale agreement is signed, the group looks for a tenant or user of the future premises, as well as the final investor who will be the buyer of this real estate transaction. The acquisition of the land or building is only carried out if this research has been completed, in whole or in part.

Generally, the purchase of the land takes place and the construction of the offices is only started when the real estate project is fully sold.

The quality control of the land is carried out by Kaufman & Broad. A study of the nature of the land to be acquired, usually including a study of pollution and the land history, is systematically commissioned from a specialised office.

For Single-family homes in communities programs, a technical study of various roads and networks is generally conducted to determine the amount of land improvement work to determine the overall cost of land development. Kaufman & Broad has since established a team of technicians specialising in various roads and networks. This team prepares the mass plan (overall project implementation plan) and monitors the development of the operation.

1.5.2.2. Approval of projects by the Land Committee

The Land Committee unanimously approves the strategic and financial relevance of the proposed projects of operations and the preliminary provisional expenditure budget (until the filing of the application for a building permit) and authorises the implementation of an Indemnity for the Immobilisation of Land (in particular in the case of unilateral promises to sell).

This Committee is composed of the Chairman and Chief Executive Officer, the Chief Financial Officer, the Chief Commercial and Marketing Officer, the CSR and Innovation Director, the Executive Vice President, Quality Architecture and Customer Experiences, the Chief Executive Officer in charge of the region concerned and the Agency Director.

The file presented by the Director of the Agency to the members of this Committee in general includes the following information:

- A presentation of the land and its environment (situation in the municipality, proximity to shops, public facilities and services);
- The nature of the legal commitments envisaged (type of promise to sell or proposed company buy back, form and amount of compensation for land assets);
- A market study to analyse the local market, infrastructure, the price of new and old housing in the geographical sector, the number of operations in progress and under development in the sector, to propose an average selling price of housing for the proposed project;
- A technical and architectural feasibility study;
- Forecast distribution by distribution channel;
- A forecast schedule for completion;
- A financial balance sheet and a cash flow plan based on forecast selling prices resulting from market research;
- The provisional amount of the preliminary expenses for the filing of the building permit.

1.5.2.3. Project management and development costs

If the project is selected by the Land Committee, a preliminary, generally unilateral sale agreement subject to the condition precedent of obtaining a permanent building permit and subject to the conditions of use (conditions relating to the release of the premises, conditions relating to the nature of the soil, the presence of pollution or the presence of classified facilities as covered by the French Environment Code, as well as the absence of an archaeological prescription) may be signed.

This promise includes, in particular:

- The sale price of the land;
- The terms and conditions of the transaction: Obtaining the necessary administrative permits to produce a minimum number of square metres of building capacity or, for Single-family homes in communities, a minimum number of houses;
- The period for exercising the planned purchase option, which must be compatible with the time required to obtain the administrative authorisations served by third parties, or even administrative withdrawal;
- Generally, a marketing clause.

In some cases, the group enters into commitments to acquire shares in companies that own land. In addition to the conditions precedent described above, these promises to sell units contain conditions precedent relating to carrying out accounting, financial and legal audits.

1.5.2.4. Commitment Committee

Prior to the filing of the building permit application (as well as after the signature of the synallagmatic revenues promise if the use of this type of commitment was necessary) and the launch of the marketing, the members of the Land Committee meet in Commitment Committee to validate the strategic approach of the transaction (in particular for commercial and technical aspects), validate the updated budget of the transaction, which will be

considered as the reference budget, validate the typology and composition of the transaction, authorize the filing of the building permit application and authorize the launch of the company consultation file (DCE) and marketing and commercial tools. These decisions constitute a unanimous authorisation granted to the Director of the agency concerned to continue the study of the real estate project.

The information presented to Committee members is an update of the file initially presented to the Land Committee.

An application for a building permit is then filed with the town hall of the municipality in which the operation is carried out. Kaufman & Broad teams follow the examination of the files with the technical departments of the cities concerned or the competent Departmental Equipment Department (DDE). The normal time limit for examining the building permit file is generally three to five months. To this time limit, the third-party appeal period must be added, which is two months from the posting of the building permit on the site and take into account, in some cases, the withdrawal period by the mayor, which is three months. Third parties (associations, local residents) may challenge building and demolition permits, basing their appeal on non-compliance with local urban planning rules (local urban planning plan, commercial zone development plan, etc.) and the Urban Planning Code.

In the event of an appeal, the group has three options:

- Renounce the continuation of the operation by relying on the non-fulfilment of the condition precedent of obtaining a building permit served by all appeals provided for by the promise to sell the land;
- Defend the case before the competent administrative court (however, this solution is rarely used because of the significant delays related to the congestion of these courts);
- Attempt to reach an amicable agreement with the applicant whereby they agree to waive any recourse.

1.5.2.5. Final decision to purchase land

The final decision to acquire the land is made by the members of the Land Committee. The general rule adopted by Kaufman & Broad provides that the final acquisition of land is carried out if (i) the administrative authorizations required to carry out the planned program are obtained and served from third parties' remedies (the latter condition applies in most cases), on the one hand, if (ii) the profitability of the program as presented in the forecast financial balance sheets is verified, on the other hand, and finally if (iii) the pre-marketing rate is satisfactory.

In most cases, operational managers submit their land acquisition request when their project has reached a marketing rate of around 50% in value. Exceptions, such as meeting the deadline for the promise, may lead the group to acquire land before this marketing rate has been reached.

The group regularly monitors the level of marketing of its real estate programs when the land is purchased during each financial year. As of November 30, 2022, the average pre marketing rate for all programs purchased during the year was 63%, compared with 69% for the comparable period in 2021.

Exceptionally, the members of the Land Committee may authorise an acquisition without all of the conditions listed above being met, for example outside the target pre-marketing rate or in the absence of all the administrative authorisations served with all appeals.

Group presentation and strategy

Operations sequence

If the projected financial statements on the basis of which the Commitment Committee has decided cannot be respected, the final acquisition of the land concerned is subject to a further review by the members of the Land Committee.

Any application for land acquisition by the Agency's management takes the form of a file containing the following elements:

- Memo on the administrative situation on the ground and marketing;
- Updated budget;
- Forecast cash flow plan;
- Status of the case;
- Status of reservations updated by distribution channel with comparison of the objectives of the Commitment Committee;
- Comment by the Agency Director on the reservation rate if it is less than 50%;
- Draft notarized deed;
- Status of the Business Consultation File (DCE).

1.5.3. Land development and construction monitoring

1.5.3.1. Single-family homes in communities

Most of the land that Kaufman & Broad buys to develop its Single-family homes in communities programs is not yet serviced. The land development study is carried out prior to the final acquisition of the land by a team of technicians specialising in the problems of roads and various networks, assisted by an external design office.

Generally, construction work is only started after reaching a marketing rate of around 50% in value of the unit of houses to be built.

The technical department of the Individual Houses Segment, made up of the group's specialised engineers and technicians, is the project manager for Single-family homes in communities programs and monitors their implementation and all phases of progress. It ensures that they comply with the signed markets and the quality standards of Kaufman & Broad and ensures compliance with the schedule.

To this end, works managers regularly check the progress of the works on the spot, with each manager having the responsibility for two or three programs. Field control offices are also mandated to ensure the good quality of project execution.

Unit delivery of Single-family homes in communities programs provides very high security by allowing the start of work on the first and subsequent units depending on the pace of marketing.

Tranche delivery also offers a great deal of flexibility as it makes it possible to change the distribution of the types of houses planned according to the preferential choice of buyers. If such a change is decided, the group administratively regularises this new choice by filing a modification building permit.

1.5.3.2. Multi-occupancy housing and Commercial property

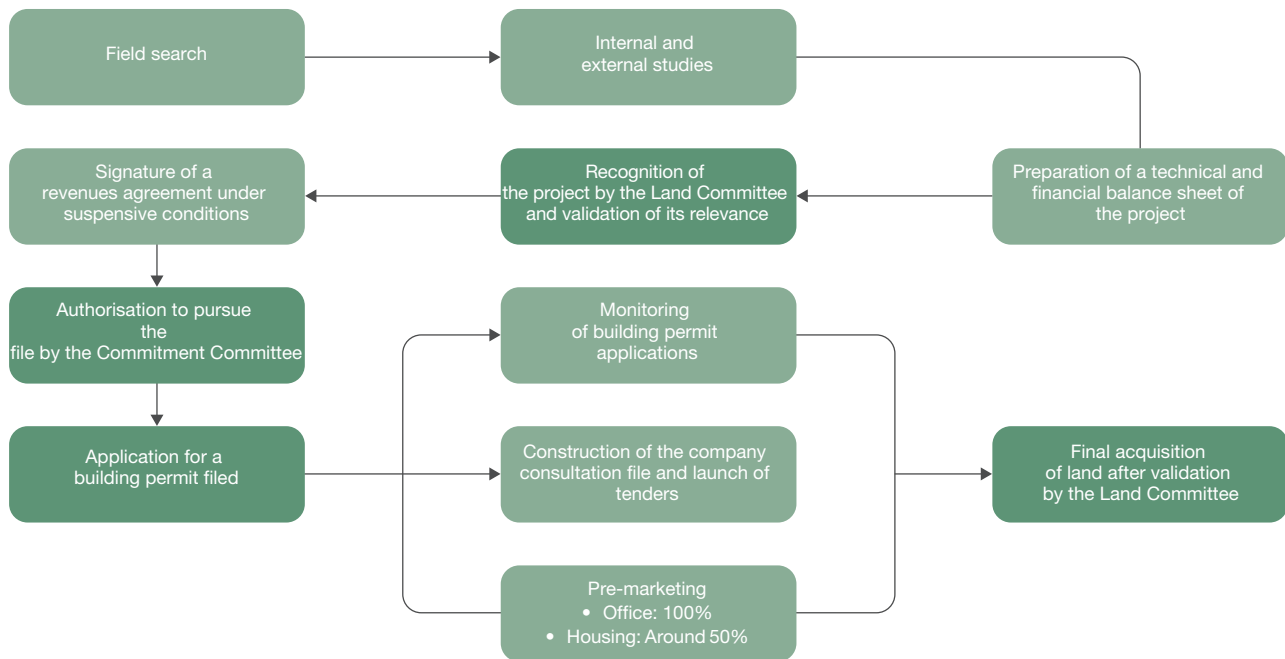
As a general rule, construction work on Multi-occupancy housing starts only after reaching a marketing rate of around 50% in value of the total operation.

On the other hand, land purchases take place and construction work on Commercial property operations is only started after having generally reached a marketing rate of 100%.

For its Multi-occupancy housing and Commercial property programs, Kaufman & Broad does not generally act as Project Manager (except in regional cases) but uses external architects and/or Project Managers who, in agreement with the group, prepare the architectural project and the schedule of the program, and control the quality and the proper execution of the services.

Centralisation of risk analysis and control

The diagram below summarises the business *model* described above:



1.5.3.3. Monitoring of operating budgets

Every quarter, the operating budgets of all real estate programs are reviewed and updated by the operational players concerned in the agency (land, technical, commercial) under the responsibility of the relevant regional management controller, to be validated by the Agency Director. The financial balance sheets are presented quarterly by each Agency Director concerned, to the Finance Department and to the Chief Executive Officer in charge of the Region within the framework of the quarterly Committees, where they are then approved jointly.

1.5.4. Program financing

The group's financial structure is described in section 4.1.3.3 "Risks related to the company's indebtedness" and in section 6.1.5. "Notes to the financial statements," Note 6 "Financing and financial instruments."

To minimise the risk of exposure to a decline in the number of institutions able to grant such guarantees to the group, it uses an expanded and diversified number of leading banking institutions. The group's main banking institutions are: Crédit Mutuel ARKÉA, Crédit Mutuel group (CIC, BECM, etc.), Banques Populaires group and Caisses d'Épargne group (Palatine, SOCFIM, Natixis, Caisse d'Épargne Midi Pyrénées, etc.), Crédit Agricole Corporate Investment Bank (CA CIB), Société Générale, BNP Paribas, to which should be added the financial institutions specialised in guarantees and insurance brokers and insurers such as: Atradius, MB cautions (QBE, ERGO, Tokio Marine Europe), CGI Bâtiment, Weez'us (Liberty), Allianz (formerly Euler Hermes)

Article L. 261-10-1 of the French Construction and Housing Code provides that a financial guarantee of the completion of the building or a financial guarantee of the reimbursement of payments made in the event of the termination of the contract if it is not completed is provided to customers before the signature of the authentic deed of sale. For revenues of buildings to be built whose building permit was filed before 1 January 2015, this guarantee could result either from a guarantee specific to the transaction (so-called "intrinsic" guarantee) or from a bank guarantee (so-called "extrinsic" guarantee). The intrinsic guarantee was abolished by Order No. 2013-889 of 3 October 2013, ratified by Article 172, IV, 6o of the Alur Law of 24 March 2014.

For all its programs, the group systematically uses the extrinsic guarantee system by obtaining a financial guarantee, transaction by transaction, from the group's banking and financial institutions mentioned above. This method allows it to accelerate the signing of revenues contracts and the fund raising scheme.

1.5.5. Builders and suppliers

Kaufman & Broad's policy is to generally choose all of its companies and suppliers on tender, whether they are general companies responsible for carrying out all the works or different companies in the event of tenders by separate state bodies.

As available, Kaufman & Broad checks the financial strength of companies and their financial capacity to provide the program (given their size and that of the program) by using, for example, the services providing financial information about companies. Kaufman & Broad also ensures that these companies are covered by appropriate insurance. The group verifies the quality of their previous achievements and compliance with worksite schedules. Finally, the companies are selected and the contracts signed by state body and program by program.

Since 2008, the group has implemented a national purchasing policy for the second project, which rationalises the services provided to customers and optimises the associated costs (see sections 5.1.4.3.1. "Purchasing and subcontracting" and 5.1.4.3.2. "Compliance and ethics at Kaufman & Broad,").

For its Single-family homes in communities programs, the group mainly uses separate state-owned companies. Most general enterprises do not build Single-family homes in communities or do so at higher prices than those offered by separate state-owned companies. The majority of Multi-occupancy housing programs are also carried out by separate state-owned companies. A smaller portion is entrusted to general companies.

Most of the Commercial property operations are carried out in general companies, which have the know-how necessary for the complexity of these programs and for meeting the resulting deadlines.

Architects, design offices and surveyors are chosen either by tender or by contract. The choice is based on their expertise, their financial proposal, their organization and the quality of their previous achievements.

The group considers it important to assess its dependence on its main suppliers.

To better assess its risk of exposure to supplier default, a procedure has been in place since November 1, 2023 the selection of a supplier, partner or partner and the signature of the contract during a call for tenders. The use of financial ratings aims to guarantee the solidity and reliability of the companies with which the group contracts.

1.6. Intellectual property

1.6.1. Brand differentiation

1.6.1.1. Kaufman & Broad brand

The group sells its Single-family homes in communities and apartments mainly under the brand name "Kaufman & Broad," as well as, where appropriate, under brands in its portfolio, resulting from buyouts and benefiting from a local reputation.

Kaufman & Broad is one of the top 3 favourite French developers. According to a study by the Economic magazine Capital among 20,000 consumers, Kaufman & Broad obtained its place on the podium of promoters with an average score of 6.82 out of 10 for its quality of service. This very good score rewards the constant commitment of the group's employees to serving its customers.

The questionnaire, prepared by the Statista Institute of Studies, covered three areas: the attention paid to customers by employees, their level of expertise and the desire to recommend the brand to friends and family members. Conducted since 2016, this highly monitored, relayed and publicised survey allows the magazine to list the 500 favourite French banners in 5 key areas: leisure, food, home, personal services and transportation.

Kaufman & Broad ranks 3rdⁱⁿ the Real Estate Promoter category, less than 2 tenths of point from the 1st ranking. This distinction highlights our group's service and expertise requirements and the quality of support offered to each of our customers.

Since 2007, Kaufman & Broad has owned the Kaufman & Broad brands and logos for the European Economic Area, the United Kingdom and Switzerland. To this end, Kaufman & Broad SA acquired the shares of Kaufman & Broad Europe Sprl (a Belgian company to which KB Home had previously contributed the brands and logos, which has since become Kaufman & Broad Europe SAS, a company incorporated under French law).

1.6.2. Main offices

The group leases offices in Anglet, Annecy, Bordeaux, Caen, Dijon, La Rochelle, Le Havre, Lyon, Marc-en-Baroeul, Marseille, Montpellier, Nantes, Neuilly-sur-Seine, Nice, Perpignan, Rennes, Rouen, Nancy, Saint-Jacques-de-La-Lande, Seyssinet, Strasbourg, Toulouse and Tours from external lessors to conduct its business. These offices are occupied under commercial leases, generally for nine years. The BoutiK concept has been developed to be as close as possible to customers in some fifteen major cities: Aix-en-Provence, Anglet, Athis Mons, Bordeaux, Caen, Courbevoie, Dijon, La Rochelle, Lyon, Montpellier, Nantes, Nice, Rouen, Serge Mas Promotion, Strasbourg, Toulouse, modern Retail areas spaces installed in most cities where the group develops and markets its housing programs (see chapter 1.4.1.1 "Geographic presence"); As well as Showrooms in major urban areas where Kaufman & Broad has agencies (see chapter 1.4.3.3 "showrooms"), as well as a shared showroom between the

Licencing agreements have been concluded between Kaufman & Broad Europe SAS and Kaufman & Broad SA and between Kaufman & Broad Europe SAS and the main operating subsidiaries of Kaufman & Broad SA. Under the terms of these agreements, Kaufman & Broad Europe SAS granted Kaufman & Broad SA and its subsidiaries an operating licence for Kaufman & Broad trademarks, logos and domain names in France for an indefinite period, unless terminated by either party subject to three (3) months' notice. The licence is granted free of charge by Kaufman & Broad Europe SAS to Kaufman & Broad SA and in exchange for a royalty of 0.7% (excl. VAT) of the annual notarial revenues amount for the subsidiaries of Kaufman & Broad SA (payable quarterly) (see section 3.2.4. "Information on transactions with companies with executives in common with the company or group companies").

1.6.1.2. Other brands

The group owns other brands that it may use in the course of its business, including Bréguet, SMCI, Park, Frank Arthur, Sefima, First, Sopra, Résidences Bernard Teillaud, Avantis, Malardeau, SM2I, Concerto, Safaur, Serge Mas Promotion and Seri Ouest.

The group also acquired stakes in the following companies: Serge Mas Promotion (since December 2015), which develops operations under its brand; "Cosy Diem," which builds and operates senior residences (see section 1.4.2.2.4 "Managed residences"). In December 2021, Kaufman and Broad acquired a majority stake in Neoresid Holding; Recognised operator in short- or long-stay managed residences, especially student residences.

The group has also put in place service packages that it offers to its customers, to meet specific needs according to customs (students, seniors, first-time buyers, investors, etc.).

Marseille and Nice agencies in Fréjus. For group companies as of November 30, 2022, as part of the implementation of IFRS 16 "Leases," it provides for the recognition of leases on the lessees' balance sheet, with recognition of an asset representing the right to use the leased asset and a liability for the obligation to pay rents (Vor section 6.1.5. "Notes to the financial statements" in Note 5.3. "Property, plant and equipment" in the paragraph "Right of use (IFRS 16)"). The amount of the IFRS 16 lease liability as of November 30, 2022 was 42.0 million euros for the remaining periods (see section 6.1.5. "Notes to the financial statements" in Note 6.1.3. "Net financial debt" lease debt). In addition, the repayment of lease debt in respect of 2022 amounted to 7.0 million euros (excluding of tax) (see section 6.1.3. "Statement of cash flows" of this Universal Registration Document) versus 6.9 million euros (excluding of tax) in 2021.

1.7. Investment policy

1.7.1. Research and development

On 10 July 2007, the Licence Agreement between KB Home and Kaufman & Broad SA was terminated, under which the group benefited from an exclusive know-how concession and the licence to use the Kaufman & Broad brand. Since that date Kaufman & Broad SA has owned the brand, logo and know-how previously owned by KB Home. The transfer process is described in paragraph 1.6.1.1. "Kaufman & Broad brand."

For the Kaufman & Broad group, development costs are mainly related to real estate development operations. They consist of land expenditure (commitments on projects for which land purchase commitments have been signed) and are treated in inventory as part of the cost price when it is probable that the program will be developed (see section 6.1.5. "Notes to the financial statements," note 5.2. "Other intangible assets," paragraph "Research and development expenses").

In addition, Kaufman & Broad has an integrated team led by an architect who is constantly studying new products (including Single-family homes in communities, eco- design of buildings, development of a range of economically more accessible housing, etc.) that can be developed as well as a team of engineers who work to improve the quality of construction (sound insulation, Label RT 2012 thermal insulation, *PassivHaus*s, waterproofing).

1.7.2. Main investments

In the conduct of its property development operations, Kaufman & Broad makes numerous purchases to build up its inventories and works in progress related to its programs. The inventories of programs in progress are evaluated at the cost price. The latter includes the purchase price of land, ancillary costs, taxes, the cost of revenues (various network roads), the cost of construction and development of model areas, land costs, as well as the fees and commissions inherent in the mandates issued by Kaufman & Broad to sell real estate programs. The group sells all its property development operations under the sale for completion (SFSC) regime, i.e. the buyer becomes the owner of the land and building as it is built. In addition, revenue is recognised according to, among other things, the terms of IAS 11 "Construction Contracts" in terms of progress, that is to say in proportion to the technical progress, the starting point of which is the acquisition of the land, and the commercial progress (signature of deeds of sale) of each program. As a result, the stock of ongoing programs is therefore reduced as work progresses on the basis of forecasts made by program (see section 6.1.5. "Notes to the financial statements," note 3.4. Inventories).

Apart from these operating cycle investments, investments can be classified into three categories:

- The investments necessary for the day-to-day operation of the group's activities: IT investments (software and hardware), improvements to administrative sites (purchase of furniture and office equipment, etc. - see section 6.1.5. "Notes to the financial statements," note 5.3. "Property, plant and equipment" et seq. of

The group also occasionally conducts studies on consumers, their choice criteria in their purchasing process and the products offered by its competitors to adapt the products it sells.

Innovation in business lines, products and uses: An innovation strategy serving the customer

The Innovation and CSR Department, in conjunction with the Management Committee, in which it participates, defines innovation strategies. It ensures the development of a culture around innovation by coordinating two networks of internal employees composed of different business line managers responsible for sharing and disseminating know-how between the Agencies. It coordinates this internal collective innovation system to coordinate, crystallise, share and disseminate internal and external experiences and best practices. The strategy and organization of Kaufman & Broad Innovation is detailed in section 5.1.1.1.2 "Innovation within the CSR and Innovation Department."

No significant research and development costs are currently in progress.

the notes to the consolidated financial statements). These cash flows from operating activities for the group as a whole represented 19.5 million euros in 2022 compared to 17.0 million euros in 2021 and 4.8 million euros in 2020;

- Investments made for external growth operations aimed at developing its activities. These investments are made either through the acquisition of companies or real estate projects, or through equity investments. The group's various external growth operations are described in section 1.1.2.3. "External growth policy";
- Financial investments made through the acquisition of minority interests (investments in joint development transactions). These transactions are recorded as financial assets and recorded under "Associates and joint ventures" on the assets side of the group's balance sheet. The book value of Equity affiliates and joint ventures corresponds to the proportionate share of the net situation held. This item includes, regarding the development activity, investment in capital and similar, namely current account financial advances made by the group to finance the programs. Kaufman & Broad regularly carries out share buybacks in co promotion programs, when the opportunity arises and to the extent that the transaction is of financial interest to the group (see section 6.1.5. "Notes to the financial statements," note 2.1.2. "Equity method of joint ventures and associates" et seq. of the notes to the consolidated financial statements).

1.7.3. Current and future main investments

Starting in 2020, the group also decided to extend its scope of intervention by including an investor operator activity in the managed residences sector, particularly for students and seniors, to that of developer-builder. Kaufman & Broad has already identified around ten managed student and senior residences projects under development that could constitute a starting portfolio.

In 2021, Kaufman & Broad and the Banque des Territoires (Caisse des Dépôts group) joined forces in a new joint venture to strengthen the residential offer dedicated to the ageing in France. 51% owned by Kaufman & Broad and 49% owned by the Bank of Territories, SCI KetB Seniors' mission is to acquire seniors' residences in the future of completion from the Kaufman & Broad group, then to entrust the operation to Cosy Diem, a joint venture of Kaufman & Broad and Sérénis. (See section 1.1.2. Business lines and know-how in the paragraph "Portfolio of managed residences: Developer investor operator.")

In December 2021, Kaufman and Broad became the majority shareholder of Neoresid Holding, to form the manager of the student and co-living activities that the group wishes to develop, particularly through its investment subsidiary in managed residences.

These managed student and senior residences projects represented an amount of 29.9 million euros for the 2022 financial year (partially treated as acquisitions of property, plant and equipment and intangible assets and the rest in flows with "Associates and joint ventures.")

In addition, apart from the investments and equity investments mentioned above, the group did not make any major investments in 2022.

The group does not rule out the possibility of pursuing its development policy through external growth, provided that these also meet the group's financial requirements and its general strategy.

1.8. Principal subsidiaries and affiliates

See the organization chart in section 7.3.4. "group organization chart."



2

Business and financial review of Kaufman & Broad group

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2 Business and financial review of Kaufman & Broad group

Key business indicators for the Kaufman & Broad group

2.1. Key business indicators for the Kaufman & Broad group

- Kaufman & Broad has been a developer-builder in France since 1968. It is mainly structured around two divisions, "Housing," which covers the development of Single-family homes in communities (grouped homes), Multi-occupancy housing such as apartments (which may include mixed-use buildings containing apartments/business premises/retail space/offices), business residences, tourism, hotels, student residences, homes for elderly people without medical care and the "tertiary" segment (Commercial property, logistics and shops).

The group also carries out related activities but in connection with the Housing Segment, such as the sale of land, building lots, delegated project management and the sale of services complementary to those designated as "Showroom" (or "Espace Déco"). These activities are grouped under the term "Other activities."

Kaufman & Broad's core business remains primarily housing, which focuses on two areas:

- The first priority concerns the group's geographical presence. The group is present in major French cities where the market is deepest and most dynamic, and where customers are the most solvent. It particularly favours the Paris area and the Atlantic and Mediterranean coasts, as well as the Rhône-Alpes, Lillois and Rhenan basins, which have for several years been offering the strongest economic and demographic growth and the best development prospects;
- The second area concerns customers. Kaufman & Broad's clients are traditional home buyers (first-time buyers and second-time buyers) and investors, whether individual ("Pinel," LMNP, LMP, etc.) or institutional.

For several years, Kaufman & Broad has become one of the leading French real estate players in both residential and Commercial

property. To meet the major challenges for local authorities, planners and local residents, as well as for investors (private, institutional or public) and future users, the group set up an Urban Projects Department in 2015, which aims to support local authorities in carrying out new generations of eco-urban projects; But also in 2019 to set up a Planning Department to offer strong expertise and a structured approach in the structuring and implementation of operations with mixed programming. Finally, in 2020, Kaufman & Broad decided to group the development of social housing projects within an entity and under the "Kalilog" brand, to propose a national response to these social housing challenges, particularly in regions where the group does not operate.

Since 2020, the group has been developing an operating investor activity linked to its property development business (developer-builder) by adding an investor operator activity in the managed residence sector. The aim of this activity is to ultimately offer institutional investors the acquisition of portfolios of residences managed in operation for seniors, students and young people. To do this, Kaufman & Broad initially acquired these managed residences through the company Cosy Diem (joint venture with SERENIS, operator of senior and healthcare establishments created in 2017), to jointly develop a stock of senior residences. Then, in December 2021, Kaufman and Broad became the majority shareholder of Neoresid Holding, to form the manager of the student and co-living activities that the group wishes to develop, particularly through its investment subsidiary in managed residences. In 2022, the managed residences of Gagny and Amiens were put into operation by the group.

To date, the group has not carried out any development construction and/or operation of residences outside France.

2.1.1. Key data

Macroeconomic data

Despite economic resilience, 2022 was a year marked by inflation and a constrained environment

At the end of 2022, economic activity in France continued to slow, but not decline. In an international context marked by an accumulation of events (Covid-19, the war in Ukraine) and a very high level of inflation, economic activity has slowed sharply but has not returned to recession to date.

During 2022, the main characteristics of the macroeconomic situation in France were as follows:⁽¹⁾

- In 2022, GDP increased on average by 2.6% (after +6.8% in 2021 and -7.9% in 2020). This figure is mainly due to the rebound in activity in the second and third quarters in 2021, after the health crisis. Quarter after quarter growth was then much less dynamic;

- In the fourth quarter of 2022, the number of unemployed as defined by the International Labour Office (ILO) decreased by 45,000 compared to the previous quarter, to 2.2 million people. The unemployment rate as defined by the ILO is thus virtually stable (-0.1 point), at 7.2% of the working population in France (excluding Mayotte). It is 0.3 points lower than its level a year earlier, and 1.0 point lower than its level before the health crisis (end of 2019). This is its lowest level since the first quarter of 2008;
- In manufacturing, production in the fourth quarter of 2022 was 2.6% higher than in the same quarter of the previous year. However, it is slightly lower for the whole industry (-0.2%), due to the decline in energy production. Over this period, production fell sharply in the mining, energy and water industries (-14.5%), mainly due to the decline in electricity production. Conversely, production increased in "other industrial products" (+2.3%).

(1) INSEE - Economic review 2022 - January 2023.

- At the end of 2022, household consumption of goods fell sharply by 5.6% over 12 months (after -5.1% over the same period in 2021). Household purchases of goods fell sharply (-2.0% between 2021 and 2022 after -11.2% between 2021 and 2020). Due to the sharp rise in prices in the sector, food consumption fell for the fourth consecutive quarter and recorded a decline of 8.4% in 2022 compared to -2.0% in 2021. Energy consumption also declined (-8.1% over 12 months compared to 2021), in line with very mild autumn weather but probably also due to efforts to reduce energy consumption. Household consumption of services rose by 0.5% in the last quarter of 2022 (after +0.4% in the previous quarter).
- According to the INSEE, between the end of September and the end of December 2022, wage employment in the private sector was stable after an increase of 0.6% in the previous quarter (+119,100 jobs). This stability follows seven consecutive quarters of a sharp rise. Private salaried employment exceeds its level one year earlier of 1.5% (+304,900 jobs) and that of before the health crisis (end of 2019) of 4.5% (+888,000 jobs);
- Over one year, consumer prices rose by 5.9% in December 2022, after +6.2% in November. This fall in inflation is due to the slowdown in energy prices (+15.1% after +18.4%) and, to a lesser extent, services (+2.9% after +3.0%);
- In the fourth quarter of 2022, gross disposable income continued to rise (+5.2%) due to the social benefits put in place by the government (revaluation of supplementary pensions, elimination of the television fee, further reduction of the housing tax as well as the exceptional energy credit);

New housing market

The real estate market continued to experience contrasting trends in 2022, affected by the rise in the price of materials and the overall decline in property developer activity. Financing rates are rising sharply (from around 1.10% to almost 3%) while lending criteria continue to tighten. As a result, demand for new housing fell sharply in 2022, as did orders.

- In 2022, new ⁽¹⁾ housing orders were down 14.6% compared to the same period in 2021: 102,042 revenues at the end of 2022 compared to 119,498 revenues at the end of 2021.

(1) In terms of types of buyers (source: FPI), the situation breaks down as follows:

- Compared to 2021, Retail areas sales decreased by 19.3%, representing 73.6% of sales ⁽²⁾; block sales (excluding Services Residences) also recorded a sharp decline of 36.6% compared to the same period in 2021 and represent 22.7% of sales ⁽²⁾;
- Retail areas investor sales (home buyers) were down 13.4% compared to 2021 and represented 41.7% of total sales in 2022. Investor sales were down 26.0% year on year, representing 31.9% ⁽²⁾ of sales in 2022;
- Retail areas sales are broken down into sales to private investors 43% in 2022 compared to 47% in 2021) and sales to owner occupiers (57% in 2022 compared to 53% in 2021).

(2) In terms of supply ⁽¹⁾:

- In 2022, the ⁽³⁾ commercial supply of new housing was up 9.3% compared to the same period in 2021: 105,094 units offered for sale at the end of 2022 compared to 96,121 units offered for sale at the end of 2021.
- revenues were down 6.1% in 2022 compared to 2021 and amounted to 100,794 units (compared to 107,461 units in 2021);
- The take-up period for outstanding loans rose from 9.8 months at the end of December 2021 to 12.4 months in December 2022.

(3) In terms of building construction ⁽¹⁾:

- Start-up authorisations were up (+3.1%) at the end of December 2022 over twelve months, reaching 482,200 units;
- The number of starts fell over 12 months to 376,200 units (-3.6%) at the end of December 2022.

(4) In terms of financing: ⁽⁴⁾

- In a context of strict application of the recommendations of the HCSF (High Council for Financial Stability), the number of loans granted to the new sector has decreased since the beginning of 2022. In addition, rising uncertainties (inflation, purchasing power) began to weigh on household morale, and the outbreak of war in Ukraine accentuated the destabilization of demand. As a result, a rapid decline in credit production was observed.
- In 2022, the cost of completed operations continued to grow at a steady pace (+5.0%, after +4.6% in 2021). Under these conditions, the relative cost remains at particularly high levels, even if it began to decline under the effect of the transformation of demand and the increase in its revenues: 4.6 years of revenue in the fourth quarter ^{of} 2022, compared to 4.8 years of income a year ago at the same time;
- Concerns about purchasing power are growing as credit criteria tighten and rates continue to rise. Despite the sustained increase in nominal wages per capita, given high inflation, the purchasing power per capita of households fell slightly in 2022 (-0.6%);
- a) In terms of credit rate: The average rate increased by 128 BPS across the market: All rates have increased at a comparable pace, regardless of their duration at the time of grant. For existing homes, the increase was 129 BPS (2.36% in December) and 124 BPS for new homes (2.32% in December),
- b) In terms of maturity: In the fourth quarter of 2022, according to the credit observatory, the duration of loans granted continued from an average of 247 months, or 20.6 years in 2021, to an average of 248 months, or 20.7 years in 2022.

(1) Calculated on the basis of data published by the Ministry of Ecology, Sustainable Development and Energy, Sit @ del2, estimates at end December 2022.

(2) Changes based on Total new home sales estimated by the FPI at 161,736 new homes in 2021 and 121,875 new homes in 2022.

(3) Calculated on the basis of data published by the Ministry of Ecology, Sustainable Development and Energy on 17 February 2023.

(4) Observatoire du Crédit Logement/CSA fourth quarter 2022 dashboard - January 2023.

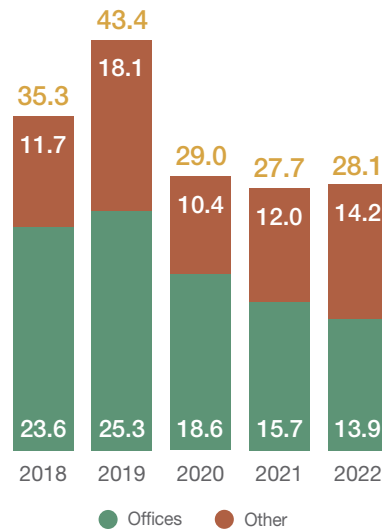
2 Business and financial review of Kaufman & Broad group

Key business indicators for the Kaufman & Broad group

Commercial property market

In France in 2022, 28.1 billion euros was invested in Commercial property. The investment market continued to evolve in line with 2021 (+1.4%). In office space, 13.9 billion euros was invested in France in 2022, down 13.3% compared to 2021. At 5.6 billion euros, the amounts invested in commercial space increased by 66.7% compared to 2021. The Logistics and Business Locals segment recorded a slight decrease to 6.4 billion euros compared to 6.7 billion euros in 2021.⁽¹⁾

COMMERCIAL PROPERTY IN FRANCE



Source: BNP Paribas Real Estate. (Q4 2022)

Publication: Press release: Commercial property in 2022

Kaufman & Broad

In a constrained environment, demand for housing, whether from individuals or institutional investors, saw a 6.0% drop in volume orders when the revenue from orders increased by 2.1% compared to 2021.

Energy transition commitments, combined with demographic and sociological trends, will continue to support housing demand.

In fact, only new housing can achieve carbon neutrality while part of the existing rental market can no longer meet energy performance targets in the long-term.

The continued strengthening of the CSR policy resulted in Kaufman & Broad's progress in the CDP ranking (c) with a score of A in a B- rated sector. Kaufman & Broad's CSR approach integrated into the project production cycle is evaluated annually by independent bodies (Vigeo, Gaia, CDP, etc.). Kaufman & Broad is committed to reducing its CO2 emissions by 2030, in line with the Paris Accord. This commitment is subject to evaluation and monitoring by the SBTi (Science Based Targets initiative).

In line with these values, Kaufman & Broad obtained Great Place to Work® France certification. This distinction highlights the quality of working conditions and the attractiveness of the company in terms of recruitment. In addition to this label, the "Best Managed Companies" certification obtained in July 2022 rewards the excellence of companies that are distinguished by the quality of their management and their performance, particularly CSR.

The 2022 results are in line with the guidelines, confirming Kaufman & Broad's ability to maintain solid economic performance in a constrained environment. The pace of marketing remains strong, as evidenced by the 4.3 month take-up period as of November 30, 2022, reflecting the adaptation of Kaufman & Broad's offer to the demand.

Housing revenues stabilised to diversified public and private institutional investors. Their orders represented 45% of Housing orders in value terms, compared with 46% in 2021.

They are characterised by the following:

- Real estate portfolio: 34,009 units; -3.2% (in units);
- Housing orders: 1,433.8 million euros incl. VAT; +2.1%;
- Types of orders in value:
 - Investors: 33% in 2022 vs. 34% in 2021,
 - First-time buyers: 22% (13% first-time buyers and 9% second-time buyers) in 2022 compared to, in 2021, first-time buyers: 20% (13% first-time buyers and 9% second-time buyers),
 - Blocks: 45% in 2022 vs. 46% in 2021;
- Take-up period: 4.3 months (3.7 months in 2021);
- *Global* backlog (including Commercial): 3,393.3 million euros excl. VAT; -3.6% compared to 2021;
- Total revenues: 1314.9 million euros excl. VAT; +2.6% compared to 2021.

The housing property portfolio is slightly lower than at the end of November 2021 and corresponds to potential revenue of more than five years of activity.

In Commercial property, Kaufman & Broad was named winner in December 2022 for the operation of an office building partially classified as a historical monument of about 13,000 sq.m (Potocki) plus a logistics platform for 42,000 sq.m in Beaucaire. In December 2022, the appeals on the construction permit for the Austerlitz train station were completely lifted, the signing of the contracts could be completed and the works also started in early 2023.

(1) BNP Paribas Real Estate - February 2022

Kaufman and Broad currently have approximately 71,800 sq.m of commercial projects on the market or under study, including more than 18,000 sq.m of office space and approximately 53,600 sq.m of logistics space.

In addition, 87,500 sq.m of office space is currently under construction as well as more than 100,500 sq.m of logistics space. Lastly, as of November 30, 2022, approximately 115,900 sq.m of office space remained, with contracts expected to come into force.

Significant events during the period

Building permit for the Austerlitz Train Station renovation project (A7/A8)

Following the rejection by the Paris Administrative Court of Appeal, on 18 November 2021, of the application for annulment of the building permit for the redevelopment project of the Austerlitz train station district (lots A7/A8) obtained on 14 December 2020, Kaufman & Broad SA was informed that an appeal was lodged with the Council of State against this rejection decision

Capital reduction by cancelling treasury shares

Pursuant to the authorisation granted at the Shareholders' Meeting of 6 May 2021, the Board of Directors' meeting of 26 January 2022 reduced its share capital by cancelling 400,000 treasury shares, thereby increasing the number of shares comprising the Company's share capital from 21,713,023 to 21,313,023 shares.

Payment in cash of the dividend for the fiscal Fiscal Year ended November 30, 2021

The Ordinary and Extraordinary Shareholders' Meeting of Kaufman & Broad SA, held at the registered office on 5 May 2022 under the chairmanship of Nordine Hachemi, decided to distribute a total dividend of €1.95 per share for the financial year ended November 30, 2021. The cash dividend was paid on 3 June 2022.

Kaufman & Broad is rated investment grade BBB- by Fitch Rating

Kaufman & Broad SA was assigned an Investment Grade BBB-rating with stable outlook by the international rating agency Fitch. Fitch refers in particular to Kaufman & Broad's solid business model and its high level of cash flow, favored by a limited working capital requirement in the project cycle.

Kaufman & Broad is currently the only pure developer in continental Europe to have an Investment Grade rating. This note illustrates the strength of the group's financial structure, its operational efficiency and its controlled investment strategy in managed residences).

Capital increase by "KB ACTIONS 2022"

Kaufman & Broad announced on 15 June 2022, the launch of its leveraged and investment guaranteed "KB Actions 2022" shareholder offering, reserved for group employees who are members of the savings plan. Kaufman & Broad SA noted that the capital increase resulting from subscriptions to the "KB Actions 2019" offer on 12 October 2022. As in 2017 and 2019, the offer was very successful. The membership rate of eligible employees was 53%, with a total of 299,999 shares subscribed through the "KB Actions 2019" compartment of the KB ACTIONS FCPE for €5,774,980.75. The 299,999 new shares issued as part of the offer are ordinary shares, fully assimilated to existing shares and bearing current dividend rights.

Building permit for the Austerlitz Train Station renovation project (A7/A8)

On 19 October 2022, the Council of State rejected the appeal in cassation against the building permit for the redevelopment project for the Austerlitz train station district (lots A7/A8) obtained on 14 December 2020. As a result, the above mentioned building permit is not subject to appeal.

2 Business and financial review of Kaufman & Broad group

Key business indicators for the Kaufman & Broad group

Main financial data of the group

The table below presents the significant elements of the group's financial statements and key indicators for the last two financial years:

Fiscal Year ended November 30 (in thousands of euros)	2022	2021
Revenue	1,314,878	1,281,800
<i>of which Housing</i>	<i>1,152,514</i>	<i>1,109,088</i>
Gross profit	228,173	222,622
<i>Margin rate</i>	<i>17.4%</i>	<i>17.4%</i>
Current Operational Income (COI)	98,212	98,385
Operating profit	98,212	98,385
Income (loss) of the consolidated group	69,251	66,334
Attributable net income	49,008	43,865
Earnings per share ^(a)	€2.27	€2.02
TOTAL ORDERS (INCL. VAT)	1,481,675	1,458,264
<i>Total backlog (excl. VAT)</i>	<i>3,393,281</i>	<i>3,518,708</i>

(a) Based on the number of shares making up the share capital at the end of the reporting period, i.e. 21,713,023 as of November 30, 2021 and 21,613,022 shares as of November 30, 2022.

Fiscal Year ended November 30 (in thousands of euros)	2022	2021
Assets		
Non-current assets	257,841	211,194
Current assets	1,253,223	1,256,344
TOTAL ASSETS	1,511,064	1,467,538
Liabilities		
Shareholders' equity	256,350	267,707
Non-current liabilities	279,549	233,094
Current liabilities	975,165	966,737
TOTAL LIABILITIES	1,511,064	1,467,538

Fiscal Year ended November 30 (in thousands of euros)	2022	2021
Cash flow from operations before cost of financial debt and taxes	114,518	107,892
Taxes paid	-36,410	-7,484
Change in working capital requirement	-58,382	-8,122
Cash flow from operating activities	19,725	92,286
Cash flow from (used in) investing activities	-20,720	-22,333
Cash flow from (used in) financing activities	-87,467	-95,685
Increase (decrease) in cash	-88,462	-25,732
Cash at opening of period	189,460	215,192
Cash at closing of period	100,998	189,460

The group's consolidated revenue for 2022 was 1,314.9 million euros, up 2.6% from 1,281.8 million euros in 2021.

Revenue for the Housing Segment rose by 3.9% to 1,152.5 million euros, compared with 1,109.1 million euros in 2021. This increase is explained by the 21.7 million euros (+2.1%) increase in revenue from the group Housing business between 2021 and 2022, and also by the 21.8 million euros (+40.0%) increase in revenue from the Individual Houses business. Housing accounted for 87.7% of total revenue in 2022, compared with 86.5% in 2021.

Group Housing revenues amounted to 1,076.3 million euros in 2022, compared to 1,054.7 million euros in 2021. It is 33.4% in the Paris area and represents 93.4% of the total of the Housing Segment, compared to 37.3% in the Paris area in 2021.

Single-family homes in communities amounted to 76.2 million euros, up 40.0% from 54.4 million euros in 2021. The Île-de-France region accounted for 47.0% of this activity's revenues, compared with 78.5% in 2021.

The Commercial property Segment posted revenue of 150.2 million euros, compared with 165.5 million euros in 2021.

The overall gross margin increased by 2.5% to 228.2 million euros from 222.6 million euros in 2021. The overall gross margin was 17.4%, as in 2021. The gross margin on Housing amounted to 199.9 million euros, up from 190.7 million euros in 2021. The gross margin on Housing rose by 0.1 point to 17.3% in 2022 compared to 17.2% in 2021.

Recurring operating income decreased by 0.2%, from 98.4 million euros in 2021 to 98.2 million euros in 2022. This slight decrease is explained by the 5.7 million euros increase in operating expenses from 124.2 million euros in 2021 to 130.0 million euros as of November 30, 2022 (see section 2.3.2 "Operating expenses").

Pre-tax income of consolidated companies decreased by 6.4% from 86.2 million euros in 2021 to 80.7 million euros. This decrease is partly explained by the 0.2 million euros decrease in operating income. The cost of financial debt increased by 5.3 million euros (17.5 million euros in 2021 compared to 12.2 million euros in 2021).

Consolidated net income amounted to 69.3 million euros, up 4.4% from 66.3 million euros in 2021. Non-controlling interests decreased by 2.2 million euros to 20.2 million euros from 22.5 million euros in 2021. Net income attributable to equity holders of the parent company was 49.0 million euros, up 11.7% compared to 2021 (43.9 million euros).

As of November 30, 2022, Kaufman & Broad's total assets amounted to 1,511.1 million euros, compared with 1,467.5 million euros as of November 30, 2021. Shareholders' equity amounted to 256.4 million euros at the end of 2022, a decrease of 11.3 million euros compared to 2021, mainly due to the distribution of the 2021 result in the amount of 40.5 million euros, as well as the net impact of transactions on its own shares (share buybacks, delivery of Bonus shares, etc.) for -23.3 million euros offset by the increase linked to the integration of the 2022 result for 49.0 million euros.

Net financial debt as of November 30, 2022 amounted to 113.3 million euros (including IFRS 16 lease debt of 41.9 million euros), up 134.2 million compared to November 30, 2021; Excluding this lease debt, net debt amounted to 71.4 million euros, an increase of 107.3 million euros compared to November 30, 2021. Finally, excluding Put Neoresid debt, net financial debt as of November 30, 2022 amounted to 67.8 million euros. The components of this increase are described in section 2.4.1. "Cash flows." Gearing (net debt to equity ratio) stood at 44.2% compared to -7.8% as of November 30, 2021.

The group's cash position rose from 189.5 million euros at the end of 2021 to 101.0 million euros as of November 30, 2022. Kaufman & Broad's financial capacity thus amounts to 351.0 million euros. A detailed analysis of this change is provided in section 2.4.1. "Cash flows."

2.1.2. Business indicators

The main activity indicators are (i) the volume of orders, (ii) the number of unit equivalent units (*HEU*) delivered and (iii) the *backlog* (order book).

Orders (volume and rate per month) reflect the group's commercial activity and a barometer of its performance. Their inclusion in revenue is subject to the time necessary for the "transformation" of an order into a notarial signature, which triggers the income statement (see section 2.2.2. "Origins of net income").

Volume orders are expressed in units or units within the group. In addition, in Multi-occupancy housing programs, i.e. apartments including mixed buildings (apartments/business premises/shops/offices), and managed residences (business, tourism, students residences and non-medicalized homes for the elderly), all surfaces are converted into housing equivalents.

The *commercial* offer is represented by the sum of the stock of available for sale homes on the date in question, i.e. all homes not reserved at that date (net of unopened commercial tranches).

The take-up period for inventories is the number of months required for available housing to be sold if revenues continued at the same pace as previous ones, i.e. the outstanding housing (available supply) per quarter divided by orders per quarter just ended themselves divided by three.

Units are used to define the number of homes or housing equivalents (for mixed programs) of a given *program*; units are calculated by program, being considered as homes: "Apartments," "Individual houses in villages" and "housing and building lots." As a result, a home (lot) is equal to a *unit*. For business premises, shops and small "office" areas, a housing equivalent calculation is then applied based on the average surface area of the housing units of the program. The average floor area is calculated by dividing the total usable floor area by the number of housing units in the program.

The number of *units* of housing equivalents is determined by dividing the surface area by type (business premises/shops/offices) by the average surface area of the units previously obtained.

HEU is a direct reflection of activity. The number of *HEU* is calculated per program and is equal to the product (i) of the number of housing units of a given program for which the notarial deed of sale has been signed and (ii) of the ratio between the amount of land expenditure and construction expenditure incurred by the group on the program and the total budget of expenditure of the program; thus a housing sold on a program whose expenditure rate represents 30% results in 0.3 *HEU*.

2 Business and financial review of Kaufman & Broad group

Key business indicators for the Kaufman & Broad group

The *backlog* includes, for revenues in the future state of completion (SFSC), undelivered reserved housing units for which the notarized bill of sale has not yet been signed and undelivered reserved housing units for which the notarized bill of sale has been signed up to the portion not yet taken into revenue (on a 30% advanced program, 30% of the revenue of a housing unit for which the notarized bill of sale has been signed is recorded in revenue, 70% are included in the *backlog*).

The *backlog* is a summary at a given time that makes it possible to estimate the revenue remaining to be recognised in the coming months and thus to support the group's forecasts, it being specified that there is an uncertain portion of the *backlog* transformation into revenue, particularly for orders not yet recorded.

The *land portfolio* represents all the land for which any commitment (a promise to sell, etc.) has been signed.

The *land reserve* includes land to be developed (otherwise referred to as the "land portfolio"), i.e. land for which an act or promise of sale has been signed, as well as land under study, i.e. land for which an act or promise of sale has not yet been signed.

The take-up *rate* (Te) represents the percentage of the initial stock that sells monthly on a real estate program (revenues/month divided by the initial stock), i.e. the monthly net orders divided by the ratio of the stock at the beginning of the period plus the stock at the end of the period divided by two.

2.1.3. Tracking indicators

The following table shows the group's development in terms of orders, program launches and headcount over the last two years.

	Commercial inventory on sale at end of period ^(a)	Net orders ^(b)	Housing units offered for sale ^(c)	Programs being marketed ^(d)	Headcount as of November 30, ^(e)
Fiscal year 2022	2,218	6,214	6,420	142	795
					(Including 134 members of the marketing and revenues departments, 220 land and developments, 209 members of the technical department and 232 administrative staff and members of centralised functions)
Fiscal year 2021	2,011	6,609	6,621	146	787
					(Including 136 members of the marketing and revenues departments, 217 land and developments, 212 members of the technical department and 222 administrative staff and members of centralised functions)

(a) Total inventory of housing units available for sale at November 30, i.e., all units not covered by orders at the fiscal year-end.

(b) Number of orders recorded during a given fiscal year, i.e., the number of orders signed by customers during the year, less the number of orders canceled by the year-end.

(c) Total net number of housing units put on sale when the marketing offer was launched, for programs whose marketing launch took place during the relevant accounting period.

(d) Number of programs that had entered the marketing phase at the end of the period.

(e) Excluding work-study trainees and interns.

The individual village houses and Multi-occupancy housing units offered by Kaufman & Broad have the following characteristics:

	Living area (excluding parking)	revenues price range (incl. VAT ^(a))	Average price ^(a)
Île-de-France			
Single-family homes in communities	75 to 157 sq.m	€292,000 to €1,638,000	€453,281
Multi-occupancy housing ^{(b) (c)}	26 to 168 sq.m	€3,028 to €9,408/sq.m	€5,376/sq.m
Other Regions			
Single-family homes in communities	60 to 143 sq.m	€239,000 to €812,000	€374,217
Multi-occupancy housing ^(d)	16 to 159 sq.m	€2,662 to €16,988/sq.m ^(d)	€4,912/sq.m

(a) Based on housing units reserved, sold and delivered in 2022 (atypical excluded).

(b) Including student rooms and managed products.

(c) Including the Chatenay-Malabry- Canopée program with an apartment at €9,408/sq.m.

(d) Including the Villeneuve-Loubet- Bahia program with an apartment at €16,988/sq.m.

The Single-family homes in communities and Multi-occupancy housing units offered by Kaufman & Broad clearly reflect the positioning with the most present clientele in the new housing market for several years, namely first-time buyers and investors (institutional or private). These products have optimised surfaces that better meet the financial and tax profitability criteria of investors as well as the solvency criteria of first-time buyers. Multi-occupancy housing units have a minimum surface area of 26 sq.m (excluding managed residences, in particular student residences about 16 sq.m) and go up to 168 sq.m for an average price of €4,912/sq.m in the Regions and €5,376/sq.m in the Paris area. The maximum price per square metre is nearly €9,408 for programs in the inner suburbs of Paris, where the price of real estate remains high. As for Single-family homes in communities, their surface areas vary between 60 sq.m and 143 sq.m in the region. The average price of Single-family homes in communities was €374,217 in the Regions and €453,281 in the Paris area.

2.1.3.1. Bookings, deliveries and backlog

The following tables show, for individual houses in villages, Multi-occupancy housing and Commercial property, changes in orders and backlog *in* volume and value over the four quarters of fiscal years 2021 and 2022.

Housing	Number of Orders ^(a)	Orders in value (in thousands of euros incl. VAT)	Deliveries (HEU) ^(b)	Backlog (HEU)	Backlog in value (in thousands of euros excl. VAT)	Backlog in months of activity ^(c)
Single-family homes in communities						
Year ended November 30, 2022						
First quarter	90	25,782	24	623	154,431	45.4
Second quarter	65	19,093	56	726	168,681	43.7
Third quarter	377	64,027	92	917	184,106	35.7
Fourth quarter	262	56,687	91	1,152	214,138	33.7
TOTAL	794	165,589	263	-	-	-
Year ended November 30, 2021						
First quarter	6	2,467	84	420	97,061	14.7
Second quarter	137	34,964	47	510	114,335	16.2
Third quarter	11	8,381	41	507	116,656	19.4
Fourth quarter	153	51,112	49	576	142,544	31.4
TOTAL	307	96,924	221	-	-	-

(a) This is the number of net orders recorded during the period under review, i.e. the number of orders signed by customers during the period less the number of orders cancelled at the end of the period.

(b) The number of Equivalent Housing Units delivered, hereinafter "HEU," is calculated per program and is equal to the product (i) of the number of housing units of a given program for which the notarial deed of sale has been signed and (ii) the ratio between the amount of the land expenditure and the construction expenditure incurred by the group on the said program and the total budget of the expenses of the program; thus a housing sold on a program whose expenditure rate represents 30% incurred results in 0.3 HEU.

(c) The backlog or backlog in months of activity corresponds to the product (i) of the ratio between the backlog at the end of a month "m" and the sum of the revenue excluding taxes of the previous twelve months from m-1 to m-12 and (ii) 12 (i.e. the last twelve months of business).

Housing	Number of Orders ^(a)	Orders in value (in thousands of euros incl. VAT)	Deliveries (HEU) ^(b)	Backlog (HEU)	Backlog in value (in thousands of euros excl. VAT)	Backlog in months of activity ^(c)
multi-occupancy housing						
Year ended November 30, 2022						
First quarter	1,147	252,200	1,324	11,935	2,124,253	24.1
Second quarter	1,223	327,594	1,206	11,850	2,157,630	24.8
Third quarter	812	194,828	1,401	11,405	2,081,976	23.9
Fourth quarter	2,238	493,545	1,807	11,821	2,148,629	24.00
TOTAL	5,420	1,268,168	5,739	-	-	-
Year ended November 30, 2021						
First quarter	1,138	231,883	1,299	13,275	2,235,556	31.2
Second quarter	1,499	300,355	1,478	12,835	2,175,538	25.0
Third quarter	1,138	259,100	1,363	12,562	2,155,287	24.2
Fourth quarter	2,527	516,273	1,833	12,967	2,242,801	25.5
TOTAL	6,302	1,307,611	5,973	-	-	-

(a) This is the number of net orders recorded during the period under review, i.e. the number of orders signed by customers during the period less the number of orders cancelled at the end of the period.

(b) The number of Equivalent Housing Units delivered, hereinafter "HEU," is calculated per program and is equal to the product (i) of the number of housing units of a given program for which the notarial deed of sale has been signed and (ii) the ratio between the amount of the land expenditure and the construction expenditure incurred by the group on the said program and the total budget of the expenses of the program; thus a housing sold on a program whose expenditure rate represents 30% incurred results in 0.3 HEU.

(c) The backlog or backlog in months of activity corresponds to the product (i) of the ratio between the backlog at the end of a month "m" and the sum of the revenue excluding taxes of the previous twelve months from m-1 to m-12 and (ii) 12 (i.e. the last twelve months of business).

2 Business and financial review of Kaufman & Broad group

Key business indicators for the Kaufman & Broad group

Commercial property	sq.m reserved	Orders in value (in thousands of euros incl. VAT)	Backlog in value (in thousands of euros excl. VAT)
Year ended November 30, 2022			
First quarter	0	0	1,095,424
Second quarter	21,554	28,483	1,076,079
Third quarter	0	1,200	1,048,679
Fourth quarter	0	18,235	1,030,515
TOTAL	0	47,918	-
Year ended November 30, 2021			
First quarter	7,093	38,400	1,239,783
Second quarter	1,170	1,107	1,200,385
Third quarter	790	1,469	1,172,843
Fourth quarter	6,380	12,753	1,133,363
TOTAL	15,433	53,729	-

2.1.3.1.1. Orders

2.1.3.1.1.1. Housing Segment

In 2022, 6,214 net housing orders were recorded compared to 6,609 in 2021, a decrease of 6.0%. In value terms, these orders increased by 2.1% to 1,433.8 million euros (incl. VAT), compared to 1,404.5 million euros (incl. VAT) in 2021. The housing disposal rate in 2022 was 21.7% compared to 27.5% in 2021. The Housing Segment accounts for 96.8% of the group's total orders in value terms, compared with 96.3% in 2021.

The following table shows the number and proportion of housing reserved by type in the Paris area and in the Regions during fiscal years 2022 and 2021 (from December¹ to November 30).

	Number of Single-family homes in communities ordered				Number of Multi-occupancy housing units ordered			
	2022	%	2021	%	2022	%	2021	%
Île-de-France	207	26%	145	47%	1,421	26%	2,285	36%
Other Regions	587	74%	162	53%	3,999	74%	4,017	64%
TOTAL	794	100%	307	100%	5,420	100%	6,302	100%

multi-occupancy housing

For the whole of 2022, 5,420 Multi-occupancy housing units were reserved compared to 6,302 in 2021, a decrease of 14.0%. Multi-occupancy housing orders amounted to 1,268.2 million euros (incl. VAT), compared to 1,307.6 million euros (incl. VAT) in 2021, a decrease of 3.0% (-39.4 million euros). This decrease is due to the decrease in value of orders made in the Paris area (-28.9%), representing a decrease of 162.6 million euros, partially offset by a 16.5% increase in value (123.2 million euros) of orders in the Regions.

In 2022, Multi-occupancy housing orders were made at 26.2% in volume and 31.5% in value in the Paris area, compared with 36.3% and 43.0% respectively in 2021. The share of Multi-occupancy housing remains the largest in the group's orders, representing 85.6% in value and 87.2% in volume terms of its total orders, compared with 89.7% and 95.4% respectively in 2021.

Single-family homes in communities

Single-family homes in communities booked 794 units for 165.6 million euros, compared with 307 orders for 96.9 million euros in 2021. The number of Single-family homes in communities rose by 42.8% in the Paris area and 262.4% in the Regions. The Paris area contributed 26.1% in volume and 37.6% in value of these orders, compared with 47.2% and 70.1% respectively in 2021. The Regions contributed 73.9% in volume and 62.4% in value of these orders.

Orders by operating segment

Year ended November 30,	2022			2021		
	Net number of orders	Orders in value (in thousands of euros incl. VAT)	Average price (in thousands of euros incl. VAT)	Net number of orders	Orders in value (in thousands of euros incl. VAT)	Average price (in thousands of euros incl. VAT)
Île-de-France	1,628	461,557	283.5	2,204	567,022	257.3
<i>Housing</i>	1,628	461,557	283.5	2,204	567,022	257.3
<i>Commercial property</i>	0	0	-	0	0	-
<i>Other</i>	0	0	-	0	0	-
West	2,133	410,066	192.2	2,061	409,080	198.5
<i>Housing</i>	2,133	409,783	192.1	2,061	369,477	179.3
<i>Commercial property</i>	0	283	-	0	39,603	-
<i>Other</i>	0	0	-	0	0	-
East	1,768	446,005	252.3	1,684	348,794	207.1
<i>Housing</i>	1,768	446,005	252.3	1,684	346,231	205.6
<i>Commercial property</i>	0	0	-	0	2,563	-
<i>Other</i>	0	0	-	0	0	-
National Agencies	685	116,411	169.9	434	58,884	135.7
<i>Housing</i>	685	116,411	169.9	434	58,884	135.7
<i>Commercial property</i>	0	0	-	0	0	-
<i>Other</i>	0	0	-	0	0	-
Commercial property and logistics ^(b)	-1	47,635	-47,635.0	226	74,483	329.6
<i>Housing</i>	0	0	-	226	62,920	278.4
<i>Commercial property</i>	-1	47,635	-47,635.0	0	11,563	-
<i>Other</i>	0	0	-	0	0	-
GROUP TOTAL	6,213	1,481,675	-	6,609	1,458,264	-
<i>Housing</i>	6,214	1,433,757	230.7	6,609	1,404,535	212.5
<i>Commercial property^(c)</i>	-1	47,918	-47,918.3	0	53,729	-
<i>Other^(a)</i>	0	0	-	0	0	-

(a) Land, building lots.

(b) See section 2.1.3.1.1.2. "Commercial."

(c) Offices, shops, business premises, logistics warehouses, etc.

2 Business and financial review of Kaufman & Broad group

Key business indicators for the Kaufman & Broad group

Geographically, the Housing Segment in the Île-de-France region⁽¹⁾ recorded a decrease in orders of 26.1% in volume and -18.6% in value compared to 2021. The Regions posted a 9.7% increase in volume and a 25.5% increase in value. The proportion of the Regions in the Housing Segment increased significantly compared to the Île-de-France region. The Regions accounted for 73.8% in volume and 67.8% in value of the group's housing orders in 2022, compared to 63.2% in volume and 55.1% in value in 2021.

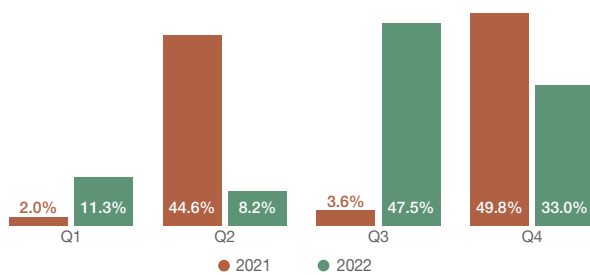
In 2022, the West (Caen, Haute-Normandie, Rennes, Nantes, Val-de-Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) accounted for 34.3% of the housing order volume. The East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion,

Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan) represents 28.5% of the housing order volume. National agencies and Commercial property account for 11.0% of the volume of housing orders. At the same time, the share of the Île-de-France region fell from 33.3% to 26.2% in volume and rose from 40.4% to 32.2⁽¹⁾⁽²⁾ % in value.

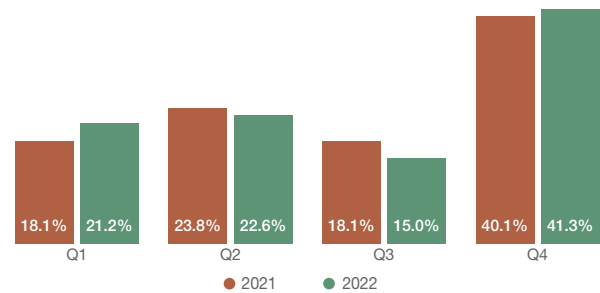
Within one year, the average price of the group's housing orders rose by 8.6%, from 212.5 thousand euros (incl. VAT) in 2021 to 230.7 thousand euros (incl. VAT) per unit in 2022. The increase in average prices is mainly due to the 10.1% increase in average prices in the Île-de⁽³⁾-France region, while in the Regions the increase is 15.6% compared to 2021.

Cycles and seasonality of housing orders by type of product (in volume)

Single-family homes in communities



Multi-occupancy housing



The fourth quarter recorded the highest number of Multi-occupancy housing orders, while the second and third quarters recorded a slight decline. The first quarter remains in the historical trend and even marks a slight increase. The seasonality is highly marked and less regular on the programs of Single-family homes in communities due to a lower volume of activity, which is therefore more sensitive to variations in Commercial Financing from one quarter to the next.

2.1.3.1.2. Commercial property

Commercial property orders amounted to 47.9 million euros (incl. VAT) in 2022, compared with 53.7 million euros (incl. VAT) in 2021.

The group also started construction work on several office complexes.

2.1.3.1.2. Backlog

The *total backlog* amounted to 3,393.3 million euros (excl. VAT) as of November 30, 2022, compared to 3,518.7 million euros (excl. VAT) as of November 30, 2021, a decrease of 3.6%.

The following table shows the number and proportion of housing *units* in backlog by product type in the Paris area and in the Regions in 2022 and 2021 (from December¹ to November 30):

	Backlog in number of Single-family homes in communities				Backlog in number of Multi-occupancy housing units			
	2022	%	2021	%	2022	%	2021	%
Île-de-France	302	26%	189	33%	3,851	33%	4,294	33%
Other Regions	850	74%	387	67%	7,970	67%	8,673	67%
Total	1,152	100%	576	100%	11,821	100%	12,967	100%

The Housing backlog stood at 12,973 units compared to 13,543 units as of November 30, 2021, a decrease of 4.2%. In value terms, it recorded a decrease of 0.9% compared to the end of 2021, amounting to 2,362.8 million euros (excl. VAT) compared to 2,385.3 million euros at the end of 2021.

(1) For the Île-de-France region, excluding Commercial property hotel residences.

(2) For the Île-de-France region, excluding Commercial property hotel residences.

(3) For the Île-de-France region, excluding Commercial property hotel residences.

Multi-occupancy housing

The Multi-occupancy housing backlog stood at 2,148.6 million euros in 2022, down 4.2% from 2,242.8 million euros at the end of 2021. In volume terms, it amounted to 11,821 units compared to 12,967 units in 2021, a decrease of 8.8%. In the Paris area, the *Multi-occupancy housing backlog* decreased by 10.3% in volume and by 5.6% in value. In addition, the Multi-occupancy housing backlog declined by 8.1% and 3.3% in terms of volume and value, respectively.

Single-family homes in communities

The Single-family homes in communities backlog amounted to 214.1 million euros for 1,152 units, an increase of 100% in volume and 50.2% in value compared to November 30, 2021, when it amounted to 142.5 million euros for 576 units. This increase in value is more localised in the Regions with an increase of 119.6% in volume compared to 2021 and also with an increase of 59.8% in the Paris area. As of November 30, 2022, the Île-de-France region had 302 Single-family homes in communities *in backlog* for 84.2 million euros, compared with 189 units for 63.9 million euros at the end of 2021. As for the Regions, their *backlog level* reached 850 units for 130.0 million euros, compared to 387 units for 78.7 million euros in 2021.

Backlog by operating segment

Year ended November 30,	2022			2021		
	Backlog in number	Backlog in value (in thousands of euros excl. VAT)	Average price (in thousands of euros excluding tax)	Backlog in number	Backlog in value (in thousands of euros excl. VAT)	Average price (in thousands of euros excluding tax)
Île-de-France	3,717	803,136	216	4,026	828,705	206
<i>Housing</i>	3,717	803,136	216	4,026	828,705	206
<i>Commercial property</i>	0	0	-	0	0	-
<i>Other</i>	0	0	-	0	0	-
West	4,403	704,075	160	4,702	765,637	163
<i>Housing</i>	4,403	690,297	157	4,702	734,045	156
<i>Commercial property</i>	0	13,778	-	0	31,592	-
<i>Other</i>	0	0	-	0	0	-
East	3,302	603,006	183	3,887	653,091	168
<i>Housing</i>	3,302	599,469	182	3,887	643,387	166
<i>Commercial property</i>	0	3,536	-	0	9,704	-
<i>Other</i>	0	-0	-	0	0	-
National Agencies	1,115	154,334	138	471	59,591	127
<i>Housing</i>	1,115	154,334	138	471	59,591	127
<i>Commercial property</i>	0	0	-	0	0	-
<i>Other</i>	0	0	-	0	0	-
Commercial property and logistics ^(b)	439	1,128,732	2,571	460	1,211,688	2,634
<i>Housing</i>	436	115,532	265	457	119,621	262
<i>Commercial property</i>	3	1,013,201	-	3	1,092,067	-
<i>Other</i>	0	0	-	0	0	-
Other	0	-3	-2,510	0	-3	0
<i>Housing</i>	0	-3	-2,510	0	-3	-
<i>Commercial property</i>	0	0	-	0	0	-
<i>Other</i>	0	0	-	0	0	-
GROUP TOTAL	12,976	3,393,281	-	13,546	3,518,709	-
<i>Housing</i>	12,973	2,362,767	182	13,543	2,385,346	176
<i>Commercial property ^(c)</i>	3	1,030,515	343,505	3	1,133,363	377,788
<i>Other ^(a)</i>	0	0	0	0	0	0

(a) Land, building lots.

(b) See section 2.1.3.1.1.2. "Commercial."

(c) Offices, shops, business premises, logistics warehouses, etc.

2 Business and financial review of Kaufman & Broad group

Key business indicators for the Kaufman & Broad group

The Housing backlog in the⁽¹⁾ Paris area fell by 7.7% in volume and by 3.1% in value compared to the previous year. At the same time, the Regions were down 2.7% in volume and slightly up 0.5% in value. The Paris area's share (1) of^{the} Housing *backlog* fell slightly compared to the Regions, standing at 28.7% in volume and 34.0% in value at the end of November 2022, compared with 29.7% in volume and 34.7% in value at the end of November 2021. The West (Caen, Haute-Normandie, Rennes, Nantes, Val-de-Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) represented 29.2% in value terms compared to 25.5% for the East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan).

The Housing backlog as of November 30, 2022 represented 24.6 months of activity compared with 25.8 months as of November 30, in 2021.

2.1.4. Outlook

Land reserve

Lots available for development by 2024

(as of November 30, 2022)

	In units	Estimated sq.m ^{(c) (d) (e)}
Land to be developed^(a)	34,085	2,492,152
Single-family homes in communities	3,107	257,494
multi-occupancy housing	30,902	1,763,282
Commercial property	0	463,486
Building lots	76	7,890
Land under study^(b)	7,762	1,675,709
Single-family homes in communities	362	74,047
multi-occupancy housing	7,343	1,383,786
Commercial property	0	211,321
Building lots	57	6,555
Total - France	41,847	4,167,861

(a) Land for which an agreement or promise to sell has been signed (Land Reserve).

(b) Land for which an agreement or promise to sell has not yet been signed.

(c) Based on estimated floor area.

(d) Based on a single-family home with an average area of 100 sq.m.

(e) Based on an apartment with an average surface area of 60 sq.m plus 15% for common areas.

As of November 30, 2022, all land for which an agreement or promise to sell has been signed (Total Land Reserve) amounted to 2,492,152 sq.m, representing 34,085 units. The group's real estate portfolio is 34,009 units, representing more than 5 years of activity. The Commercial property portfolio represents 463,486 sq.m. Lastly, the group's business potential by 2024 (including land for which an agreement or promise of sale has not yet been signed in addition to the land reserve) represents 41,847 units, including 211,321 sq.m of office space from land under study.

(1) Including corporate real estate hotel residences.

2.2. Significant items in the income statement

2.2.1. Key figures

The table below shows the significant items in the group's consolidated income statement for the last two years.

Fiscal Year ended November 30 (in thousands of euros)	2022	2021
Revenue	1,314,878	1,281,800
Gross profit	228,173	222,622
Gross margin (%)	17.4%	17.4%
Current Operational Income (COI)	98,212	98,385
Operating profit	98,212	98,385
Income (loss) of the consolidated group	69,251	66,334
Attributable net income	49,008	43,865
Earnings per share ^(a)	€2.27	€2.02

(a) Based on the number of shares making up the share capital at the end of the reporting period, i.e. 21,613,022 as of November 30, 2022 and 21,713,023 as of November 30, 2021.

2.2.2. Origin of net income

The accounting principles, estimates and assumptions used to prepare the consolidated financial statements for the year ended November 30, 2022 are described in Note 1 to the consolidated financial statements for the year ended November 30, 2022 in Section 6.1.5. "Notes to the financial statements."

The group accounts for its revenue and margin according to the progress of the programs according to the following rule: The revenue recognised for a given program is equal to the revenue of the cumulative revenue of the lots for which the notarial deed of sale has been signed and the ratio between the amount of the land expenditure and the construction expenditure incurred by the group on that program and the total budget of the expenditures of that program.

Gross margin corresponds to revenues less cost of revenues. Cost of revenues consists of the price of land, related land costs (taxes, etc.), commissions paid to Kaufman & Broad developers and revenuespeople, fees and commissions inherent in the mandates issued by Kaufman & Broad to sell real estate programs, and construction costs.

Current operating income corresponds to the gross margin adjusted for revenues and marketing expenses, administrative expenses, technical expenses and after-revenues services and other operating income and expenses:

- revenues and marketing expenses include salaries for the fixed portion and social security charges for revenuespeople, revenues *management* and showroom staff, installation and maintenance costs for model areas, design costs, long-shelf billboards and advertising costs, as well as various ancillary expenses (employee travel expenses, showroom and revenues office rent in case of leased premises). The level of these expenses recorded during the year should be linked to the number of programs opened for sale during the year;
- Administrative expenses include salaries of administrative staff, rent and rental expenses (headquarters and agencies), external fees, travel expenses, taxes (mainly territorial economic contribution), maintenance costs, supplies;

- Technical charges and after-revenues services include the salaries of staff in charge of technical monitoring of real estate programs as well as services related to after-revenues operations, travel expenses, maintenance costs and supplies;
- Development and program expenses include the salaries of personnel in charge of land development, the setting up and monitoring of real estate programs, as well as services related to travel costs, maintenance costs and supplies.

In accordance with CNC recommendation 2009-R.03, the group uses "Other non-recurring income and expenses" to present unusual, infrequent and material items separately to facilitate an understanding of operating performance.

Operating income corresponds to current operating income adjusted for non-current income and expenses.

The net income of consolidated companies corresponds to adjusted operating income:

- The cost of net financial debt (financial income and expenses) consisting of interest expenses on the syndicated lines of credit, interest *expenses on* swaps, expenses paid on overdrafts, commitment fees and amortisation of expenses related to credit lines, capital gains on disposals of money market funds and income on term accounts;
- Other financial income and expenses;
- Income tax.

Consolidated net income corresponds to consolidated net income adjusted for:

- Share in net income of associates and joint ventures (accounted for by the equity method).

Net income attributable to equity holders of the parent corresponds to consolidated net income adjusted for:

- Income from non-controlling interests (minority interests), which includes all income and expenses attributable to minority interests in fully consolidated companies.

2 Business and financial review of Kaufman & Broad group

Comments on the results

2.3. Comments on the results

Statement of consolidated comprehensive income

Consolidated income statement

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Revenue	1,314,878	1,281,800
Cost of revenues	-1,086,705	-1,059,178
GROSS PROFIT	228,173	222,622
Marketing expenses	-26,892	-20,656
Administrative expenses	-60,912	-55,615
Technical and customer service expenses	-23,175	-20,261
Development and program expenses	-18,983	-27,705
CURRENT OPERATIONAL INCOME (COI)	98,212	98,385
Other non-recurring income	-	-
Other non-recurring expenses	-	-
OPERATING PROFIT	98,212	98,385
Financial expenses	-19,596	-13,697
Financial income	2,094	1,531
NET COST OF FINANCIAL DEBT	-17,502	-12,166
PRE-TAX INCOME (LOSS) OF CONSOLIDATED COMPANIES	80,710	86,219
Income tax	-13,483	-21,747
NET INCOME (LOSS) OF CONSOLIDATED COMPANIES	67,228	64,472
Share of income (loss) of equity affiliates and joint ventures	2,023	1,862
INCOME (LOSS) OF THE CONSOLIDATED GROUP	69,251	66,334
Non-controlling interests income (loss)	20,243	22,469
Attributable net income	49,008	43,865
Average number of shares	20,990,005	21,245,459
BASIC EARNINGS PER SHARE ^(A)	€2.33	€2.06
DILUTED EARNINGS PER SHARE ^(A)	€2.33	€2.06

(a) Earnings per share calculated on the basis of the average number of shares.

2.3.1. Breakdown of deliveries, revenues and gross margin

2.3.1.1. Breakdown by line of revenue

The following table breaks down the number of housing units delivered (HEU), revenue and gross margin by product line for 2022 and 2021:

Fiscal Year ended November 30 <i>(in thousands of euros)</i>	2022			2021		
	Deliveries <i>(HEU) (units)</i>	Revenue	Gross profit	Deliveries <i>(HEU) (units)</i>	Revenue	Gross profit
Multi-occupancy housing	5,739	1,076,336	185,816	5,973	1,054,662	178,625
Single-family homes in communities	263	76,178	14,123	221	54,426	12,053
Total housing	6,002	1,152,514	199,939	6,194	1,109,088	190,678
Commercial Property	1	150,172	24,250	0	165,527	29,308
Other ^(a)	0	5,449	1,342	1	7,185	2,636
Student residence operations	0	6,743	2,642	0	0	0
GRAND TOTAL	6,003	1,314,878	228,173	6,195	1,281,800	222,622

(a) Corresponds mainly to revenues of bare lots and external fees (Deputy Project Management).

Deliveries (HEUs)

The number of unit equivalent units delivered (HEU) decreased by 3.1% between 2022 and 2021, from 6,195 units delivered in 2021 to 6,003 units delivered in 2022. Deliveries of Multi-occupancy housing units were down 3.9%, to 5,739 units in 2022 and those of individual village houses increased by 19.0% to 263 units delivered. Multi-occupancy housing accounts for 95.6% of units delivered, compared with 96.4% in 2020 for the Housing business.

Revenue

The group's total revenues (excl. VAT) were up 2.6% compared to 2021, at 1,314.9 million euros compared to 1,281.8 million euros in 2021. This change is mainly due to the 3.9% increase in Housing revenues (1,152.5 million euros) and the integration of student and residence operational revenues (6.7 million euros). The 33.1 million euros increase in total revenues is due to the 21.7 million euros increase in Multi-occupancy housing revenues, as well as the 21.8 million euros increase in Single-family homes in communities revenues and a 5.0 million euros increase including the revenues of student residences, although these increases were mitigated by a 15.4 million euros decrease in revenues from the Commercial segment.

Multi-occupancy housing activity

Revenue from the group Housing business increased by 2.1%, from 1054.7 million euros to 1,076.3 million euros in 2022. 33.4% of this was generated in the Paris area, compared with 37.3% in 2021. Regions representing 66.6% in 2022 compared to 62.7% in 2021. Multi-occupancy housing accounted for 81.9% of total revenue, compared with 82.3% in 2021.

Single-family homes in communities activity

Single-family homes in communities revenue increased by 40.0% compared to 2021, from 54.4 million euros to 76.2 million euros in 2021. Its share of total revenue was 5.8%, compared to 4.2% in 2021. The increase of 21.8 million euros is divided between a decrease of 7.0 million euros for the Île-de-France region and an increase of 28.7 million euros for the Regions. The Île-de-France region accounted for 47.0% of Single-family homes in communities revenues and 53.0% in the Regions in 2022.

Other activities

Commercial revenues were down 15.4 million euros. It amounted to 150.2 million euros in 2022, compared to 165.5 million euros in 2021. It is mainly explained by the progress of operations in the logistics sector, with revenues of 51.5 million euros comprising the Beaucaire, Rouen and Montbeugnt- Moulins 2 operations, and also by the progress of operations in the Office sector, with revenues of nearly 98.0 million euros with the Courbevoie, Puteaux- Le Galion, Montrouge, Bordeaux Amédée and Bordeaux Tour Sylva operations, as well as by the operation of Nante- Wilton.

The Showroom (Espace Déco) business generated revenue of 5.4 million euros, compared with 7.1 million euros in 2021.

In 2022, the Student residences business generated revenue of 6.7 million euros.

Gross profit

The group's gross profit was 228.2 million euros, compared with 222.6 million euros in 2021, an increase of 2.5% (+5.6 million euros). The gross margin rate was 17.4% as of November 30, 2021. This change is mainly explained by the 4.9% increase in the gross margin of the Housing activity (which stood at 199.9 million euros). The 5.6 million euros increase in the total gross margin is due to the 7.2 million euros increase in the gross margin recorded for group housing units as well as the 2.0 million euros increase in the gross margin for Single-family homes in communities and a 2.6 million euros increase including student residences, which were nevertheless offset by a 5.0 million euros decrease in the gross margin of the Commercial activity as well as a 1.2 million euros increase in the gross margin of other activities.

Multi-occupancy housing activity

The group housing business posted a gross margin of 185.8 million euros, compared to 178.6 million euros in 2021 (up 4.0%). Its gross margin increased from 16.9% in 2021 to 17.3% in 2022. The 7.2 million euros increase in gross margin was due to a 7.8 million euros increase in the Regions, offset by a slight 0.6 million euros decrease in the Paris area. In the Paris area, the gross margin was 19.3%, compared with 17.8% in 2021. In the Regions, it was 16.2% compared to 16.4% in 2021.

Single-family homes in communities activity

In the same trend as its revenues, the gross margin of the Single-family homes in communities activity increased by 17.2% compared to 2021. It amounted to 14.1 million euros in 2022 compared to 12.1 million euros in 2021. This increase was due to the Regional business, which contributed 4.7 million euros to the increase, while in the Paris area, gross margin decreased by 2.6 million euros. The gross margin rate for Single-family homes in communities was 18.5%, compared with 22.1% last year.

Other activities

Gross profit from other activities amounted to 28.2 million euros compared to 31.9 million euros in 2021. Commercial property alone represented 24.3 million euros in the margin of other activities, down 5.1 million euros compared to 2021.

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2.3.1.2. Breakdown by operating segment

The following table breaks down the number of housing units delivered (HEU), revenues and gross margin by geographic sector for 2022 and 2021:

Fiscal Year ended November 30 (in thousands of euros)	2022			2021 *		
	Deliveries (HEU) (units)	Revenue	Gross profit	Deliveries (HEU) (units)	Revenue	Gross profit
Île-de-France	1,794	392,914	77,009	1,974	431,050	81,711
Housing	1,794	390,728	75,975	1,974	426,544	79,940
Commercial property	-0	-0	-0	-0	-0	-0
Other ^(a)	-0	2,186	1,034	-0	4,506	1,772
West	2,083	386,186	65,835	2,255	362,797	63,623
Housing	2,083	366,576	61,665	2,254	337,718	58,373
Commercial property	-0	18,503	4,438	-0	24,908	4,968
Other ^(a)	-0	1,106	-268	1	171	283
East	2,061	388,462	63,768	1,864	335,496	55,326
Housing	2,061	380,482	60,858	1,864	325,929	52,108
Commercial property	-0	5,960	2,003	-0	7,162	2,742
Other ^(a)	-0	2,019	906	-0	2,405	477
National agencies	41	10,638	1,540	58	9,821	1,258
Housing	41	10,638	1,849	58	9,821	1,258
Commercial property	-0	-0	-0	-0	-0	-0
Other ^(a)	-0	-0	-308	-0	-0	-0
Commercial property and logistics ^(b)	23	129,799	17,083	44	142,533	20,664
Housing	22	4,090	-624	44	9,076	-935
Commercial property	1	125,709	17,817	-0	133,457	21,599
Other ^(a)	-0	-0	-111	-0	-0	-0
Other	-0	137	296	-0	104	40
Housing	-0	-0	-0	-0	-0	-64
Commercial property	-0	-0	-0	-0	-0	-0
Other ^(a)	-0	137	296	-0	104	104
Student residence operations	-0	6,743	2,642	-0	-0	-0
Housing						
Commercial property						
Other ^(a)						
Management of residence operat	-0	6,743	2,642	-0	-0	-0
TOTAL	6,003	1,314,878	228,173	6,195	1,281,800	222,622
Housing	6,002	1,152,514	199,723	4,312	765,359	129,949
Commercial property	1	150,172	24,259	-0	118,822	21,323
Other ^(a)	-0	5,449	1,549	1	5,212	2,135
Management of residence operations	-0	6,743	2,642	-0	-0	-0

* The segment breakdown changed -2021 proforma data.

(a) Corresponds to revenues of bare lots, external fees and the Showroom activity.

(b) Offices, shops, business premises, logistics warehouses, etc.

Deliveries (HEUs)

By geographic sector, the Île-de-France region accounts for a significant share of the group's Housing business, with 29.9% of residential units delivered in 2022 (representing 28.5% for Multi-occupancy housing units and 1.8% for individual village houses), compared with 31.9% in 2021. The group is also active in the West (Caen, Haute-Normandie, Rennes, Nantes, Val-de-Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) and in the East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier and Perpignan) where it achieved respectively 34.7% and 34.3% in 2022, compared to 52.3% and 43.2% in 2021.

Housing revenue

Housing revenues amounted to 1,152.5 million euros in 2022, up 3.9% from 1,109.1 million euros in 2021. The Île-de-France region contributed 34.3% of revenue, compared with 39.3% in 2021.

The East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan) and the West (Caen, Haute-Normandie, Rennes, Nantes, Val-de-Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) respectively contribute 33.0% and 31.8% of Housing revenues.

The 43.4 million euros increase in Housing revenues compared to 2021 is explained by the 84.2 million euros increase in the Regions, which was offset by the 40.8 million euros decline in revenue in the⁽¹⁾ Ile de France region.

Housing gross margin

The Housing Segment's gross margin as of November 30, 2022 was 199.9 million euros, compared with 190.7 million euros in 2021, an increase of 4.9% year on year. The gross margin on Housing rose from 17.2% to 17.3% between 2021 and 2022.

The Île-de-France region contributed 37.9% of the group's gross residential income in 2021 (41.5% in 2021). The East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan) and the West (Caen, Haute-Normandie, Rennes, Nantes, Val-de-Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) respectively contribute 30.7% and 30.6% to the gross margin of the Housing Segment.

The 9.3 million euros increase in gross margin for Housing between 2021 and 2022 is due to the 12.5 million euros increase in gross margin in the Regions, partially offset by the 3.2 million euros decrease in the Paris area.

2.3.2. Operating expenses

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Marketing expenses	26,892	20,656
Administrative expenses	60,911	55,615
Technical charges and after-revenues	23,175	20,261
Development and program expenses	18,983	27,705
OPERATING COST TOTAL	129,961	124,237

As of November 30, 2022, operating expenses amounted to 130.0 million euros, compared with 124.2 million euros in 2021. Operating expenses expressed as a percentage of revenues rose slightly to 9.9% in 2022 compared to 9.7% in 2021.

The change in operating expenses is mainly due to the following items:

Marketing expenses

Marketing expenses amounted to 26.9 million euros as of November 30, 2022, compared with 20.7 million euros in 2021. This 30% increase was due to a 2.8 million euros increase in "salaries and social security contributions" and a 3.5 million euros increase in "advertising expenses."

⁽¹⁾ For the Île-de-France region, includes the Company's hotel residences.

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Compensation of revenues forces

The table below shows changes in salaries and payroll costs (the fixed and variable portions are included in the cost of revenues) related to the revenues team over the last two years:

Fiscal Year ended November 30 <i>(in thousands of euros)</i>	2022	2021
Salaries and payroll taxes	10,711	7,912
Commissions paid to sales team	5,493	7,106
<i>As a percentage of total revenues</i>	<i>1.2%</i>	<i>1.2%</i>

Commissions on revenues <i>(in thousands of euros)</i>	2022	2021
Commissions paid to sales team	5,493	7,106
External commissions	32,380	32,320
TOTAL COMMISSIONS ON REVENUES	37,873	39,426
<i>As a percentage of total revenues</i>	<i>2.9%</i>	<i>3.1%</i>
<i>As a percentage of gross margin Housing</i>	<i>16.6%</i>	<i>17.7%</i>

revenues commissions amounted to 37.9 million euros in 2022, including 5.5 million euros for internal commissions (paid to sellers) and 32.4 million euros for external commissions (paid to prescribers). revenues commissions as a percentage of revenues decreased by 0.2 point to 2.9%. It should be noted that these expenses are included in the cost of revenues of real estate operations.

Advertising

Kaufman & Broad, in the context of the launch of real estate programs (individual houses in villages or Multi-occupancy housing) as well as in that of national advertising campaigns on its image and products, devotes to advertising an amount of expenditure theoretically between 2% and 2.5% of its turnover. Depending on the proportion of the activity carried out by the prescribers, as well as the weight of the tertiary sector in total revenues, the percentage observed may be lower. In 2022, advertising, modelling and model area costs amounted to 12.7 million euros and represented 0.97% of total revenues, up 0.25 percentage point compared to 2021.

The following table shows the amount of these advertising expenses as well as the percentage of these expenses compared to revenues over the last two financial years:

Fiscal Year ended November 30 <i>(in thousands of euros)</i>	2022	2021
Advertising expenses	12,716	9,220
<i>As a percentage of revenues</i>	<i>0.97%</i>	<i>0.72%</i>

Advertising expenses in 2022 were up 37.9% compared to 2021, with revenues also up 2.6% between the two years. These still represent less than 1% of Kaufman & Broad's consolidated revenues, due to the phenomenon of the product mix and customer mix. In 2022, this rate of 0.97% of revenues was low (for several years) and is mainly due to a large number of block revenues.

Administrative expenses

Administrative expenses amounted to 60.9 million euros in 2021, compared to 55.6 million euros in 2022, an increase of 9.5% attributable to the decrease in "salaries and social security charges" for 1 million euros, a decrease in "rents and rental charges" for 1.2 million euros, the decrease in "Maintenance, electricity and telephone" for 1.2 million euros, the increase in "fees" for 1.2 million euros, the decrease in other items for 1.5 million euros and the increase in "calculated expenses" for 9 million euros.

Technical and customer service expenses

Technical charges and after-revenues services amounted to 23.2 million euros as of November 30, 2022, compared with 20.3 million euros in 2021, the increase mainly coming from the "salaries and social security charges" item for 2.0 million euros and the "fees" item for 0.5 million euros.

Development and program expenses

Development and program expenses amounted to 19.0 million euros as of November 30, 2022, compared with 27.7 million euros at 31 December 2021, including an increase of 1.5 million euros in "salaries and social security charges," an increase of 0.9 million euros in project abandonment costs and a decrease of 7.3 million euros in net provisions for impairment of new project inventories and a decrease of 4.1 million euros in other calculated expenses (excluding impairment of new projects).

2.3.3. Recurring operating income - Operating margin

The group's recurring operating income decreased by 0.2%, from 98.4 million euros in 2021 to 98.2 million euros in 2022. The trading operating margin was 7.5% compared to 7.7% in 2021. The 0.2

million euros decrease in current operating income was mainly due to the 14.4 million euros increase in commercial, administrative, technical and after-revenues service expenses.

2.3.4. Other non-current income and expenses

As of November 30, 2022, non-current income was nil (as in 2021). Operating income amounted to 98.2 million euros, compared with 98.4 million euros in 2021.

2.3.5. Net Cost of Financial Debt

The cost of net debt increased by 5.3 million euros, from 12.2 million euros in 2021 to 17.5 million euros in 2022. Interest charges on syndicated lines of credit and the bond loan are due for the use of these lines of credit. For the 2022 financial year, the bond issue was used for 150.0 million euros and the credit lines were used for an average of 37.7 million, compared with 150.0 million euros in 2021 for the bond issue.

The overall effective rate of debt taking into account the total amortisation of issuance costs incurred and hedges was 4.10% compared to 4.19% in 2021. (See section 6.1.5. Note 6.3. "Net cost of debt" in the notes to the consolidated financial statements).

2.3.6. Net income

Income tax expense

Income tax presents a tax expense of 13.5 million euros calculated on the group's profit for the year ended November 30, 2022, compared to 21.7 million euros for the 2021 financial year (see chapter 6 relating to the consolidated financial statements for the year ended November 30, 2022 - section 6.1.5. "Notes to the financial statements" in Note 9.1. "Income tax" et seq. of the notes to the consolidated financial statements).

Non-controlling interests

Non-controlling interests decreased by 2.2 million euros, from 22.5 million euros in 2021 to 20.2 million euros in 2022. In 2022, buybacks of non-controlling interests amounted to 2.5 million euros, compared with 2.0 million euros in 2021. The difference between the price paid and the corresponding reduction in non-controlling interests is offset by equity attributable to equity holders of the parent.

Net income

Net income attributable to equity holders of the parent for 2022 was up 11.7% compared to 2021. It amounted to 49.0 million euros, compared to 43.9 million euros in 2021.

The net margin (net income group share expressed as a percentage of revenues) was 3.7% in 2022, up 0.3 point compared to 2021, when it was 3.4%.

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2.3.7. Income by operating segment

In accordance with IFRS 8 "Operating Segments," the segment information presented corresponds to the organization of internal reporting for group management to assess performance. The Executive Committee represents the principal operational decision-maker under the terms of the IFRS 8 standard. Details of this segment analysis are provided in Note 3.1.1. "Income by operating segment" in the notes to the consolidated financial statements for the year ended November 30, 2022.

Year ended November 30, 2022 (in thousands of euros)	Île-de-France	West	East	Commercial property and logistics
Revenue	392,914	386,186	388,462	129,799
Gross profit	77,009	65,835	63,768	17,083
Marketing expenses	-8,608	-6,933	-7,274	-349
Administrative expenses	-10,729	-10,552	-10,159	-2,293
Technical and customer service expenses	-12,987	-7,525	-8,187	-753
Development and program expenses	-5,876	-8,545	-9,651	5,450
Redistribution of proportionate share of head office recharge	-7,951	-7,523	-7,797	-1,656
Operating profit	34,113	27,832	22,980	17,482
Cost of net financial debt and other costs/financial revenues	-4,550	-6,033	-6,861	29
Redistribution of net financial debt cost	657	622	644	137
Pre-tax income (loss) of consolidated companies	30,220	22,420	16,763	17,648
Income tax expense	-5,310	-3,831	-1,836	-4,362
Share of income (loss) of equity affiliates and joint ventures	1,270	-90	-81	681
Income (loss) of the consolidated group	26,180	18,499	14,845	13,966
<i>group share</i>	<i>18,210</i>	<i>14,180</i>	<i>9,176</i>	<i>12,285</i>
<i>Non-controlling interests</i>	<i>7,970</i>	<i>4,319</i>	<i>5,670</i>	<i>1,681</i>

Year ended November 30, 2022 (in thousands of euros)	Other Promotions	Development	Distributions & Services	Managed Residences	Corporate	Grand Total
Revenue	10,638	-0	137	6,743	-0	1,314,878
Gross profit	1,700	-0	137	2,642	-0	228,173
Marketing expenses	-369	-1	-4	-56	-3,297	-26,892
Administrative expenses	-673	-576	-864	-3,687	-21,380	-60,912
Technical and customer service expenses	-0	-39	-722	-0	-1,573	-39,982
Development and program expenses	-1,393	-143	80	-26	1,122	-18,983
Redistribution of proportionate share of head office recharge	-80	-40	-80	-0	25,128	0
Operating profit	-815	-799	-1,454	-1,127	0	98,212
Cost of net financial debt and other costs/financial revenues	-1,321	-131	-142	-569	2,076	-17,502
Redistribution of net financial debt cost	7	3	7	-0	-2,076	0
Pre-tax income (loss) of consolidated companies	-2,129	-927	-1,589	-1,695	0	80,710
Income tax expense	568	261	448	580	-0	-13,483
Share of income (loss) of equity affiliates and joint ventures	578	-1	-0	-332	-0	2,023
Income (loss) of the consolidated group	-984	-667	-1,141	-1,447	0	69,251
<i>group share</i>	<i>-1,495</i>	<i>-667</i>	<i>-1,141</i>	<i>-1,540</i>	<i>0</i>	<i>49,008</i>
<i>Non-controlling interests</i>	<i>511</i>	<i>-0</i>	<i>-0</i>	<i>93</i>	<i>-0</i>	<i>20,243</i>

Year ended November 30, 2021 <i>(in thousands of euros)</i>	Île-de-France	West	East	Commercial property and logistics
Revenue	431,050	362,797	335,496	142,533
Gross profit	81,711	63,623	55,326	20,664
Marketing expenses	-5,352	-4,287	-5,498	-173
Administrative expenses	-10,865	-9,949	-9,443	2,228
Technical and customer service expenses	-12,246	-6,187	-6,558	-661
Development and program expenses	-5,514	-6,849	-6,838	-8,532
Redistribution of proportionate share of head office recharge	-10,569	-9,098	-8,917	-2,479
Operating profit	40,734	28,888	19,670	11,047
Cost of net financial debt and other costs/financial revenues	-859	-4,284	-5,757	171
Redistribution of net financial debt cost	-14	-12	-12	-3
Pre-tax income (loss) of consolidated companies	39,861	24,592	13,901	11,215
Income tax expense	-9,666	-9,667	-9,668	-2,949
Share of income (loss) of equity affiliates and joint ventures	1,420	-114	78	-374
Consolidated net income	31,615	18,136	10,384	7,892
<i>group share</i>	<i>21,057</i>	<i>12,746</i>	<i>5,954</i>	<i>6,172</i>
<i>Non-controlling interests</i>	<i>10,558</i>	<i>5,391</i>	<i>4,431</i>	<i>1,720</i>

Year ended November 30, 2021 <i>(in thousands of euros)</i>	Other Promotions	Development	Distributions & Services	Managed Residences	Corporate	Grand Total
Revenue	9,821	-0	104	-0	-0	1,281,800
Gross profit	1,194	-0	104	-0	-0	222,622
Marketing expenses	-119	-31	-102	-0	-5,093	-20,656
Administrative expenses	-592	-609	-720	-2	-25,663	-55,615
Technical and customer service expenses	-0	-36	-322	-0	-1,050	-28,145
Development and program expenses	-86	-398	3	-0	508	-27,705
Redistribution of proportionate share of head office recharge	-94	-47	-94	-0	31,298	0
Operating profit	303	-1,121	-1,132	-2	-0	98,386
Cost of net financial debt and other costs/financial revenues	-1,244	-62	-93	3	-42	-12,166
Redistribution of net financial debt cost	-0	-0	-0	-0	42	0
Pre-tax income (loss) of consolidated companies	-941	-1,183	-1,225	0	-0	86,220
Income tax expense	80	339	376	10	-0	-21,747
Share of income (loss) of equity affiliates and joint ventures	979	-0	-94	-33	-0	1,862
Income (loss) of the consolidated group	117	-844	-943	-24	-0	66,334
<i>group share</i>	<i>-253</i>	<i>-844</i>	<i>-943</i>	<i>-24</i>	<i>-0</i>	<i>43,865</i>
<i>Non-controlling interests</i>	<i>370</i>	<i>-0</i>	<i>-0</i>	<i>-0</i>	<i>-0</i>	<i>22,469</i>

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Liquidity and capital resources

2.4. Liquidity and capital resources

2.4.1. Cash flows

The group's net cash and cash equivalents amounted to 101.0 million euros as of November 30, 2022, down 88.5 million euros compared to 189.5 million euros as of November 30, 2021. This change can be explained as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Cash flow from (used in) operating activities	19,725	92,286
Cash flow from (used in) investing activities	-20,720	-22,333
Free cash flow ⁽¹⁾	-995	69,953
Cash flow from (used in) financing activities	-87,467	-95,685
Increase (decrease) in cash	-88,462	-25,732
CASH AT OPENING OF PERIOD	189,460	215,192
CASH AT CLOSING OF PERIOD	100,998	189,460

(1) Free cash flow is equal to cash flow less net capital expenditure for the year.

Cash flow from (used in) operating activities

Cash flows from operating activities amounted to 19.7 million euros, compared to 92.3 million euros as of November 30, 2021, a decrease of 72.6 million euros. The change in cash generated by operating activities can be analysed as follows:

- An increase in cash flow of 6.6 million euros from 107.9 million euros to 114.5 million euros;
- A 28.9 million euros increase in tax paid to 36.4 million euros compared to 7.5 million euros at the end of November 2021;
- An increase in the change in operating working capital (excluding current taxes), from -8.1 million euros as of November 30, 2021 to -58.4 million euros as of November 30, 2022.

Operating working capital requirements (excluding current taxes) amounted to 185.7 million euros at the end of November 2022, compared with 131.1 million euros at the end of November 2021, an increase of 54.5 million euros, see Note 3.6 "Breakdown of changes in working capital requirements." The change in operating WCR is explained by a 25.3 million euros increase in inventories, a 55.0 million euros increase in trade receivables, a 41.5 million euros increase in trade payables and a 15.8 million euros increase in other operating assets and liabilities including current tax. Working capital requirements (including current taxes) expressed as a percentage of revenues amounted to 14.5% as of November 30, 2022, compared with 8.9% for the same period in 2021.

Cash flow from (used in) investing activities

Cash flows from investing activities amounted to -20.7 million euros compared to -22.3 million euros in 2021. They mainly comprise:

- 19.5 million euros in payments for acquisitions of property, plant and equipment and intangible assets (of which 7.3 million euros in for investments in investment properties and 0.3 million euros for other fixed assets in the "Managed Residences" portfolio). Other investments mainly concern 3.8 million euros for licences and 7.0 million for the development of the new head office in Courbevoie;
- 0.4 million euros related to the change in financial assets (loans granted as part of real estate projects);
- 0.7 million euros in investments in associates.

Cash flows from (used in) financing activities

Cash flows from financing activities amounted to -87.5 million euros compared to -95.7 million euros in 2021. They consist of:

- -40.5 million euros in dividends paid to shareholders;
- -17.7 million euros in distributions to non-controlling interests and -2.5 million euros in redemptions of non-controlling interests;
- -23.3 million euros in treasury share buybacks;
- -8.6 million euros corresponding to the reimbursement of rights of use debts under IFRS 16;
- -13.3 million euros in net interest paid.
- +12.3 million euros relating to the new loan for the Residential business
- +5.8 million euros concerning the capital increase related to the "KB Actions 2022" transaction

2.4.2. Debt Position

2.4.2.1. Gross financial debt

Gross financial debt consists of long-term and short-term financial liabilities, hedging instruments relating to liabilities and accrued interest on balance sheet items.

This breaks down as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Syndicated credit facility - Senior credit facility	-	-
Bond issue	150,000	150,000
Accrued interest	2,322	2,322
Other borrowings	13,202	74
Credit facilities used	3,889	2,173
Lease liabilities (IFRS 16)	41,765	14,926
Lease liabilities (IFRS 16) – Accrued interest	136	63
Loan arrangement costs	-581	-965
Financial liabilities on minority put options	3,560	-
Fair value of derivatives	-	-
GROSS FINANCIAL DEBT	214,293	168,593
• Of which non-current	202,819	159,734
• O/w current	11,474	8,859

As of November 30, 2022, the group's gross financial debt amounted to 214.3 million euros, including 202.8 million euros in non-current debt (mainly bonds and 18.8 million euros in current debt related to accrued interest and credit facilities). It amounted to 168.6 million euros as of November 30, 2021 with a maturity of 3.2 years compared to 2.6 years at the end of November 2022.

On 30 March 2020, in accordance with the clause set out in the Facility Agreement signed on 30 January 2019, Kaufman & Broad applied for an extension of the maturity date of the Facility by an additional year as set out in the Facility Agreement, i.e. from 30 January 2024 initial maturity date to 30 January 2025, extended maturity date. The application was accepted by all lenders under the 30 January 2019 syndicated loan agreement.

At the end of November 2022, the group had 150 million euros in bonds, comprising a 50 million euros tranche (maturing in May 2024), a 100 million euros tranche (maturing in May 2025) and a 250 million euros revolving credit facility (undrawn as of November 30, 2022 and maturing in January 2025). In the first half of 2022, the group entered into credit agreements with the Caisses d'Epargne for 6 million euros to finance the acquisition of managed residences with a maturity of nearly 8 years and drawn down for 5 million euros (9.5 million euros for the Gagny student residence on 31 March 2022, drawn down for 8.4 million euros and 4.1 million euros for the Amiens student residence).

Adjustment of financial ratios

For accounting periods starting in November 2017, until the redemption of the bond issue, the group is subject to two ratios, calculated on a consolidated basis, the levels of which have been defined as follows:

Ratio at each half-year end (Bond issue)	Threshold
Leverage ratio ^(a)	≤ 3.0
Net Gearing ratio ^(b)	≤ 2.5

(a) Or net financial debt (1) divided by EBITDA (2) where:

(1) Financial debt is defined as gross financial debt less cash and cash equivalents, excluding certain subordinated debt and certain off balance sheet commitments;

(2) EBITDA corresponds to consolidated net income before income taxes, financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses), other income and expenses of an exceptional and/or non-recurring nature, excluding calculated expenses (including in particular depreciation, amortisation and provisions, fair value adjustments, income or expenses related to non-monetary Compensation of employees) and capital gains or losses on disposals of assets, and less net income from minority interests.

(b) Net financial debt (1) divided by adjusted equity (3):

(1) Adjusted shareholders' equity = consolidated shareholders' equity as of November 30, 2016 + cumulative consolidated income from 1 December 2016 to the end of the quarter under review - dividends paid over the period under review + cumulative impairment charge from the period from 1 December 2016 to the end of the quarter under review.

2 Business and financial review of Kaufman & Broad group

Liquidity and capital resources

For accounting periods starting in November 2019, until the repayment of the 2019 syndicated credit facility, the group is subject to compliance with two ratios, calculated on a consolidated basis, the levels of which have been defined as follows:

Ratio at each half-year end (2019 syndicated loan)	Threshold
Leverage ratio ^(a)	≤ 3.0
Net Gearing ratio ^(b)	≤ 2.0

(a) Or net financial debt (1) divided by EBITDA (2) where:

(1) Financial debt is defined as gross financial debt less cash and cash equivalents, excluding certain subordinated debt and certain off balance sheet commitments;

(2) EBITDA corresponds to consolidated net income before income taxes, financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses), other income and expenses of an exceptional and/or non-recurring nature, excluding calculated expenses (including in particular depreciation, amortisation and provisions, fair value adjustments, income or expenses related to non-monetary Compensation of employees) and capital gains or losses on disposals of assets, and less net income from minority interests.

(b) Net financial debt (1) divided by consolidated shareholders' equity (3):

(1) means, at any given date, the sum of the Borrower's consolidated equity at the beginning of the relevant financial year, plus the consolidated net income of the group at that date, less (i) dividends paid in cash (including the share of profit attributable to minority interests) and other equivalent distributions of the Borrower paid to its shareholders in cash since the beginning of the relevant financial year (ii) impairments resulting from cumulative impairment tests for the same period (to neutralize their inclusion in the consolidated net income of the group) and (iii) the impact of treasury shares held by the Borrower as of November 30, 2017.

In addition, the margin applicable to each advance considered will be determined (i) based on the level of the leverage ratio applicable at each test date and (ii) based on the levels of the annual CSR criteria, a positive as well as negative incentive mechanism will be applied to the applicable margin in progress.

Calculation of financial ratios at date:

Ratio as of November 30, 2022	Threshold ^(a)	Current ratio
Leverage ratio	≤ 3.0	-0.83
Net Gearing ratio (bond issue)	≤ 2.5	N/A (*)
Net Gearing ratio (syndicated loan agreement)	≤ 2.0	-0.21

(a) Threshold to be respected in connection with the bond issue and the syndicated loan agreement.

(*) In accordance with the provisions of the 18 May 2017 bond issue documentation, the calculation of the covenants ratios may be suspended under the following conditions: "These ratios will cease to apply from the date the company obtains a rating of at least BBB- by Standard & Poor's and/or Baa3 by Moody's and/or BBB- by Fitch." In 2022, the international rating agency Fitch awarded Kaufman & Broad S.A. an Investment Grade BBB- rating with stable prospects. Fitch refers in particular to Kaufman & Broad's solid business model and its high level of cash flow, favored by a limited working capital requirement in the project cycle. Kaufman & Broad is currently the only pure developer in continental Europe to have an Investment Grade rating. This note illustrates the strength of the group's financial structure, its operational efficiency and its controlled investment strategy in managed residences)

Main use of the group's financial debt

(in thousands of euros)	Capacity	Use as of November 30, 2022	Maturity	Type	Rate ^(a)
Syndicated Credit Agreement of 29 January 2019					
RCF ^(b)	250,000	-	January 2025	Variable	E ^(c) +162.5 to 277.5 BPS
Bond issue 18 May 2017					
7 year bond issue	50,000	50,000	May 2024	Fixed	2.88%
8 year bond issue	100,000	100,000	May 2025	Fixed	3.20%
Total Bonds	150,000	150,000			
Bank debt (Etudians Gagny)	9.5	8.4	April 2030	Fixed	1.80%
Bank debt (Etudians Amiens)	4.1	4.1	April 2030	Fixed	1.80%
Total Residential loans managed	13.6	12.5			
Total	413,600	162,500	-	-	-

(a) E = Euribor, which is, for a given maturity, the fixing, calculated each business day, of an average rate at which a sample of about fifty major banks established in Europe lends blank to other major banks.

(b) Revolving credit facility.

(c) The applicable margin depends on the level of the leverage ratio achieved and on the levels of the CSR Criteria defined in the documentation.

The overall effective rate of debt taking into account the total amortisation of issuance costs incurred and hedges was 4.10% compared to 4.19% in 2021.

2.4.2.2. Main changes in gross financial debt

<i>(in thousands of euros)</i>	November 30, 2022
Gross financial debt as of November 30, 2021	168,593
Lease liabilities (IFRS 16)	26,838
Financial liabilities on minority put options	3,560
Loan arrangement cost	384
Change in other borrowings and finance leases	13,129
Lease liabilities (IFRS 16) – Accrued interest	73
Change in credit facilities	1,716
Gross financial debt as of November 30, 2022	214,293
Change in gross financial debt in 2022	45,700

The group's gross financial debt recorded a change of +45.7 million euros between November 30, 2021 and November 30, 2022, mainly due to the change in the IFRS 16 lease liability for 26.8 million euros, the change in the debt on minority put options for 3.6 million euros and the change in other loans and leases for 13.1 million euros.

The table below reflects the group's financial structure over the last two years and changes in the maturity of its debt:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
SHAREHOLDERS' EQUITY	256.4	267.7
Financial debt *	214.3	168.6
Financial debt maturing < 1 year (excluding Loan arrangement costs)	11.9	9.2
Financial debt maturing < 1 year (Loan arrangement costs)	-0.3	-0.3
Financial debt maturing > 1 year and < 5 years	176.1	158.4
Financial debt maturing > 5 years	26.7	1.4
Maturity	2.6 years	3.2 years
<i>* Of which:</i>		
Loan arrangement costs	-0.6	-1.0
Fair value of derivatives	-	-
Credit facilities used	3.9	2.2
IFRS 16 lease liabilities	41.8	15.0
Bond issue	150.0	150.0
Other borrowings	14.9	2.4

2.4.2.3. Evolution of the net financial debt

Net financial debt

(including IFRS 16 lease liabilities and Put Neoresid debt)

Gearing



The net financial debt refers to the gross financial debt deducted by the cash flow and cash equivalents. As of November 30, 2022, it increased by 103.7 million euros compared to November 30, 2021, excluding IFRS 16 lease liabilities and Put Neoresid debt) and thus showed a net debt of 67.8 million euros (taking into account the 41.9 million euros of IFRS 16 lease liabilities and 3.5 million euros of Put Neoresid), the group's net financial debt stood at 113.3 million euros at the end of November 2022) compared to a positive net cash position of 20.9 million euros at the end of 2021.

Gearing (ratio of net financial debt to consolidated equity) was 44.2% as of November 30, 2022, compared with -7.8% as of November 30, 2021.

2.5. Events after the closing date

Conclusion of contracts for the Austerlitz train station

Kaufman & Broad announced on 19 December 2022 that it had completed the acquisition of all the building volumes of the A7/A8 - Austerlitz Train Station transaction and that it had signed the contracts necessary for the completion of the project.

Proposal of the Board of Directors to pay a dividend in respect of the financial year ended November 30, 2022

The 2022 results, the strong financial structure of Kaufman & Broad and the high level of its Backlog led the Board of Directors to propose a dividend of €2.40 per share for fiscal year 2022 at the Annual General Meeting to be held on May 4.

Capital reduction by cancelling treasury shares

Pursuant to the authorisation granted at the Company's Shareholders' Meeting of 5 May 2022, the Board of Directors' meeting of 27 January 2023 reduced its share capital by cancelling 500,000 treasury shares, thereby increasing the number of shares comprising the Company's share capital from 21,613,022 to 21,113,022 shares.

2.6. Recent developments and outlook

2.6.1. Markets

In France, economic signals are mixed, as they suggest an industrial decline and a moderate decline in economic activity at the end of 2022. Indeed, since mid-2022, economic indicators, although relatively stable, show a marked divergence between French companies and households.

The new real estate market in France in which the group operates remains strongly influenced by the general economic context in which it operates. Trends in key macroeconomic indicators, such as economic growth, interest rates and, for new housing, unemployment rates and household confidence, are all variables that can influence property development activity.

Energy transition commitments, combined with demographic and sociological trends, will continue to support housing demand.

In fact, only new housing can achieve carbon neutrality while part of the existing rental market can no longer meet energy performance targets in the long-term.

The new housing market in which Kaufman & Broad operates should continue to be supported over the next decade by economic, social and demographic factors such as:

- The expected favourable demographic trends by 2060 would be as follows: According to the INSEE, the population would increase by +6.8 million by that time, bringing the French population from 67.8 million (at the end of 2021) to nearly 74 million by 2060; This projection is based on a so-called "central" scenario, which assumes that recent demographic trends continue: In this scenario, the number of children per woman is 1.95, the migration balance of 100,000 more inhabitants per year and life expectancy is increasing according to the pace observed in the past. A continuous increase in life expectancy: +7.6 years for men and +6.6 years for women would be mainly due to the proportion of people over 65 years of age, which is expected to increase by

nearly 6 million over the period 2021-2060 to represent 32% of the population compared to 18% today. The proportion of persons aged 75 or over is estimated to be almost twice as high in 2060 (16.2% of the population) as in 2021 (9.4% of the population is +6.4 million). In more than half of metropolitan areas, this proportion would even exceed 18% of the population; No demographic variant calls into question the sharp increase in the population over 60 years of age, but the share of the population over 60 years of age in 2060 will depend primarily on the gains in life expectancy.

- Sociological developments, in particular with the continuation of the phenomenon of cohabitation and the persistence of periods of singlehood; that is to say, living alone (not or no longer as a couple). The average number of persons per household fell from 3.1 to 2.2 between 2016 and 2020. The distribution of families with minor children changed slightly between 2011 and 2020, with a decrease of 3 percentage points in the share of couples living with their children alone, offset by a similar increase in the share of single-parent families. Moreover, the share of single-parent families has even doubled since 1990, from 12% to 25%.
- Continued concentration of the population in the main urban areas to the detriment of rural areas;
- Adapting the existing housing stock made necessary by climate constraints and more stringent environmental standards. In April 2021, MPs voted for most of the articles on energy renovation of housing in the "Climate and Resilience" bill, especially the thorny issue of the eradication of heat-loss houses. In fact, nearly 5.2 million homes are considered to be energy intensive in the French real estate portfolio. The aim of this law is to end energy poverty and accelerate the reduction of greenhouse gas emissions, while buildings are among the four most emitting sectors in France.

For all these reasons, demand should continue to grow over the long-term and supply will probably require adjustments to deal with it.

As of the date of this universal registration document, there are significant uncertainties in France that could adversely affect growth prospects in 2023:

- The decline in average household purchasing power, albeit limited in 2022, is also expected to continue in 2023, and would not increase again until 2024-2025;
- Demand for housing, whether from individuals or institutional investors, although still present, fell sharply in 2022. It continues to be affected by the loss of purchasing power, as well as by higher construction costs, linked in particular to difficulties in the supply of materials, structural difficulties in recruitment in the construction sector and the gradual normalization of financing conditions. The household investment rate, after its high point in early 2022, would gradually return to a level close to that of before the Covid crisis only by 2025;
- The high volatility of raw material prices, both upwards and downwards, whose cyclical nature is difficult to anticipate. Difficulties in international value chains and upward pressures on non food commodity prices have begun to ease, but their levels remain generally high;
- The uncertainty surrounding the inflation outlook remains high. In the short-term, the peak in inflation that was expected for the end of 2022 could continue in the first half of 2023, once the peak of tensions on commodity prices and energy supply and prices in production has passed. In the medium-term, the path of inflation will depend on the transmission of price increases to wages, and vice versa;
- The social movements that could materialize, particularly reinforced in France by the pension reform still under discussion and exacerbated in a context of tensions on the price of oil, sharp increases in energy prices and food prices;
- Climate issues and their consequences (particularly in terms of regulation, following particularly alarming climatic conditions in 2022) on the global economic model;
- The sharp deterioration of the international environment (including the state of trade relations between the United States, China and Europe as well as the continuation of the Russian-Ukrainian

conflict and its threat of aggravation) but also the resurgence of protectionism of the major world economies;

- The fiscal challenges of Member States related to the consequences of the amplification of country debt despite the end of Covid-19 support measures, as a result of the continuation of stimulus measures and those taken to protect the economy against inflation.

In this context, the outlook envisaged by the group is based on the following elements.

Regarding Kaufman & Broad's residential commercial outlook for 2023, the group does not expect a significant increase in the rate of allocation of building permits.

In this difficult period, and beyond maintaining control over its costs, controlling its working capital and capital expenditure, Kaufman & Broad relies in particular on the following development indicators:

- A *global backlog* of 3.393 billion euros as of November 30, 2022 and 2.363 billion euros for the Housing business alone. It should be noted *that* the backlog is a summary to date that makes it possible to estimate the revenue remaining to be recognised in the future: being specified that there is an uncertain portion *of the* transformation of the backlog into revenue, in particular for orders not yet recorded or for projects that have not obtained definitive administrative authorization (approximately 38% for housing and 85% for tertiary),
- a real estate portfolio of 34,009 units at the end of November 2022, at historically high levels. The residential real estate portfolio represents all the land for which any commitment (promise to sell) has been signed.
- A portfolio of industrial and tertiary wasteland rehabilitation projects under development by our subsidiary Development and Territories, which represent approximately 700,000 sq.m of projects, representing a potential of approximately 10,000 housing units.

Having taken all these elements into account, Kaufman & Broad will continue to closely monitor developments in the economic, social and health situation in the coming weeks and will inform the market as needed of its impact on its activities in the financial year 2023.



3

Corporate
governance

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3 Corporate governance

Members of the administrative and management bodies

3.1. Members of the administrative and management bodies

3.1.1. Board of Directors

3.1.1.1. Composition of the Board of Directors

As of the date of this document, the Board of Directors of Kaufman & Broad SA is composed of ten Directors who bring him different and complementary experiences due to their varied profiles:

Name	Age ⁽¹⁾	Compensation and Appointment Committee	Audit Committee	CSR Committee	Board of Directors	Years of presence on the Board	Date of first appointment	End of term ⁽²⁾	Number of shares in the Company	Percentage of direct and indirect holding in the company
Chair and Chief Executive Officer										
Nordine Hachemi	61				✓	9	25/06/2013	2023	111,068 ⁽³⁾	3.54%
Independent directors ⁽⁴⁾										
Sylvie Charles	63		✓		✓	11	16/02/2012	2023	250	-
Jean Louis Chaussade	71	✓		✓	✓	6	21/01/2017	2024	678	-
Yves Gabriel	72				✓	7	08/03/2016	2024	250	-
Michel Giannuzzi ⁽⁶⁾	58	✓			✓	1	06/05/2021	2023	250	-
Sophie Lombard ⁽⁵⁾	53	✓	✓	✓	✓	15	10/07/2007	2023	283	-
Annalisa Loustau Elia	56				✓	1	06/05/2021	2023	250	-
Michel Paris	65			✓	✓	7	07/07/2015	2024	1289	-
Lucile Ribot	56		✓		✓	4	05/03/2018	2023	270	-
Director representing shareholding employees										
Aline Stickel ⁽⁷⁾	59				✓	1	05/05/2022	2024	3017	0.06%

(1) At 28 February 2023.

(2) Approval of the financial statements for the year.

(3) M. Nordine Hachemi holds 111,068 Kaufman & Broad S.A. shares directly and through RKCI, in which he holds 100% of the share capital. In addition, he holds 27.34% of the share capital of Artimus Participations, which itself held 11.01% of the share capital of the company as of 28 February 2023, i.e. 635,530 shares of Kaufman & Broad S.A.

(4) See section 3.1.1.2.8. "Independence of Directors"

(5) On the recommendation of the Compensation and Nomination Committee, the Board of Directors' meeting of 27 January 2023 decided to appoint Ms Sophie Lombard as Chair of the Compensation and Nomination Committee to replace Mr Yves Gabriel.

(6) On the recommendation of the Compensation and Nomination Committee, the Board of Directors' meeting of 27 January 2023 decided to appoint Mr Michel Giannuzzi as a member of the Compensation and Nomination Committee.

(7) The Annual General Meeting of 5 May 2022 appointed Aline Stickel as Director representing employee shareholders. Ms Aline Stickel holds 3,017 Kaufman & Broad SA shares directly. In addition, she holds nearly 0.46% of the share capital of Artimus Participations, which itself held 11.01% of the share capital of the company as of 28 February 2023, i.e. 10,628 shares of Kaufman & Broad SA.

As of the date of this universal registration document, with the exception of Mr Nordine Hachemi, no member of the Board of Directors holds any other directorships within a group company.

Chair and Chief Executive Officer



Nordine Hachemi

Kaufman & Broad SA

17, quai du Président Paul Doumer CS 9000192672
Courbevoie cedex

Other offices and positions held in any company

Chair of RKCI, Manager of SCI MD Raphael, Chair of Artimus Participations SAS.

Other information

Nordine Hachemi has an MBA from INSEAD and graduated from ENSPM with a Degree in Engineering.

After a career abroad at Bouygues Construction, he joined the Saur group in 2001, where he became its Chair.

In 2008, he became Chief Executive Officer of Sechilienne Sidec and occupied the role until 2011.

Co-opted as Director by the Board of Directors on 25 June 2013, he joined Kaufman & Broad on ^{1 July} 2013 as Chief Executive Officer and Vice Chair of the Board of Directors.

He has been the Chief Executive Officer of Kaufman & Broad SA since January 24, 2014.

Non-Executive Directors



Sylvie Charles *

Transilien SNCF

Campus Rimbaud
10 rue Camille Moke
CS 8000193212 Saint Denis

* *Chair of the Audit Committee*

Main position held outside the company

Chief Executive of Transilien.

Other offices and positions held in any company

Member of the Supervisory Board of Geodis SA.

Non-Executive Director of the SANEF group.

Other information

Sylvie Charles graduated from the Institut d'Études Politiques of Paris and formerly studied at the ENA.

In 1993, she was named CEO of the Carians group, before becoming Deputy CEO of the Générale de Transport et d'Industrie in 1999.

Adviser to the Chair of the Management Board of the STVA group since 2001, she became Chair of the Management Board in 2004.

In February 2010, Sylvie Charles took over responsibility for the Enterprise and Railway Service Providers Segment of SNCF Logistics, a Segment that brings together Fret SNCF and all the group's rail freight companies, particularly foreign ones; allocations that were extended in October 2013 to multimodal entities.

In March 2020, Sylvie Charles was appointed Chief Executive Officer of Transilien SNCF.

She is a member of the Supervisory Board of Geodis SA, an independent director of the SANEF group, and was a member of the Management Committee of SETER SAS in Senegal from 2020 to 2022.

3 Corporate governance

Members of the administrative and management bodies



Jean Louis Chaussade *

Chair of JLCH Conseil

3, rue Bixio
75007 Paris

* *Chair of the CSR Committee*

Main position held outside the company

Special Adviser to the Accuracy group.

Special Adviser to the Workday group in Europe.

Other offices and positions held in any company

Director of Criteria Caixaholding SAU (Spain).

Chair of the Board of Directors of the Université de Technologie de Compiègne.

Director of the Institut du Capitalisme Responsable [Institute of Responsible Capitalism].

Vice-Chair of the SIBAC.

Other information

Jean Louis Chaussade began his career at Degrémont in 1978 and was then appointed *Chief Operating Officer* of Degrémont Spain in Bilbao in 1989. During this period, he was appointed Director of Aguas de Barcelona. Jean Louis Chaussade subsequently became Chief Executive Officer of Dumez Copisa Spain in 1992.

In 1997, he was appointed *Chief Operating Officer* of Lyonnaise des Eaux in South America and Deputy Chief Executive Officer of Engie for South America.

He became Chief Executive Officer of Degrémont in 2000 and, in 2004, Deputy CEO of Engie and CEO of Suez group.

Jean-Louis Chaussade occupied the roles of CEO and Director at Suez.

Jean Louis Chaussade is Co-Chair of the France China Committee and Chair of the France Algeria Board of Directors within MEDEF International. He also chairs the "circular economy" group within AFEP.

In 2020, Jean Louis Chaussade submitted to the government his report on "the assessment of waste treatment capacities in France by 2040."

Jean-Louis Chaussade graduated in engineering from ESTP before going on to earn a Master's Degree in Economics. He is also a graduate of the Institut d'Études Politiques de Paris and the AMP of Harvard *Business School*.

On 14 May 2019, he was appointed Chair of the Board of Directors of the Suez group.

Jean Louis Chaussade served as Director and Chair of the Board of Directors of SUEZ until the close of the Ordinary and Extraordinary Shareholders' Meeting of 12 May 2020.

Chair of JLCH Conseil.

Jean-Louis Chaussade has been awarded the rank of Officer in the French National Order of the Legion of Honor.



Yves Gabriel

Yves Gabriel Consulting

21 bis, route de Choisel
78460 Chevreuse

Main position held outside the company

Chair of Yves Gabriel Consulting.

Other offices and positions held in any company

Director of the insurance brokerage SMABTP.

Director of Compagnie Industrielle et Financière d'Entreprises (CIFE).

Other information

Graduated from the École Nationale des Ponts et Chaussées.

From 2002 to 2015, Yves Gabriel was Chair and Chief Executive Officer of Bouygues Construction and Director of the Bouygues group.

From 1996 to 2002, he was Chief Executive Officer of the SAUR group and from 1992 to 1996, Chief Executive Officer of the SCREG group.

He previously held senior management positions in various subsidiaries of the SCREG and Bouygues groups.



Sophie Lombard *

Bluester Capital

18 bis, rue d'Anjou
75008 Paris

* *Chair of the Compensation and Nomination Committee*

Main position held outside the company

Chief Executive Officer of Bluester Capital (private equity fund management company).

Other offices and positions held in any company

Member of the La Banque Postale Asset Management Supervisory Board.

Other information

Sophie Lombard is a graduate of EDHEC Business School and holds an MBA (Columbia Business School, New York City, United States).

After starting her career at Societe Generale, in the derivatives capital markets department, then at Deutsche Bank in the LBO department in London and Paris, she spent 12 years at PAI Partners. She joined Bluester Capital in 2016.

Sophie Lombard was Director of Finance at Gaillon 8 until 2017 and was a member of the Banque Postale's Supervisory Board until late February 2020.



Annalisa Loustau Elia

17, quai du Président Paul Doumer CS 9000192672
Courbevoie cedex

Main position held outside the company

Non-Executive Director

Other offices and positions held in any company

Director of Legrand, Ferragamo and Swarovski.

Member of the Supervisory Board of Roche Bobois.

Member of the Supervisory Board of William Grant & Sons.

Other information

Annalisa Loustau Elia, 56 years old and of Italian nationality, graduated from La Sapienza of Rome.

Annalisa Loustau Elia began her career at Procter & Gamble in 1989, initially working in the group's subsidiaries in Rome and Paris before moving to its international headquarters in Geneva, where she worked until 2001. She then took the helm of global marketing for Pampers, Procter & Gamble's leading brand. She then joined the L'Oréal group as the Chief Executive of multiple brands.

In 2004, Annalisa Loustau Elia joined Cartier, where she spent four years sitting on the Worldwide Executive Committee as Chief Executive of, among other aspects, product development and marketing.

From 2008 to January 2021, she was Director of Omni-channel Marketing and a member of the Executive Committee of the Printemps group. As part of her roles, she was worked very particularly on digital transformation and customer experience.

Annalisa Loustau Elia has been a Director of Legrand since 2013, Kaufman & Broad, Ferragamo and Swarovski since 2021. She has also been a member of the Supervisory Board of Roche Bobois since 2018 and a member of the Supervisory Board of William Grant & Sons since 2022.

3 Corporate governance

Members of the administrative and management bodies



Lucile Ribot

17, quai du Président Paul Doumer CS 9000192672
Courbevoie cedex

Main position held outside the company

Non-Executive Director.

Other offices and positions held in any company

Independent Director of HSBC Continental Europe, Chair of the Audit Committee and member of the Risk Committee.

Non-Executive Director of Imerys, member of the Audit Committee

Other information

Having graduated from HEC in 1989, Lucile Ribot began her career at Arthur Andersen where she led audits and financial consultancy projects for large international groups.

In 1995, she joined the industrial engineering group Fives, where she became Director of Finance in 1998, sat on the Executive Committee from 2002 onwards, and where she played a key role in supporting the group's growth and strategic development until 2017. She has occupied Non-Executive Director roles ever since.



Michel Giannuzzi

Verallia

31, Place des Corolles,
92400 Courbevoie

Main position held outside the company

Chair of the Board of Directors and the Strategy Committee, member of Verallia's Sustainable Development Committee.

Other offices and functions in any company

Member of the Board of Directors and Audit Committee of Daher.

Member of the Board of Directors and Audit Committee of FM Global.

Member of the Board of Directors, the Audit Committee and the Investment and Investment Committee of Peugeot Invest.

Other information

Michel Giannuzzi was Chair and Chief Executive Officer of Verallia from September 2017 to May 2022. Thanks to the successful deployment of a value creation and sustainable development strategy, it successfully completed the IPO of Verallia on the Euronext Paris market in October 2019. From 2007 to 2017, he was Chair of the Management Board of Tarkett, a world leader in innovative solutions for floor coverings and sports surfaces. During his term of office, he pursued a strategy of profitable and sustainable growth, leading to the IPO of Tarkett on the Euronext Paris market in November 2013.

Previously, Michel Giannuzzi held several senior management positions within the Valeo and Michelin groups in France, Japan and the United Kingdom.

He has graduated from both the École Polytechnique and Harvard Business School.


Michel Paris *

1, rue Henri Rochefort 75017
Paris - France

** Lead Independent Director*

Main position held outside the company

Manager of M2P Conseil.

Senior Adviser of 65 Equity Partners.

Other offices and positions held in any company

Member of the Supervisory Board of Lilas France SAS (Labeyrie); Director of Financière EMG SAS (Euro Media group), observer of Perstorp Holding AB; Manager of Carolles Participations SC and Granville Holdco SC, Member of the Board of Directors of Apave SA.

Other information

In 1984, Michel Paris joined Paribas Affaires Industrielles when went on to become PAI Partners in 2001.

He is a member of the Investment Committee and the Retail areas, Industrial Goods and Services Sector Teams.

Michel Paris has accumulated over 30 years of experience in investment within PAI. He has been a key figure in countless transactions, including those with companies such as Sogeres, Bouygues Telecom, Atos, Equant, Elior, Frans Bonhomme, Elis, Vivarte, Saur, Coin, Kwik Fit, Cortefiel, Monier, Xella and EMG.

Before this, he spent two years working with Valeo.

Michel Paris is a graduate of the École Centrale de Lyon (1980) and the École Supérieure de Commerce de Reims (1982).


Aline Stickel *

17, quai du Président Paul Doumer CS 9000192672
Courbevoie cedex

** Director representing employee shareholders*

Head of Legal Affairs - Kaufman & Broad group

Member of the Supervisory Board of "FCPE KB Actions."

Other information

Aline Stickel holds a degree in Private Law and CAPA (Certificate of Aptitude for the Profession of Lawyer) and joined the group in 2000.

As a legal officer in charge of litigation and became head of the operational legal teams in 2001 as well as the corporate legal team from 2011. She was also in charge of group insurance from 2001 to 2011.

She taught construction insurance at ICH (Institut de la Construction et de l'Habitation - CNAM) from 2007 to 2019.

Previously, Aline Stickel worked as a lawyer with Maravelli Joubert from 1992 to 1998 with a dominant activity in construction insurance and builder liability at Roubache-Moiron Braud from 1998 to 2000.

Aline Stickel has been a member of the Supervisory Board of the "FCPE KB Actions" since 2018.

The Annual General Meeting of 5 May 2022 appointed Aline Stickel as Director representing employee shareholders.

3 Corporate governance

Members of the administrative and management bodies

A list of the various offices held by the Company's Directors outside the group's subsidiaries over the last five years is provided in section 3.1.1.1. "Composition of the Board of Directors" of the Company's universal registration document.

By virtue of the Internal Regulations of the Board of Directors of Kaufman & Broad SA, each of the company's Directors must hold a minimum of 250 shares, all of the members currently fulfilling this obligation. Pursuant to the provisions of Article 10 *bis* of the Company's Articles of Association, the Director representing employee shareholders is not required to hold such shares.

The Directors of the company have declared that, over the past five years at the very least, they have not been:

- Convicted of committing fraud;
- Subject to a bankruptcy filing, sequestration or liquidation;

- Subject to incrimination and/or official public sanctions issued by statutory or regulatory authorities, including by designated professional bodies;
- Prevented by court order from acting as a member of an administrative, management or supervisory body of an issuer, or from intervening in an issuer's management or conducting of business.

Service contracts between members of the Board of Directors and the company or one of its subsidiaries

No Service Agreement has been concluded among the Directors and the company or its subsidiaries.

3.1.1.2. Operation of the Board of Directors

3.1.1.2.1. Corporate Governance Code

For the preparation of this report, the Company refers to the AFEP MEDEF Corporate Governance Code of June 2018, amended in January 2020 and December 2022, which is available on the MEDEF website (<http://www.medef.com/>).

Under the "Comply or Explain" rule provided for in Article L. 225-37 of the French Commercial Code and referred to in Article 25.1 of the AFEP MEDEF Code, the Company believes that its practises comply with the recommendations of the AFEP MEDEF Code.

3.1.1.2.2. Provisions governing the membership of the Board of Directors

Kaufman & Broad SA is administered by a Board of Directors of at least three and no more than eighteen members, appointed by the Ordinary Shareholders' Meeting for three years. The terms of office of outgoing Directors are renewable.

The Company's Articles of Association provide that the number of Directors who are individuals or permanent representatives of legal entities over the age of 70 may not exceed three at the end of each Annual Ordinary Shareholders' Meeting called to approve the parent company financial statements and that no Director may hold such positions beyond his 75th birthday. In addition, the Company's Articles of Association provide that the Chair of the Board of Directors must be a natural person under the age of 70 and that no one may be Chief Executive Officer or Deputy Chief Executive Officer if he is over the age of 70.

The Internal Regulations of the Board, detailed below, specify that the proportion of independent Directors must be equal to at least one-third of the number of members of the Board of Directors.

The Board of Directors appoints a Chair from among its members, who must be a natural person. The Chair organises and directs the work of the Board of Directors and reports to the Shareholders' Meeting. He ensures the proper functioning of the Company's bodies and, in particular, that the Directors are able to fulfil their duties.

The Board of Directors of Kaufman & Broad SA currently has ten Directors.

3.1.1.2.3. Other provisions of the bylaws and Internal Rules

Article 16 of the Company's bylaws also provides that the Board of Directors, on the proposal of its Chair, may appoint non-voting Directors, chosen from among the shareholders and whose number may not exceed two. The role of the Advisory Board members is to ensure strict compliance with the bylaws. They are invited to meetings of the Board of Directors and take part in deliberations in an advisory capacity, but their absence does not affect the validity of these discussions. They review the annual financial statements and submit their observations to the Ordinary Shareholders' Meeting when they deem it appropriate.

The Company's Board of Directors has drawn up Internal Rules. It was last updated on 11 July 2022 to remove the provisions relating to the Investment Committee (see section 3.1.2.3. "Investment Committee").

These Internal Regulations describe the operating procedures, powers and powers of the Board of Directors and specify the rules of ethics applicable to members of the Board of Directors. It provides in particular for the rules applicable to the holding of meetings of the Board of Directors by videoconference or other means of telecommunication, as well as the provisions relating to the frequency of meetings, the presence of Directors and their information

obligations regarding the rules of multiple mandates, conflicts of interest, regulated agreements and transactions in the company's shares.

It provides that the Board may set up Committees whose members are responsible for studying matters referred to them by the Board, the Chair or the Lead Independent Director. It also provides that each Director of the Company must hold at least 250 shares and refrain from trading in the securities market for (i) the 30 calendar days preceding the publication of the half-yearly and annual results of the Company and (ii) the 15 calendar days preceding the publication of the quarterly results of the Company, the day of the publication concerned being included in the aforementioned periods. It should be noted that each Director must register the securities held at the time of his or her appointment or subsequently acquired, and inform the AMF of any subscription, purchase or sale transaction carried out, directly or by interposed persons, on the Company's securities or forward financial instruments on these securities in compliance with the thresholds in force.

The Internal Regulations of the Board of Directors are available on the Kaufman & Broad website (<http://www.kaufmanbroad.fr>).

3.1.1.2.4. Board of Directors' meetings and proceedings

The Board of Directors meets as often as the interests of the company require, and at least four times a year, either at the registered office or at any other place indicated in the notice of meeting. Directors are invited by the Chair to meetings of the Board of Directors by any means, including verbally. If the Board has not met for more than two months, one-third of its members may ask the Chair to call a meeting on a specific agenda. When General Management is not exercised by the Chair of the Board of Directors, the Chief Executive Officer may also ask the Chair to convene the Board of Directors on a specific agenda.

In addition, the Lead Independent Director may ask the Chair to convene a Board meeting if there is a particular point whose importance or urgency justifies the need for such an extraordinary meeting.

Each Director receives all the information necessary to carry out their duties and may request any documents they deem useful.

Meetings of the Board of Directors are chaired by the Chair of the Board of Directors or, in the absence of the Chair, by the Lead Independent Director and, in the absence of the latter, by a Director appointed for this purpose.

3.1.1.2.5. Duties of the Board of Directors

The main role of the Board of Directors is to determine the Company's business strategy and ensure its implementation. Subject to the powers expressly granted to Shareholders' Meetings and within the limits of the corporate purpose, the Board deals with any issue relating to the smooth running of the company and settles the affairs that concern it through its deliberations.

In particular, the following transactions are subject to the prior authorisation or approval of the Board:

- Any significant change in the activity of the company or one of its subsidiaries;
- Any acquisition or disposal of an entity whose enterprise value exceeds 10 million euros (except for an entity whose assets consist of land and/or buildings);
- Any indebtedness beyond authorised credit facilities, bilateral lines and overdrafts;
- Annual budget;
- Business plan.

3.1.1.2.6. Operating procedures of management bodies

The Chair of the Board of Directors is responsible for the general management of the Company. The Chair and Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. The Chair exercises these powers within the limits of the corporate purpose, subject to the powers expressly granted by law to Shareholders' Meetings or reserved to the Board of Directors in a special way, as well as transactions subject to the prior authorisation of the Board by its Internal Regulations. The Chair represents the Company with respect to third parties.

Since 2014, the functions of Chair of the Board of Directors and Chief Executive Officer have been combined. The Board of Directors considers that the combination of the functions of Chair of the Board of Directors and Chief Executive Officer, in a context of increased competition in the real estate development market and uncertain economic conditions, allows for greater responsiveness in the administration and management of the group and to strengthen proximity to operational realities in decision making.

The Board may only deliberate validly if at least half of the Directors are present. Decisions are taken by a majority of the votes of the members present and represented.

For the purposes of calculating the *quorum* and majority, Directors who participate in Board meetings by videoconference or other means of telecommunication under the conditions set by the regulations in force shall be deemed to be present. This provision does not apply to meetings of the Board of Directors whose agenda concerns the approval of the annual financial statements, the consolidated financial statements and the preparation of the management report.

In accordance with the Internal Rules, the Chair may invite any Director in a situation of conflict of interest, even potential, not to attend the meeting.

Decisions falling within the powers of the Board of Directors provided for by the regulations may be taken by written consultation of the Directors.

The Internal Regulations also specify that, in general, the Board examines and decides on transactions of truly strategic importance, possibly after study by an *ad hoc* Committee; in particular, any significant transaction that falls outside the strategy announced by the company is subject to prior approval by the Board. The scope of this prior approval is not only for external acquisitions or disposals, but also for significant investments in organic growth or internal restructuring of the company.

The Board carries out the controls and verifications it deems appropriate and reviews and approves the half year and annual financial statements (parent company and/or consolidated), as well as the closing and approval of the related reports provided for by the regulations in force.

In addition, this organization fosters ongoing, lively and structured dialogue between management and the Board of Directors. It also gives the Company's shareholders greater control over its Chair and Chief Executive Officer.

Since 2014, the Board of Directors has seen the effectiveness of this organization and has always been attentive to maintaining a balanced governance in the interest of the company, in line with the AFEP MEDEF recommendations and in line with the best practices followed by listed companies where the functions of Chair of the Board of Directors and Chief Executive Officer are grouped together, thanks in particular to the presence of eight independent directors out of ten, the presence of a Lead Director on the Board and the support of the various Board Committees (Audit Committee, Compensation and Nomination Committee, CSR Committee), all chaired by an independent director and composed half or two-thirds, as the case may be, of independent directors.

3 Corporate governance

Members of the administrative and management bodies

At its meeting of 5 May 2021, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, renewed Mr Nordine Hachemi, as Chair and Chief Executive Officer for three years. At the time of this renewal, the Board once again confirmed the relevance of this organization combining the functions of Chair of the Board of Directors and Chief Executive Officer.

At its meeting of 27 February 2023, the Board of Directors renewed for one year the authorisation granted to its Chair and Chief Executive Officer, with the option of delegation, to grant on behalf of the Company sureties, endorsements or guarantees (including financial completion guarantees) in respect of:

- Tax and customs administrations, without limitation of duration or amount;

- Any other third party, for one year and for a total amount not exceeding €2,800,000,000, including the amounts necessary for the financial guarantees of completion.

On the proposal of the Chair and Chief Executive Officer, the Board of Directors may appoint one or more Deputy Chief Executive Officers whose number may not exceed five. The Deputy Chief Executive Officers are natural persons; they may be chosen from among the Directors or outside them. In agreement with the Chair and Chief Executive Officer, the Board determines the scope and duration of the powers granted to the Deputy Chief Executive Officers. The Company does not have a Deputy Chief Executive Officer.

The Chief Executive Officer may be dismissed at any time by the Conseil. If the dismissal is decided without just cause, it may give rise to damages, except when the Chief Executive Officer assumes the functions of Chair of the Board of Directors.

3.1.1.2.7. Duties and remits of the Lead Independent Director

On the recommendation of the Compensation and Nomination Committee, the Board of Directors may appoint a Lead Independent Director from among its independent members for a period not exceeding their term of office as a member of the Board.

At its meeting of 24 February 2023, the Board of Directors, on the basis of recommendations and after discussions between the members of the Compensation and Nomination Committee, appointed Michel Paris, an independent Director, as Lead Independent Director, to replace Jean Louis Chaussade who resigned.

Assistance to the Chair, the Board of Directors and assessment of Executive Management

The Lead Independent Director assists the Chair in their duties, particularly in the organization and proper Operation of the Board of Directors and its Committees and the supervision of corporate governance and internal control.

They are also responsible for providing the Board of Directors with assistance in ensuring the proper functioning of the Company's corporate bodies and providing it with insight into the transactions on which the Board of Directors is called upon to deliberate. In this context, they ensure that the members of the Board of Directors are able to carry out their duties under the best possible conditions, and in particular by ensuring that they receive a high level of information prior to the meetings of the Board of Directors.

In the context of and to carry out their duties, the Lead Director may occasionally participate, without voting rights, in meetings of the Board Committees of which they is not a member. He has access to the work of these Committees and the information that is made available to their members.

3.1.1.2.8. Independence of Directors

The Company's Board of Directors currently comprises eight out of ten independent members. These are Sylvie Charles, Jean Louis Chaussade, Mr Yves Gabriel, Mr Michel Giannuzzi, Ms Sophie Lombard, Ms Annalisa Loustau Elia, Mr Michel Paris and Ms Lucile Ribot.

Sophie Lombard's term of office, which was renewed at 99% by the Company's Shareholders' Meeting of 3 May 2018, has exceeded 12 years since 10 July 2019 (Ms Lombard did not serve as Director of the Company from 20 January 2010 to 29 September 2010).

In its analysis, the Board of Directors, at its meeting of 27 February 2020, after taking into account:

- The objectivity that the Board has always shown in its deliberations and decisions;

The Lead Independent Director meets periodically, and at least once a year, with the Directors, without the presence of executive or internal corporate officers, to assess the performance of the Chair and Chief Executive Officer and, where applicable, the Deputy Chief Executive Officer(s), and to reflect on the future of management. These meetings are chaired by the Lead Independent Director.

Managing conflicts of interest

In conjunction with the Compensation and Nomination Committee, which they may consult and convene on these matters as necessary, the Lead Independent Director's duties include the regular implementation of procedures aimed at identifying, analysing and providing information on situations that may potentially fall within the scope of management and preventing the occurrence of conflicts of interest within the Board of Directors and the executive corporate officers.

They examine or deal with any potential or actual conflicts of interest of which they are aware concerning executive corporate officers and other members of the Board. They inform the Chair of the Board of Directors and the Chair of the Compensation and Nomination Committee and, if the latter deems it necessary, the Board of Directors.

The Lead Independent Director may, as necessary, make recommendations to the Compensation and Nomination Committee and the Board of Directors on the management of any conflicts of interest that they may have identified or of which they have been informed.

- her full involvement in the debates, its accuracy and relevance of analysis expressed freely and unanimously appreciated by the other members of the Board as well as by the Chair of the Board of Directors;
- her high degree of qualification, given her solid experience in areas affecting the group's various activities;

Considered that the 12 year criterion defined by the AFEP MEDEF Code revised in January 2020 (paragraph 9.5 of the AFEP MEDEF Code) among the five other criteria set out was not in itself sufficient for Ms Sophie Lombard to automatically lose the status of independent Director.

The Board's decision complies with the recommendations of the AFEP MEDEF Code, which states that the Board may consider that a Director who does not meet the criteria set out in the Code is nonetheless independent.

At the time of each appointment or renewal, the Board of Directors reviews candidates for appointment as Directors in light of the independence criteria set out below. The situation of each Director regarding these independence criteria is also discussed by the Compensation and Nomination Committee and reviewed each year by the Board of Directors.

In addition, at its meeting of 24 February 2023, the Board of Directors:

- Having heard the Chair's presentation, which recalled that the members of the Compensation and Nomination Committee discussed Michel Paris' independence regarding the criteria set out in Article 10.5.1 of the Afep Medef Code,
- And indicated that, in the context of these exchanges, it was noted that:
 - Michel Paris has been a member of the Company's Board of Directors since 7 July 2015, i.e. for almost 8 years, less than the 12-year term referred to in paragraph 10.5.6 of the Afep/Medef Code revised in December 2022, from which a director could be considered no longer independent according to this Code
 - Since the sale of the remaining stake in Kaufman & Broad SA by Financière Gaillon 8 in 2017, a company ultimately controlled by funds managed by PAI Partners, Michel Paris has continued to hold the position of corporate officer until September 2020 and a salaried activity until June 2022 within the PAI Partners group.
 - There is no longer any equity link between PAI Partners and the Company since 2017.
 - The positions expressed by Mr Michel Paris at the meetings of the Board of Directors reveal his independence of judgement in the debates, noting that, since his appointment as a director, Mr Michel Paris has brought to the Board of Directors his significant experience in the business world, in particular in financial areas or those related to the deployment of the CSR policy and his in-depth knowledge of the group, acquired in particular when PAI Partners was a majority shareholder of the Company.
- Decided unanimously, taking into account the above elements, the current professional situation of Mr Michel Paris, detached from any link with PAI Partners, and the criteria set out in Article 10.5.1 of the Afep/Medef Code revised in January 2020 and December 2022, to approve the status of independent director, within the meaning of the recommendations of the AFEP MEDEF Code, of Mr Michel Paris

3.1.1.2.9. Shares held by Directors

By virtue of the Internal Regulations of the Board of Directors of Kaufman & Broad SA, each of the company's Directors must hold a minimum of 250 shares, all of the members currently fulfilling this obligation. Under the provisions of Article 10 bis of the Company's Articles of Association, the Director representing employee shareholders is not bound by this obligation to hold shares (see Kaufman & Broad share ownership table by the Directors section 7.3.1 "Shareholding of the company as of November 30, 2022 and changes over three years" of this document).

The independence criteria adopted by the Company to date are those set out in the AFEP MEDEF Corporate Governance Code:

"A Director is independent when they have no relationship of any kind with the company, its group or its management that could compromise the exercise of their freedom of judgment. Thus, an independent Director means not only a non-executive Director, that is to say not exercising management functions of the company or its group, but also devoid of any particular ties of interest (significant shareholder, employee, other) with them."

The criteria to be examined by the Committee and the Board to qualify a Director as independent and to prevent the risk of a conflict of interest between the Director and the management, the company or its group, are as follows:

- Not to be an employee or executive corporate officer of the company, or an employee or Director of its parent company or a company consolidated by the latter, and not to have been so during the previous five years;
- Not to be an executive corporate officer of a company in which the company directly or indirectly holds a directorship or in which an employee appointed as such or an executive corporate officer of the company (currently or in the last five years) holds a directorship;
- Not to be a customer, supplier, investment banker or commercial banker that is material to the company or its group or for which the company or its group represents a significant part of its business. The assessment of the significance or otherwise of the relationship with the company or its group must be discussed by the Board and the criteria that led to this assessment, explained in the universal registration document;
- Have close family ties with a corporate officer;
- Not to have been a Statutory Auditor of the Company within the previous five years;
- Not to have been a Director of the Company for more than twelve years.

The AFEP MEDEF Code specifies that the Board of Directors may consider that a Director, although fulfilling the criteria set out, should not be qualified as independent in view of their particular situation or that of the company, in view of their shareholding or for any other reason. Conversely, the Board may consider that a Director who does not meet these criteria is nevertheless independent.

It should be noted, however, that these criteria have a formal aspect: Independence of judgement is sought from all Directors, who make an equal contribution to the Board's deliberations due to their expertise and experience, regardless of their classification.

3 Corporate governance

Members of the administrative and management bodies

3.1.1.2.10. Directors' compensation

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 3 May 2018 decided to set the total amount of compensation awarded each year to the Board of Directors at €400,000 from the year ended November 30, 2018 until further deliberation by the Shareholders' Meeting.

This envelope corresponds to a maximum annual amount that the Board of Directors, on the proposal of the Compensation and Nomination Committee, may freely distribute among the directors.

The Internal Regulations of the Board of Directors, when updated, approved by the Board of Directors on 27 September 2018, provide that compensation shall be distributed among directors who do not hold any position in the Kaufman & Broad group, in respect of their duties as Directors. The amount of compensation is paid on a pro-rated basis depending on physical attendance (or via videoconference) at Board of Directors' meetings during the year. A portion set by the Board of Directors, deducted from the amount of compensation allocated to the Board of Directors, is paid to the members of the various Committees who have no function in the Kaufman & Broad group and, where applicable, to the Lead Independent Director, depending on their presence at the meetings of these Committees.

In addition, the Chair of each Committee receives annual fixed compensation. In addition to this basic compensation, an amount due for each Board Committee meeting attended by the director concerned is added. Finally, the Lead Independent Director receives additional compensation in addition to the compensation awarded to them for their duties as a director and as a member of Committees, as from the 2022 financial year.

On the recommendation of the Compensation and Nomination Committee, the Board of Directors, at its meeting of 27 January 2023, decided to allocate compensation for the 2022 financial year according to the following rules:

- For a maximum individual amount of €55,000 to the directors of the company who are considered independent;
- The amount of €26,800 in compensation for the duties of director is *paid on a pro-rated basis according to the physical presence (or via videoconference)* at Board meetings during the financial year, being understood that Mr Nordine Hachemi and the director representing employee shareholders shall not be entitled to payment of compensation;
- The Lead Independent Director receives an additional compensation of €17,000 in addition to the compensation awarded to them in their capacity as Director.
- The members of the Audit Committee receive compensation of €3,000 for each attendance at the meetings; it being understood that the compensation of the Chair of the Audit Committee is set at €7,000,
- The members of the Compensation and Nomination Committee receive compensation of €3,000 for each attendance at meetings; it being understood that the compensation of the Chair of the Compensation and Nomination Committee is set at €5,000,
- The members of the CSR Committee receive compensation of €3,000 for each attendance at the meetings; it being understood that the compensation of the Chair of the CSR Committee is set at €5,000,

The compensation paid to each director in respect of 2022 takes into account the attendance of each director at Board of Directors' committees and meetings.

3.1.1.2.11. Annual assessment

In accordance with the AFEP MEDEF Corporate Governance Code for listed companies and the provisions of the Board's Internal Regulations, which can be consulted on the Company's website, the Board of Directors devotes an item on its agenda to assessing its operation and that of its specialised committees under the supervision of the Lead Independent Director at least once a year. A formal assessment is carried out every three years, which may be

implemented, possibly under the direction of the Lead Independent Director or an independent director who is an independent member of the Board of Directors, and, where applicable, with the assistance of an external consultant. The elements of the assessment of the Operation of the Board for the 2022 financial year were sent to the Directors in December 2022. The results of this assessment will be presented at the Board of Directors' meeting of 12 April 2023.

3.1.1.2.12. Meetings of the Board of Directors in 2022

The table below shows the attendance rate per Director at Board meetings:

Members	Attendance at meetings	Total number of meetings	Individual attendance rate
Nordine Hachemi (<i>Chair of the Board of Directors</i>)	7	8	88% ⁽¹⁾
Sylvie Charles	8	8	100%
Jean Louis Chaussade	8	8	100%
Yves Gabriel	8	8	100%
Michel Giannuzzi	6	8	75%
Sophie Lombard	8	8	100%
Annalisa Loustau Elia	8	8	100%
Michel Paris	7	8	88%
Lucile Ribot	8	8	100%
Aline Stickel ⁽²⁾	3	8	75%

(1) The Board of Directors' meeting of 23 March 2022, convened at the initiative of the Lead Independent Director, decided without the presence of N. Hachemi (see agenda below). The Board of Directors' meeting of 13 April 2022 was held in 2 parts: The first part was held under the chairmanship of the Lead Independent Director and at their initiative, without the presence of Mr Nordine Hachemi, in accordance with the rules of procedure. The 2nd part of the Council was held at the initiative and under the chairmanship of N. Hachemi (see below the agendas).

(2) The Annual General Meeting of 5 May 2022 appointed Aline Stickel as director representing employee shareholders to replace Karine Normand.

In 2022, the Board of Directors met eight times (the attendance rate of Directors at Board meetings was 93%):

- On **26 January 2022**, a Board of Directors met with nine members. The Board discussed the following agenda:
 - Report of the Audit Committee: Minutes of the meeting of 24 January 2022;
 - Review of the estimated consolidated financial data as of November 30, 2021;
 - Approval of the 2022 budget;
 - Proposed payment of a dividend of €1.95/share at the next Shareholders' Meeting
 - Review and approval of management planning documents and analysis report on these documents;
 - Review and approval of the draft release on 2021 annual results;
 - Report of the Compensation and Nomination Committee - minutes of the meeting of 17 January 2022;
 - Compensation of the corporate officer for the 2021 financial year;
 - Amount of compensation to be paid to directors (formerly directors' fees): Breakdown for fiscal year 2021;
 - Vesting of bonus shares (First Plan 2020);
 - Vesting of performance shares (Second Plan 2019);
 - Report of the CSR Committee - Reports of the meetings of 10 November 2021 and 20 January 2022;
 - CSR review of the year;
 - Cancellation of treasury shares (cancellation of 400,000 shares) as a result of treasury share buybacks carried out by the Company under its share buyback program;
 - Employee shareholding - establishment of a leveraged company mutual fund;
 - Restitution survey Satisfaction Clients BVA-2nd half 2021;
 - Powers for formalities.
- On **25 February 2022**, a Board of Directors met with nine members. The Board discussed the following agenda:
 - Report of the Audit Committee - Report of the meeting of 23 February 2022;
 - Review and approval of the parent company financial statements for the year ended November 30, 2021 and proposed allocation of net income for the year;
 - Review and approval of the consolidated financial statements for the year ended November 30, 2021;
 - Agreements governed by Article L. 225-38 of the French Commercial Code;
 - Preparation and approval of the Board of Directors' management report;
 - Preparation and approval of special reports;
 - Review and approval of the corporate governance report;
 - Renewal of authorisations for sureties and guarantees;
 - Renewal of the share buyback program;
 - Review of social policy regarding professional and wage equality;
 - Report of the Compensation and Nomination Committee - Report of the meeting of 3 February 2022;
 - Compensation of the corporate officer for the 2022 financial year;
 - Allocation of Bonus shares;
 - Recognition of the end of directors' terms of office - proposal to appoint directors;
 - Proposal to appoint a director representing employee shareholders;
 - Convening of an Ordinary and Extraordinary Shareholders' Meeting, setting its agenda and the text of the draft resolutions;
 - Appointment of the Lead Director as Chair of the meeting at the Combined General Meeting of 5 May 2022 in the event of the absence or impediment of the Chair and Chief Executive Officer;
 - Prior approval of the services provided by the Statutory Auditors;
 - Report of the CSR Committee - Reports of the meetings of 10 November 2021 and 20 January 2022;
 - CSR review of the year;
 - Restitution survey Satisfaction Clients BVA-2nd half 2021;
 - Employee shareholding - implementation of a leveraged company mutual fund.
- On **23 March 2022**, a Board of Directors met with six members (*without Mr N. Hachemi*). The Board discussed the following agenda:
 - Report of the Compensation and Nominating Committee - Report of the meeting of 18 March 2022;
 - Correction of the Compensation of the corporate officer for 2022.
- On **13 April 2022**, a Board of Directors met with eight members. The Board discussed the following agenda:

Part 1 (at the initiative of the Lead Independent Director and without the Chair of the Board of Directors being present)

 - Operation of the Board: Areas for *improvement (length of meetings, preparatory documents, employee presentations, etc.)*;
 - organization of strategic seminars (frequency, topics *to be addressed, duration, etc.*);

Part 2 (at the initiative and in the presence of the Chair of the Board of Directors)

 - Report of the Audit Committee - Report of the meeting of 11 April 2022;
 - Review of the financial statements for the first quarter of 2022;
 - *Update II*: Presentation of the revised 2022 Plan.
- On **5 May 2022**, a Board of Directors met with ten members. The Board discussed the following agenda:
 - Implementation of the share buyback program;
 - Assessment of the Operation of the Board of Directors;
 - Structured employee shareholding - implementation of a leveraged company mutual fund.
- On **11 July 2022**, a Board of Directors met with nine members. The Board discussed the following agenda:
 - Update on Kaufman & Broad SA- Rothschild & Co presentation;
 - Technical presentation of the A7/A8 Paris Austerlitz Train Station project;

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- Report of the CSR Committee - minutes of the meeting of 7 July 2022;
 - Report of the Audit Committee: Minutes of the meeting of 8 July 2022;
 - Activity in the ^{first half} of 2022;
 - Review and approval of the half-year consolidated financial statements at 31 May 2022;
 - *Update III*: Presentation of the revised 2022 Plan;
 - Renewal of the mandate to purchase shares as part of the implementation of the share buyback program;
 - Transfer of the Company's registered office - amendment of Article 4 of the Company's Articles of Association;
 - Powers for formalities;
 - Amendment of the Company's Internal Regulations concerning the abolition of the Investment Committee
- On **29 September 2022**, a Board of Directors met with ten members. The Board discussed the following agenda:
 - Report of the Audit Committee: Minutes of the meeting of 27 September 2022;
 - Presentation of estimated consolidated financial data as of 31 August 2022;
 - *Update IV*: Presentation of the revised 2022 Plan;
 - Review and approval of management planning documents and the analysis report for these documents;
 - Approval of an interim accounting position at 31 August 2022;
 - Structured employee shareholding - implementation of the leveraged employee share offering;
 - Update on shareholding.
 - On **7 November 2022**, a Board of Directors met with ten members. The Board discussed the following agenda:
 - Strategy review.

Since **November 30, 2022**, the Board of Directors has met three times:

- On **13 December 2022**, a Board of Directors met with ten members. The Board discussed the following agenda:
 - Presentation of the 2023 budget proposal;
 - Presentation of the 2022 Kaufman & Broad distinctions (*Great Place to Work, Best Managed Companies, Happy Trainees*, etc.);
- On **27 January 2023**, a Board of Directors met with ten members. The Board discussed the following agenda:
 - Report of the Audit Committee - Report of the meeting of 25 January 2023;
 - Review of the estimated consolidated financial data as of November 30, 2022;
 - Presentation of the Paris Austerlitz Train Station project;
 - Approval of the 2023 budget;
 - Cancellation of treasury shares held as a result of treasury share buybacks carried out by the Company under its share buyback program;
 - Proposal to pay a dividend of €2.30/share at the next General Meeting;
 - Review and approval of management planning documents and analysis report on these documents;
 - Review and approval of the draft release on 2022 annual results;
 - Report of the Compensation and Nomination Committee - Report of the meeting of 16 January 2023;
 - Payment of the exceptional bonus related to the Austerlitz Project;
 - Compensation of the corporate officer for the 2022 financial year;
 - Amount of compensation to be paid to directors: Breakdown for fiscal year 2022;
 - Vesting of bonus shares (*First Plan 2021*);
 - Vesting of performance shares (*Second Plan 2020*);
 - Appointment of a new member and a new Chair to the Compensation and Nomination Committee;
- Report of the CSR Committee - Report of the meeting of 19 January 2023;
- Powers for formalities.
- On **24 February 2023**, a Board of Directors met with eight members. The Board discussed the following agenda:
 - Report of the Audit Committee - Report of the meeting of 22 February 2023;
 - Review and approval of the parent company financial statements for the year ended November 30, 2022 and proposed allocation of net income for the year;
 - Review and approval of the consolidated financial statements for the year ended November 30, 2022;
 - Agreements governed by Article L. 225-38 of the French Commercial Code;
 - Preparation and approval of the Board of Directors' management report;
 - Preparation and approval of special reports;
 - Review and approval of the corporate governance report;
 - Renewal of authorisations for sureties and guarantees;
 - Renewal of the share buyback program;
 - Review of social policy regarding professional and wage equality;
 - Report of the Compensation and Nomination Committee - Report of the meeting of 31 January 2023;
 - Compensation of the corporate officer for the 2023 financial year;
 - Allocation of Bonus shares;
 - Convening of an Ordinary and Extraordinary Shareholders' Meeting, setting its agenda and the text of the draft resolutions;
 - Appointment of the Lead Director as Chair of the meeting at the Combined General Meeting of 4 May 2023 in the event of the absence or impediment of the Chair and Chief Executive Officer;
 - Prior approval of the services provided by the Statutory Auditors;
 - Qualification of Michel Paris as an independent director;

3.1.1.2.13. Description of the diversity policy within the Board of Directors within the meaning of Article L. 22-10-10 (formerly L. 225-37-4 6°) of the French Commercial Code

Based on the recommendations made by the Compensation and Nomination Committee, Directors are appointed on the basis of their qualifications, professional skills and independence of mind at Shareholders' Meetings or by co option.

The composition of the Board reflects the diversity and complementarity of the experience and expertise of its members.

The presentation of each Director made in this report (see above - Board operation - Composition - list of positions and offices held by each Director) gives a better understanding of this diversity and complementarity of experience.

Information on the fair representation of men and women on the Board of Directors

As of the date of this report, the Board of Directors is composed of five women out of ten directors.

Sylvie Charles, Sophie Lombard, Annalisa Loustau Elia and Lucile Ribot are recognised as independent directors by the Board. Aline Stickel is a director representing employee shareholders.

3.1.2. Specialised Committees of the Board of Directors

3.1.2.1. Audit Committee

The Audit Committee is a specialised Committee of the Board of Directors whose main mission is to carry out a prior examination of the Company's financial statements and risks, to deepen and facilitate the exercise by the Board of Directors of its responsibility to approve the parent company and consolidated financial statements.

3.1.2.1.1. Audit Committee Charter

A charter describes the organization, powers and functioning of the Audit Committee. Its latest update was approved on 28 September 2017 by the Board of Directors, to reflect the transcription in the French law of the European audit reform.

3.1.2.1.2. Composition of the Audit Committee

The Audit Committee is composed of at least three members from among the members of the Board, at least two-thirds of whom are independent Directors according to the independence criteria adopted by the company. It is chaired by an independent director.

The term of office of the members of the Audit Committee coincides with that of their term of office as members of the Board of Directors. It may be renewed at the same time as the latter.

The members of the Audit Committee are chosen based on their independence and their expertise in financial and/or accounting matters. As such, at least one independent member of the Committee has specific financial and/or accounting skills acquired through their professional career;

When they are appointed, the members of the Audit Committee must be provided with information on the Company's accounting, financial and operational specificities.

The Audit Committee is composed of three independent members appointed for the duration of their term of office as directors: Sylvie Charles, appointed on 16 February 2012 and Chair with effect from 30 September 2014, Sophie Lombard, appointed on 29 September 2010 and Director who became independent with effect from 1 December 2016, Lucile Ribot, appointed on 27 September 2018.

The chairmanship of the Audit Committee by an independent director is a means of implementing enhanced control of management and the balance of powers.

3.1.2.1.3. Role of the Audit Committee

The charter of the Company's Audit Committee provides that its members are responsible for carrying out a prior review of the Company's financial statements and risks, namely:

- Reviewing the financial statements, the relevance and consistency of the accounting methods used to prepare the parent company and interim and annual consolidated financial statements and their scope;
- Monitoring the effectiveness of internal control and risk management systems: In particular, the Audit Committee reviews the significant off balance sheet commitments of the company and its subsidiaries;
- Monitoring the accounting treatment of any significant transaction carried out by the company;
- Monitoring internal data collection and control procedures and the quality and reliability of the company's financial statements;
- The audit, before their publication, of all accounting and financial information documents, in particular on the occasion of the closing of the parent company financial statements and the half year and annual consolidated financial statements;
- Reviewing provisions and their adjustments and any situation that could generate significant risk for the group;
- Monitoring the Company's financial policy and associated risks;
- Reviewing and advising the Board of Directors on the selection procedure and the selection of the Statutory Auditors or, where applicable, an audit firm, as well as monitoring the rules of independence and objectivity of the Statutory Auditors.

The Audit Committee has all the resources it deems necessary to carry out its duties. In particular, it may interview the Statutory Auditors of the company and group companies, the financial, accounting, treasury and internal audit managers, or any other experts it has chosen, ensuring their competence and independence, even in the absence of the company's management.

To monitor the effectiveness of the internal control and risk management systems, particularly in the area of business ethics and the fight against corruption, the Audit Committee ensures the deployment and implementation of corrective actions, in the event of significant weaknesses or anomalies identified in these systems. It is also informed of the main findings of the Statutory Auditors and the Internal Audit Department.

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The Audit Committee gives its opinion on the organization of the internal audit department and is informed of its work program. It must receive the internal audit reports or a periodic summary of these reports.

The Audit Committee must meet regularly with the Statutory Auditors, including without the presence of senior executives. In particular, it must interview the Statutory Auditors at Audit Committee meetings dealing with the review of the process for preparing financial information and the review of the financial statements, to report on the performance of their duties and the conclusions of their work.

The Audit Committee must oversee the procedure for selecting and renewing the Statutory Auditors and submit to the Board of Directors a recommendation on the Statutory Auditors whose appointment is proposed to the Shareholders' Meeting.

In addition, to enable the Audit Committee to monitor, throughout the term of office of the Statutory Auditors, the rules of independence and objectivity of the Statutory Auditors, the Audit Committee must in particular request each year:

- The Statutory Auditors' declaration of independence;
- The amount of fees paid to the Statutory Auditors' network by companies controlled by the company or the entity controlling it for services that are not directly related to the Statutory Auditors' assignment;
- Information on the services provided as part of the procedures directly related to the Statutory Auditors' assignment.

The company's statutory audit mission must be exclusive of any other due diligence not related to the statutory audit. However, after prior approval by the Audit Committee, additional or directly complementary work may be performed, such as acquisition or post acquisition audits, but excluding evaluation and advisory work.

The Audit Committee's charter thus specifies the rules and procedures relating to the provision by the Statutory Auditors of a service other than the certification of the financial statements.

3.1.2.1.4. Functioning of the Audit Committee

Meetings of the Audit Committee are validly held when at least half of its members participate. The Audit Committee meets at the initiative of its Chair or, where applicable, the Chair of the Board of Directors.

In addition, two members of the Committee may take the initiative of convening a meeting of the Committee if they consider it necessary to discuss one or more particular issues.

The Committee's agenda is approved by the Chair of the Audit Committee.

3.1.2.1.7. Meetings of the Audit Committee in 2022

The following table shows the attendance rate per member at Audit Committee meetings:

Members	Attendance at meetings	Total number of meetings	Individual attendance rate
Sylvie Charles	5	5	100%
Sophie Lombard	5	5	100%
Lucile Ribot	5	5	100%

The Committee meets as often as necessary and, in any event, at least four times a year. Meetings are held before the Board of Directors' meeting and, as far as possible, at least two days before the meeting when the Audit Committee's agenda concerns the review of the interim and annual financial statements prior to their approval by the Board of Directors.

The review by the Audit Committee of the annual or interim financial statements must be accompanied by a presentation by the Statutory Auditors highlighting the key points of the results, the accounting options adopted as well as a presentation by the Chief Financial Officer describing the risk exposure and the significant off-balance sheet commitments of the company.

The Audit Committee may, regardless of the agenda of its meeting, interview the Company's employees or the Statutory Auditors without the presence of the Company's management, which is informed in advance.

Members of the Audit Committee and participants in meetings are bound by professional secrecy.

The Committee's work is reported to the Board of Directors by its Chair, who also prepares a written report.

The secretary of the Board of Directors serves as secretary to the Audit Committee.

The Audit Committee receives material documents falling within its remit (ratings from financial analysts, rating agencies, summaries of audit assignments, etc.). They may request further studies if they wish.

The Audit Committee makes its decisions by a majority of the members attending the meeting, each member having one vote.

3.1.2.1.5. Compensation of members of the Audit Committee

See paragraph 3.2.1.1. "Compensation of members of the administrative bodies."

3.1.2.1.6. Compensation paid to members of the Audit Committee

A portion set by the Board of Directors, deducted from the amount of compensation allocated to the Board of Directors by the Shareholders' Meeting, is paid to independent Directors who are members of the Audit Committee and who have no position within the group (see paragraph 3.2.1.1. "Compensation of members of administrative bodies").

In 2022, the Audit Committee met five times (the attendance rate of Directors at Audit Committee meetings was 100%):

- On **24 January 2022**, an Audit Committee was held with three members present. The Committee discussed the following agenda:
 - Review of the estimated consolidated financial data as of November 30, 2021;
 - Statutory Auditors' comments on the estimated consolidated financial data as of November 30, 2021;
 - Review of the 2022 budget;
 - Presentation of the management planning documents for 2022 and the analysis report for these documents;
 - Presentation of the 2021 update of the mapping of the group's major risks;
- On **23 February 2022**, an Audit Committee was held with three members present. The Committee discussed the following agenda:
 - Review of the parent company financial statements for the year ended November 30, 2021 and proposed allocation of net income for the year;
 - Statutory Auditors' comments on the parent company financial statements for the year ended November 30, 2021;
 - Review of the notes to the consolidated financial statements for the year ended November 30, 2021;
 - Review of the Board of Directors' report on corporate governance;
 - Internal audit:
 - Results of tests on the internal control system H2 2021 and 2021 annual summary;
 - 2022 forecast plan for tests on the internal control system;
 - Presentation of the draft report of KPMG, an independent third party, on the social, environmental and societal information presented in the management report;
 - Prior approval of the services provided by the Statutory Auditors.
- On **11 April 2022**, an Audit Committee was held with three members present. The Committee discussed the following agenda:
 - Review of the accounts for the first quarter of 2022;
 - *Update II*: Presentation of the revised 2022 Plan;
 - Internal audit:
 - Sapin II;
 - Consultation on risk mapping;
 - GDPR.
- On **8 July 2022**, an Audit Committee was held with three members present. The Committee discussed the following agenda:
 - Business review for the first half of 2022;
 - Review of estimated financial data for the first half of 2022 and review of the main potential risks identified to date;
 - Statutory Auditors' comments on the estimated consolidated financial data as of 31 May 2022;
 - Internal audit:
 - Presentation of test results D.C.I. (Internal Control system) at the end of Q1 2022;

- Update on Sapin II, GDPR, major risk mapping and CSR;
- *Update III*: Presentation of the revised 2022 Plan;
- Presentation group IT security.
- On **27 September 2022**, an Audit Committee was held with three members present. The Committee discussed the following agenda:
 - Business review as of 31 August 2022;
 - Review of estimated financial data as of 31 August 2022 and review of the main potential risks identified as of;
 - Internal audit:
 - Presentation of test results D.C.I. (Internal Control system) at the end of Q2 2022;
 - Update on Sapin II, GDPR, major risk mapping and CSR;
 - Update IV: Presentation of the revised 2022 Plan
 - Presentation of the management planning documents for 2022 and the analysis report for these documents;

Since **November 30, 2022**, the Audit Committee has met twice:

- On **25 January 2023**, an Audit Committee was held with three members present. The Committee discussed the following agenda:
 - Review of the estimated consolidated financial data as of November 30, 2022;
 - Statutory Auditors' comments on the estimated consolidated financial data as of November 30, 2022;
 - Review of the 2023 budget;
 - Presentation of the management planning documents for 2023 and the analysis report for these documents;
 - Presentation of the 2022 update of the mapping of the group's major risks.
- On **22 February 2023**, an Audit Committee was held with three members present. The Committee discussed the following agenda:
 - Review of the parent company financial statements for the year ended November 30, 2021 and proposed allocation of net income for the year;
 - Statutory Auditors' comments on the parent company financial statements for the year ended November 30, 2022;
 - Review of the notes to the consolidated financial statements for the year ended November 30, 2022;
 - Review of the Board of Directors' report on corporate governance;
 - Internal audit:
 - Results of tests on the internal control system H2 2022 and 2022 annual summary;
 - 2023 forecast plan for tests on the internal control system;
 - Point Sapin II, GDPR;
 - Presentation of the draft report of KPMG, an independent third party, on the social, environmental and societal information presented in the management report;
 - Prior approval of services provided by the Statutory Auditors

The Statutory Auditors attended all Audit Committee meetings and were invited to make any comments they deemed useful to bring to the attention of the members of this Committee.

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3.1.2.2. Compensation and Nomination Committee

3.1.2.2.1. Composition and missions

The Board's Internal Regulations stipulate that the Compensation and Nomination Committee is composed of at least three Directors, at least half of whom are independent. It is chaired by an independent director. To date, it is composed of Ms Sophie Lombard, Chair, appointed at the Board of Directors' meeting of 27 January 2023 to replace Mr Yves Gabriel, Mr Jean- Louis Chaussade, independent director, appointed on 29 January 2019, and Michel Giannuzzi appointed at the Board of Directors' meeting of 27 January 2023.

The role of the Compensation and Nomination Committee is to assist the Board of Directors in determining the compensation of corporate officers and other senior executives of the Company. To this end, the Committee takes into account the criteria set out in chapter 8.9. (Section II.2). It proposes to the Board of Directors a breakdown of the Compensation and the individual amounts of the payments to be made in this respect to the directors, particularly taking into account their attendance at the Board and the Committees that form it.

It must also give the Board of Directors an opinion on the general policy for the allocation of share subscription and/or purchase options and Bonus shares, on the stock option plans established by the group's Executive Management and propose to the Board the allocation of share purchase or subscription options and the allocation of Bonus shares.

Lastly, it makes proposals to the Board of Directors on the appointment and/or renewal of corporate officers, Directors and Committee members, taking into account a balanced representation of women and men and in compliance with a policy of non-discrimination.

3.1.2.2.3. Compensation and Nomination Committee meetings in 2022

The following table shows the attendance rate per member at Compensation and Nomination Committee meetings:

Members	Attendance at meetings	Total number of meetings	Individual attendance rate
Yves Gabriel	3	3	100%
Sophie Lombard	3	3	100%
Jean Louis Chaussade	3	3	100%

In 2022, the Compensation and Nomination Committee met three times (the attendance rate of Directors at Compensation and Nomination Committee meetings was 100%):

- On **17 January 2022**, a Compensation and Nomination Committee was held with three members present. The Committee discussed the following agenda:
 - 2021 wage policy: Analysis of Compensation and budget management;
 - Variable compensation of the corporate officer for the 2021 financial year;
 - Vesting of performance shares (Second Plan 2019);
 - Preparation point: Compensation of the corporate officer for the 2022 financial year;
 - Amount of compensation (ex-directors' fees) - proposed allocation for fiscal year 2021;

It does not make a decision; its role is limited to the preparation of the information that the Board uses during its meetings when deliberating on subjects falling within its competence.

Meetings may be held by videoconference or conference call.

A charter sets out the Committee's powers and operating procedures. At its meeting of 13 February 2009, the Board of Directors approved certain amendments to the Committee's charter to recall in particular that:

- The Committee draws up a succession plan for executive corporate officers and directors to be able to propose succession solutions to the Board in the event of unforeseen events; and
- In the context of the Committee's proposals on the appointment of corporate officers, directors and Committee members, the Committee, guided by the interests of the Company and all its shareholders, takes into account a set of factors such as the competence, experience and independence of each candidate and the desirable balance of the composition of the Board in view of the Company's shareholding.

3.1.2.2.2. Compensation of the members of the Compensation and Nomination Committee

See paragraph 3.2.1.1. "Compensation of members of the administrative bodies."

- On **3 February 2022**, a Compensation and Nomination Committee was held with three members present. The Committee discussed the following agenda:

- Compensation of corporate officers for 2022 - long-term compensation of corporate officers - commitments in favour of corporate officers;
- Proposal to renew the terms of office of Michel Paris, Jean Louis Chaussade and Yves Gabriel at the next Combined General Meeting of 5 May 2022;
- Proposal to present Ms Aline Stickel to the position of director representing employee shareholders at the next Combined General Meeting of 5 May 2022;
- Allocation of Bonus shares;
- Proposal for a new Plan pursuant to the authorisation granted by the Shareholders' Meeting of 6 May 2021,
- Proposed new authorisation by the Annual General Meeting 2022,

- On **18 March 2022**, a Compensation and Nomination Committee was held with three members present. The Committee discussed the following agenda:

- Proposal to correct the elements of the compensation of the corporate officer for 2022;

Since **November 30, 2022**, the Compensation and Nomination Committee has held two meetings:

- On **16 January 2023**, a Compensation and Nomination Committee was held with three members present. The Committee discussed the following agenda:

- 2022 wage policy: Analysis of Compensation and budget management;
- Variable compensation of the corporate officer for the 2022 financial year;
- Vesting of performance shares (Second Plan 2020);
- Preparation point: Compensation of the corporate officer for the 2023 financial year;

- Amount of compensation (ex-directors' fees) - proposed allocation for fiscal year 2022.

- On **31 January 2023**, a Compensation and Nomination Committee was held with three members present. The Committee discussed the following agenda:

- Approval of the Minutes of the meeting of 16 January 2023;
- Compensation of corporate officers for 2023 - long-term compensation of corporate officers - commitments in favour of corporate officers;
- Allocation of Bonus shares:

–Proposal of new plans pursuant to the authorisation granted by the Shareholders' Meeting of 5 May 2022,

–Proposed new authorisation by the Annual General Meeting 2023

3.1.2.3. Investment Committee

3.1.2.3.1. Abolition of the Investment Committee

On 11 July 2022, the Board of Directors decided to:

(I) eliminate the presence on the Board of Directors of the Investment Committee, which will therefore no longer be called upon to examine the projects referred to in Article 9.3 of the Rules of Procedure of the Board of Directors;

(II) amend the provisions of the Board of Directors' Rules of Procedure accordingly by removing references to the Investment Committee and deleting Article 9.3 and approving the amended version of the Rules of Procedure.

3.1.2.3.2. Compensation of Investment Committee members

See paragraph 3.2.1.1. "Compensation of members of the administrative bodies."

3.1.2.4. CSR Committee

The Board's Internal Regulations stipulate that the CSR Committee is made up of at least three members from among the Board members, at least half of whom are independent directors according to the independence criteria adopted by the company. It is chaired by an independent Director. To date, it is composed of three independent directors: Ms Sophie Lombard and Mr Jean Louis Chaussade, appointed at the Board of Directors' meeting of 27 January 2021 and Mr Michel Paris, director, appointed by the Board of Directors on 6 May 2021. Jean Louis Chaussade was appointed Chair of the CSR Committee at the Board of Directors' meeting of 26 February 2021

The members of the CSR Committee are chosen based on their independence, expertise and knowledge of sustainable development. As such, at least one independent member of the Committee has specific sustainable development skills acquired through their career.

Jean Louis Chaussade, appointed as Chair of the CSR Committee, meets this criterion, thanks in particular to his experience gained in his duties within the Suez group and his contribution to the preparation of the report "Assessment of waste treatment capacities in France by 2040" submitted in 2020 to the Ministry of Ecological and Solidarity Transition."

The CSR Committee meets at least once a year and as often as necessary depending on the development of the company's activities and in particular the evolution of sustainable development issues specific to its activities. Meetings may be held by videoconference or conference call.

The Committee's duties include:

- Ensuring that social and environmental responsibility issues are taken into account in the group's strategy and in its implementation (especially issues related to the environmental impact and societal challenges of the group's activities, including those related to human resources, in particular health, vocational training, compensation policy, gender equality, the employment and integration of people with disabilities, and the fight against discrimination and the promotion of diversity);
- To examine the report provided for in Article L. 22-10-36 of the French Commercial Code on sustainable development;
- Reviewing the group's sustainable development commitments with regard to the issues specific to its business and its objectives.

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3.1.2.4.1. Meetings of the CSR Committee in 2022

In 2022, the CSR Committee met twice (the Directors' attendance rate at CSR Committee meetings was 83%).

The following table shows the attendance rate per member at CSR Committee meetings:

Members	Attendance at meetings	Total number of meetings	Individual attendance rate
Sophie Lombard	2	2	100%
Jean Louis Chaussade	2	2	100%
Michel Paris	1	2	50%

- On **20 January 2022**, a CSR Committee was held, attended by two members. The Committee discussed the following agenda:
 - The energy environment for new buildings and real estate;
 - Feedback on internal CSR actions in Q4 2021;
 - Review of non-financial ratings by third parties in 2021;
 - Overview of Scope 1-2 and Scope 3 non-financial indicators for 2021;
 - Integration of European Taxonomy;
 - MSPE K & B - Innovation Challenge 2022;
 - Consolidation of the CSR process;
 - Field action with K&B agencies in 2022 (Process K & B, CSR, Innovation, HR, Quality);
- On **7 July 2022**, a CSR Committee was held, attended by three members. The Committee discussed the following agenda:
 - Conclusions of the Independent Third Party organization (OTI) on the 2021 K&B Non-Financial Performance Statement;
 - SBTi validates the K&B 2030 carbon reduction target;
 - Evolution of the K&B Environmental Specifications and Procedures Manual in 7 areas: Carbon, adaptation to climate change, water, biodiversity, reduction and control of pollution, circular economy, and comfort and awareness among buyers;
 - Energy efficient and low carbon configurations of housing projects: Heat pumps;
 - Scope ½ shares: Electric company vehicles, green electricity for agencies and CSR action plan in each agency;
 - Analysis of major risks and CSR risks;
 - Employee shareholding policy: KB Actions 2022;
 - Responsible purchasing: Implementation of a Supplier Ethics Charter;
 - Training: Module dedicated to raising awareness of the fight against discrimination;

Since **November 30, 2022**, the Committee has met once:

- On **19 January 2022**, a CSR Committee was held, attended by three members. The Committee discussed the following agenda:
 - Assessment of the Company by independent third parties, in particular concerning ethics and environmental, climate, social and governance issues.
 - Internal actions:
 - Innovation CSR Challenge: Employee contributions to changes in the Kaufman & Broad environmental framework
 - Circular economy: Actions to promote traceability and reduce hazardous and non-hazardous site waste; reuse materials
 - 2022 carbon review with regard to quantitative targets for reducing CO₂eq emissions and the transition plan
 - CSR risk mapping and materiality matrix: Indicators and dashboard (Environment, Ethics & Governance, Health & Safety, Customer Satisfaction, Diversity, Social Impact)
 - European taxonomy (sustainable finance): Alignment with fiscal year 2022
 - Training/exchange workshop on climate change mechanisms: Postponed to July 2023,

3.1.3. Senior executives

The group's management is organised around Mr Nordine Hachemi, Chair and Chief Executive Officer, as well as the group's other senior executives.

Since 1 January 2016, the management bodies have evolved and are mainly composed of an Executive Committee, a Management Committee and an Extended Management Committee, the latter being also composed of the Regional Directors and Agency.

3.1.3.1. Executive Committee

Kaufman & Broad's Executive Committee has seven members:

Mr Nordine Hachemi, Chair and Chief Executive Officer; Bruno Coche, Chief Financial Officer; Sylvère Hamel, Executive Vice-President Île-de-France (Housing); David Laurent, Executive Vice President, Corporate Property, Logistics and Development - Hauts-de-France and East Region (Housing); Jacques Rubio, Executive Vice-President Regions (Housing) and Managed residences; William Truchy, Executive Vice-President, Sales, Marketing,

Communication and Digital; Mrs Sophie Letierce, Executive Vice-President, Human Resources.

The Executive Committee implements the group's strategy and monitors its deployment, notably through the Annual Business Plan. Finally, it defines any adaptations of the organization according to the strategic decisions taken by the Board of Directors and ensures their implementation.

3.1.3.1.1. Nordine Hachemi, Chair and Chief Executive Officer

Nordine Hachemi, a graduate of the Institute of Globe Physics in Strasbourg, the École Nationale Supérieure du pétrole et des moteurs and holder of an MBA from INSEAD, began his career at Pompes Guinard in 1986.

He then joined Transroute (groupe Caisse des Dépôts et Consignations) in 1988, where he held revenues and development positions in Asia. In 1992, he continued his career at Bouygues Construction where he managed the structuring of major international infrastructure projects. In 2001, he joined the Saur group, France's third largest water and cleaning operator, and became its Chair. In 2008, he became Chair and Chief Executive Officer of Sechillienne Sidec, a group specialising in the production of energy and renewable energy, until 2011. He also joined the Supervisory Board of Citizen Capital until 2015.

Co opted as Director by the Board of Directors on 25 June 2013, he joined Kaufman & Broad on 1 July 2013 as Chief Executive Officer and Vice Chair of the Board of Directors.

He was appointed Chair and Chief Executive Officer of Kaufman & Broad SA by the Board of Directors on 24 January 2014.

3.1.3.1.2. Bruno Coche, Chief Financial Officer

Bruno Coche, a law graduate and a graduate of IEP Bordeaux, joined the Sediver group in 1989 as Head of Treasury and then Administrative and Financial Services of the France/Export revenues Segment. In 1996, he continued his career with the Giraud group and took charge of cash and financing in a European context and participated in the group's growth and high-balance sheet transactions.

He joined Kaufman & Broad in June 2002 as Head of Treasury and Financing. In this position, it supports the group's growth and participates in structuring its financing. He has been Deputy Chief Financial Officer and a member of the Management Committee since December 2009. In January 2016, he was promoted to Chief Financial Officer and became a member of the Executive Committee.

3.1.3.1.3. Sylvère Hamel, Executive Vice-President Île-de-France (Housing)

Sylvère Hamel is a graduate of the Ecole Polytechnique and began his career in 1988 as Head of Corporate Real Estate programs at ADIM. He joined France Construction in 1991, first as program Manager for Multi-occupancy housing, before taking over the management of Agence Maisons Individuelles in 1996. In 1998, he joined the Bouygues Immobilier group to head the Côte-d'Azur region until 2005. He then joined Kaufman & Broad for the first time as Deputy Ceo in charge of the Paris, Lille, Strasbourg and Lyon sectors. Then in 2009, he became Chief Executive Officer of Edelis (formerly Akerys Promotion). He joined Kaufman and Broad again in September 2021.

3.1.3.1.4. David Laurent, Executive Vice-President, Corporate Property, Logistics, and Development and Territories - Hauts-de-France and East Regions (Housing)

David Laurent, a graduate of the École Centrale de Nantes, holds a postgraduate degree in civil engineering and a Master's degree in Urban Management Environment and Services from ESSEC. He began his career at Spie Citra Immobilier (Spie Batignolles group) in 1996 as a Strategy and Marketing Research Manager and then Operations Manager. He joined Sorif (now Vinci Immobilier) in 1999, where he successively held the positions of Head, Chief and then Director of programs.

In 2008, he became Development Director of SOPIC Paris, then joined Kaufman & Broad at the end of 2011 as Executive Vice President, Commercial property. He has been a member of the Management Committee since January 2015. In January 2016, he became a member of the Executive Committee. In September 2016, the Major Urban Projects Department was attached to it. In January 2017, he was appointed Executive Vice President, Commercial property and Major Urban Projects. In January 2020, the Planning Department reported to him.

3.1.3.1.5. Jacques Rubio, Chief Executive Officer Regions (Housing) and Managed Residences

Jacques Rubio, after training as an engineer, created in 1975 with the Malardeau family the SA Malardeau, which carries out real estate operations in southern France. He served as Corporate Secretary, then became Chair and Chief Executive Officer in 1985. In 2004, SA Malardeau became a subsidiary of the Kaufman & Broad group, and he was appointed Regional Director Kaufman & Broad Sud Ouest. In 2009, he was appointed Chief Executive Officer of the South West Region, with the Toulouse, Bordeaux and Bayonne agencies and, since 2014, Montpellier. He has been a member of the Management Committee since December 2009. Jacques Rubio is developing the business of Résidences Gérées. In January 2016, he became a member of the Executive Committee. In October 2019, he was appointed Regional Chief Executive Officer.

3.1.3.1.6. William Truchy, Executive Vice-President, Marketing, Communication and Digital

William Truchy, after a postgraduate degree in revenues, began working in real estate in 1980 at a agency in Nancy, then joined Promogim in 1982. Chief revenues Officer in Burgundy and Rhône-Alpes, then revenues Director for the Provence Côte-d'Azur region and Bordeaux and Toulouse, he was appointed National revenues Director in 1987 and Deputy Chief Executive Officer in 1989. William Truchy joined Kaufman & Broad in March 2003 as Commercial Director for the Île-de-France region. He was appointed Executive Vice President, Marketing in January 2005 and is responsible for revenues and Showroom for all Paris and Île-de-France operations. In 2008, he was appointed Deputy Chief Executive Officer in charge of Marketing-revenues. He has been a member of the Management Committee since December 2004 and Chief Executive Officer of the Regions since January 2009. In September 2015, the Marketing, Communication and Digital Department was attached to him, as was the Architecture, Quality and Innovation Department. In January 2016, he became a member of the Executive Committee. In April 2017, the Residential Real Estate revenues Department was attached to him. In October 2019, he was appointed Chief Commercial and Marketing Officer.

3.1.3.1.7. Sophie Letierce, Executive Vice President, Human Resources

After a Master's degree and a DESS in Business Law, Sophie Letiers began her career in 2000 as a lawyer at Latournerie Wolfrom & Associés before joining the press and publishing group Wolters Kluwer France in 2006 as Head of group Social Relations where she will move to the position of Director of Human Resources France. After 2 years at France Médias Monde, she joined the Canal+ group in 2012 as HR Director for the Distribution Segment.

She joined Kaufman & Broad in October 2018 as Human Resources Director to support the group's transformation and the challenges of recruiting, organising and developing talent.

3 Corporate governance

Members of the administrative and management bodies

3.1.3.1.8. Management Committee

Kaufman & Broad's Management Committee has 16 members: The members of the Executive Committee as well as: Frédéric Bourg, Senior Vice President, Architecture, Quality and Customer Experience; Mr Christian Delapierre, Executive Vice-President Development Île-de-France; Mr Bertrand Eyraud, Vice-President CSR and Innovation; Mr Yannick Le Bihan, Regional Vice-President West; Luc Le Gall, Senior Vice-President, Kalilog; Georges Lopez, Regional Vice-President Nouvelle-Aquitaine; Mrs Chrystèle Marchand,) Vice-President Marketing, Digital and Communication ;

3.1.3.2. Operational departments

The group's various regional departments are as follows:

Paris area - Île-de-France

- Sylvère Hamel, Executive Vice-President Île-de-France (Housing)
 - Gwenaëlle Delassalle, Agency Director of Paris Nord (75, 93)
- Marc Vettraino, Senior Vice-President Île-de-France (77, 91, 92, 94 and 95)
 - Krystal Briant, Regional Vice-President of Seine-et-Marne, Essonne and Val-d'Oise (77, 91 and 95)
 - Emmanuelle Gonzalez, Agency Director of Essonne (91)
 - Julien Edange, Agency Director of Val-d'Oise (95)
 - Tess Delapierre, Agency Director of Seine-et-Marne (77)
 - Laurent Garnier, Agency Director of Paris Sud (92 and 94)
 - Jean François Ruhaut, Agency Director of Yvelines (78)
- Christian Delapierre, Executive Vice-President Development Île-de-France

Regions: North West (Loire-Atlantique - Brittany-Normandy), South East (Mediterranean - Côte-d'Azur - Provence- Languedoc-Roussillon) and South West (Midi-Pyrénées - Gironde - Pyrénées-Atlantiques and Serge Mas Promotion) - Kalilog

- Jacques Rubio, Executive Vice-President Regions (Housing) and Managed Residences
 - Luc Le Gall, Senior Vice-President Kalilog

Northwest Region: Brittany - Loire-Atlantique - Normandy

- Yannick Le Bihan, Regional Vice-President West is responsible for:
 - Guillaume Basile, Agency Director of Normandy (Caen/Rouen/Le Havre)
 - Damien Thubert, Agency Director of Loire-Atlantique (Nantes/Val de Loire)
 - Michele Lebosco, Agency Director of Brittany (Rennes)

South East Region: Côte-d'Azur - Mediterranean - Provence

- Philippe Ribouet, Executive Vice-President South-East Region, is responsible for:
 - Stéphane Thirroueiz, Agency Director of Côte-d'Azur (Nice and East Var)
 - Emmanuelle Deville, Agency Director of Méditerranée (Marseille and West Var)
 - Julien Eybalin, Agency Director of Languedoc-Roussillon (Montpellier) and Pyrénées-Orientales (Perpignan)

Mr Philippe Ribouet, Ceo South East Region; Mr Marc Vettraino, Senior Vice-President Île-de-France. The Management Committee monitors the implementation of the plan by activity. It proposes improvement actions and sets the objectives to be deployed in the agencies and departments. It contributes to the definition and implementation of the group's projects.

There are no family ties, neither between the members of the Management Committee and the members of the administrative bodies, nor between the members of the Management Committee and the members of the Board of Directors.

Nouvelle-Aquitaine Region (Gironde - Pyrénées-Atlantiques)

- Georges Lopez, Regional Vice-President Nouvelle-Aquitaine, is responsible for:
 - Geoffrey Doux, Agency Director of Pyrénées-Atlantiques (Bayonne)
 - Georges Lopez, Agency Director of Gironde (Bordeaux) and Poitou-Charentes (La Rochelle).

South West Region (Midi-Pyrénées and Serge Mas Promotion)

- Jacques Rubio, Chief Executive Officer of Regions (Housing) and Managed Residences, is responsible for:
 - Pierre Emmanuel Dao, Agency Director of Midi-Pyrénées (Toulouse)
 - Ingrid Bouisset, Agency Director of Serge Mas Promotion (Toulouse)

Regions: Hauts-de-France and East (North Flandres - East - Rhône-Alpes - Savoie)

- David Laurent, Executive Vice President, Commercial Property, Logistics and Regional Planning - Hauts-de-France and East Region (Housing), is responsible for:
 - Nicolas Riffart, Agency Director of Flandres (Lille/Reims)
 - Thibaud Simon, Agency Director of East (Strasbourg)
 - Philip Hyvernmat, Agency Director of Auvergne-Rhône (Lyon, Dijon)
 - Vincent Otone, Agency Director of Alpes (Annecy - Grenoble)

Commercial property, Logistics, Urban Projects Innovation and Development and Territories

- David Laurent, Managing Director Commercial Property, Logistics and Real Estate Development and Territories
 - Patrick Decreton, Senior Vice-President Commercial Property Promotion Île-de-France
 - Charles Henri Billot, Senior Vice-President, Commercial Property Development
 - Jean Paul Rival, Executive Vice-President, Real Estate Logistics (Concerto)
 - Vincent Drouet, Vice-President, Real Estate Development and Territories

3.1.3.3. Positions held by the Chair and Chief Executive Officer

Nordine Hachemi, Chair and Chief Executive Officer

Appointments within the Kaufman & Broad group

Kaufman & Broad SA	Chair and Chief Executive Officer
Kaufman & Broad GIE	Director
SP 2	Chair
Kaufman & Broad Financement SNC	Representative of Kaufman & Broad SA, Manager
Kaufman & Broad Investissements SAS	Representative of Kaufman & Broad SA, Chair
Saint Cloud Armengaud 15 SNC	Representative of Kaufman & Broad SA, Co-Manager
Kaufman & Broad Europe SAS	Representative of Kaufman & Broad SA, Chair

Outside offices

RKCI	Chair
SCI M D Raphael	Manager
Artimus Participations SAS	Chair

3 Corporate governance

Directors' interests

3.2. Directors' interests

3.2.1. Compensation and benefits in-kind received for any reason by members of the Company's administrative and management bodies for the latest fiscal year ended

3.2.1.1. Compensation of members of the administrative bodies

On the recommendation of the Compensation and Nomination Committee, the Board of Directors, at its meeting of 27 January 2023, decided to pay a total amount of €329,750 in compensation for the year ended November 30, 2022, broken down as follows according to the criteria mentioned in section 3.1.1.2.10. "Compensation of Directors":

Table 3 AMF Nomenclature

Non-executive corporate officers (amounts in euros)	Compensation due/paid to non-executive corporate officers						Amounts due in respect of fiscal year 2022 ⁽²⁾	Amounts paid during the fiscal year 2021
	Board of Directors	Audit Committee	Compensation and Nomination Committee	CSR Committee	Mission Lead Independent Director ⁽¹⁾			
Sylvie Charles	26,800	35,000				55,000	55,000	
Jean Louis Chaussade	26,800		9,000	10,000	17,000	62,800	62,500	
Yves Gabriel	26,800		15,000			41,800	49,300	
Michel Giannuzzi	20,100					20,100	13,400	
Sophie Lombard	26,800	15,000	9,000	6,000		55,000	55,000	
Annalisa Loustau Elia	26,800					26,800	13,400	
Michel Paris	23,450			3,000		26,450	32,800	
Lucile Ribot	26,800	15,000				41,800	41,800	
Aline Stickel ⁽³⁾						0	-	
Total	204,350	65,000	33,000	19,000	17,000	329,750	323,200	

(1) At its meeting of 26 January 2022, the Board of Directors decided that the Lead Independent Director would receive an additional compensation of €17,000 for his duties.

(2) The amounts of compensation due to independent directors have been calculated taking into account, where applicable, the maximum individual amount of €55,000

(3) The Annual General Meeting of 5 May 2022 appointed Aline Stickel as Director representing employee shareholders. The duties of the director representing employee shareholders are not remunerated.

3.2.1.2. Compensation of members of management bodies

3.2.1.2.1. Compensation of corporate officers

The Board of Directors determines the compensation of the company's executive corporate officers. It periodically decides on the compensation and benefits to be granted to the Chair and Chief Executive Officer in respect of his term of office, particularly with regard to the variable portion.

In accordance with the company's decision to take into account the AFEP MEDEF Corporate Governance Code, the Board of Directors, assisted for this purpose by the Compensation and Nomination Committee, now defines the rules for setting the compensation of executive corporate officers, ensuring in particular that it is exhaustive, legible and transparent, that the various elements of this compensation are balanced, that the compensation is consistent with the company's market and with the compensation paid to other group executives and employees, on the one hand, and with regard to market practices, the performance of the executive in question and the general interest of the company, on the other hand, and with a view to attracting, retaining and/or motivating high performing executives.

In addition, in accordance with Article L. 222-37-2 of the French Commercial Code, the principles and criteria for determining and allocating the compensation of corporate officers are the subject of a report by the Board of Directors, included in section 8.9. I.1. "Principles and decision making processes used to determine, revise and implement the group's compensation policy." In accordance with the provisions of Article L. 22-10-08 -II of the French Commercial Code, the compensation policy presented in section 8.9. I.1. is subject to the approval of the Combined Shareholders' Meeting of 4 May 2023. It should be noted that the last annual approval of the Compensation policy for the corporate officers of Kaufman & Broad SA took place at the Combined General Meeting of Shareholders of 5 May 2022.

3.2.1.2.2. Group compensation policy

The group's compensation policy has always consisted of closely linking economic results with individual performance, measured based on objective and quantifiable criteria. The Company has implemented a "group compensation policy" which supports all employees by (i) a base salary, which remunerates job holding and is attractive to attract and retain talent, and (ii) a variable portion, which remunerates individual and collective performance based on the achievement of ambitious objectives set while being limited by a maximum level avoiding excessive risk taking, in accordance with the Company's corporate interest. This variable portion is based on annual or even biennial criteria, allowing it not to have a short-term vision only. In addition, this variable portion is supplemented by a universal free share grant, which involves all group employees in creating value over the medium/long-term, in support of the group's commercial strategy and sustainability. In addition to their variable compensation, the Chair and Chief Executive Officer, the members of the Executive Committee and the regional and agency directors

are also granted Bonus shares, the vesting of which is subject, in accordance with the principles of good governance, to performance conditions. It is based on compensation principles applicable to both employees and management teams, by offering an attractive base salary to attract and retain talent and a variable portion that rewards individual and collective performance.

The objectives of this policy are:

- Adapting compensation to the group's collective performance, while providing motivation and individual efficiency;
- Directly involve all employees in the results over several years.

To meet these objectives, several measures have been put in place:

- 1) The annual compensation of employees and management teams includes a significant variable component, regardless of the position held, subject to the achievement of ambitious objectives while being limited by a maximum level avoiding excessive risk-taking, and established on annual or even biennial criteria, allowing not to have a short-term vision only.

Thus, in 2022, approximately 26% of the annual compensation paid to employees corresponds to a variable portion determined based on the company's performance and annual individual objectives. This portion is approximately 43% of the total compensation for the members of the Executive Committee, as well as 33% for the members of the Expanded Management Committee and nearly 57% for the Chair and Chief Executive Officer;

- 2) Access to the Company's share capital, to involve employees and managers in the creation of value over the medium/long-term, through:
 - a) The implementation each year of universal free share plans (AGMs), benefiting all employees, with an availability horizon of 4 years. The allocation of these shares for the Chair and Chief Executive Officer and the members of the Executive Committee, the Management Committee and the Extended Management Committee, subject to demanding and long-term performance conditions.

On average, excluding exceptional transactions, approximately 100,000 existing shares, or 0.5% of the Company's share capital, are granted each year under the AGM plans set up by the Company;

- b) Employee Stock-Ownership Plan (ESOP) open to all employees, approximately 75% having subscribed to these vehicles with an availability horizon of 5 years;
- c) The creation of an investment vehicle (Artimus Participations SAS), in which around 125 managers (including the Chair and Chief Executive Officer) and certain group employees) were involved in the Company's free float extension (re: IPO) carried out in May 2016, who contributed more than 21 million euros in capital to the company's creation, either in cash or in the form of KBSA shares, for 8 years.

The compensation policy for the executive corporate officer

- It is in this context of recognition of sustainable, long-term and collective performance that the philosophy of the compensation policy for the executive corporate officer is reflected in these developments. The compensation policy for the executive corporate officer, namely Mr Nordine Hachemi in his capacity as Chair and Chief Executive Officer of the Company as of the date of this report, is approved by the Board of Directors after examination and opinion of the Compensation and Nomination Committee. The Board of Directors applies the recommendations of the AFEP/MEDEF Code, amended in January 2020 and December 2022, relating to the compensation of executive corporate officers of listed companies. In this context, the Board of Directors sets the principles for determining the compensation of the Chair and Chief Executive Officer, paying particular attention to the following principles:
 - Principle of balance and measurement: It is ensured that each element of the Chair and Chief Executive Officer's compensation is clearly motivated and that none of these elements is disproportionate.
 - Principle of competitiveness: It ensures that the Chair and Chief Executive Officer's compensation is competitive, notably through sector-based compensation surveys.
 - Principle of alignment of interests: The Compensation policy is both a management tool designed to attract, motivate and retain the talent needed by the Company, but also meets the expectations of shareholders and other stakeholders of the Company, particularly in terms of the link with performance.
 - Performance principle: The compensation of the Chair and Chief Executive Officer is closely linked to the Company's performance, in particular through a variable compensation measured each year. The payment of this variable portion is subject to the achievement of objectives remunerating immediate performance and preparing for the future and ensuring the sustainability of the group and whose impact is measurable over a period (i) annual (change in revenue, EBITDA, net income group share, WCR) and (ii) biennial (number of orders and number of lots of commitment committees).
- The Chair and Chief Executive Officer's compensation includes a fixed portion and a variable portion based on a certain number of objectives determined annually. At the end of each financial year, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, sets the amount of its gross fixed annual compensation for the following financial year as well as the cap of its variable annual compensation for the following financial year and the quantitative criteria based on which the latter will be calculated. At the beginning of each financial year, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, determines the amount of its variable annual compensation due for the previous financial year based on the results of the previous financial year and the achievement of its quantitative and qualitative objectives, and sets the objectives of the qualitative part of its variable annual compensation for the current financial year.

- In addition, to associate the Chair and Chief Executive Officer with long-term performance, a portion of its compensation is made up of performance shares. This component of the compensation is directly linked to the group's performance since the number of shares definitively granted to the Chair and Chief Executive Officer, at the end of the vesting period, depends on the group's performance, according to certain criteria (see section 8.9, chapter I.1. "Principles and decision making processes followed for the determination, revision and implementation of the group's compensation policy" and in chapter I.2 "Components of the Chair and Chief Executive Officer's compensation."

Principle of compensation of the executive corporate officer

- On 25 June 2013, the Board of Directors appointed Nordine Hachemi as Director and Vice Chair of the Board of Directors, effective 1 July 2013. He was appointed Chief Executive Officer of the Company as of 1 July 2013 and Chair and Chief Executive Officer as of 24 January 2014.
- The terms and conditions of his employment contract specify that he will receive gross fixed annual compensation of €600,000 paid in twelve monthly instalments. To this fixed compensation will be added, where applicable, an annual variable compensation subject to the achievement of quantitative and qualitative objectives set by the Board of Directors, this variable compensation being paid during the month of January following the end of the financial year, provided that he is part of the group on that date.
- In addition, in the event of removal from office for reasons other than gross or wilful misconduct, as defined by the French Supreme Court in labour law, the Company undertakes to pay the Chief Executive Officer a severance payment intended to compensate for the loss of his position.
- In the event of dismissal, the defined indemnity will be equal to 12 months of gross fixed and variable compensation due for the past financial year, increased to 18 months in the event of a takeover of the company by one or more third parties acting in concert triggering the obligation to launch a public offer for the company's shares. No compensation will be paid in the event of voluntary departure.
- In addition, in the event of Mr Nordine Hachemi will be bound by a non-compete and non-solicitation obligation that will apply, unless reduced or waived by the group, for 12 months following the termination of his corporate office. In exchange, he will receive a gross monthly lump sum payment equivalent to 50% of the average gross monthly fixed compensation received during the 12 months preceding the termination of his term of office (or of the duration of his term of office if it is lower), the Company having the option to reduce the duration or to exempt the executive from this commitment.
- Mr Nordine Hachemi is entitled to a supplementary defined contribution pension under the provisions of Article 83 of the French General Tax Code. Mr Nordine Hachemi also benefits, as a benefit in kind, from membership in a specific unemployment insurance scheme for executives and corporate officers (GSC).

For fiscal year 2022, the Compensation and benefits received by the corporate officers of Kaufman & Broad SA are detailed in the following tables:

Table 1 AMF Nomenclature

Summary table of compensation, stock options and shares granted to each executive corporate officer (amounts in euros)

Nordine Hachemi	Year ended November 30, 2022	Year ended November 30, 2021
Chair and Chief Executive Officer		
Compensation due for the year (detailed in Table 2)	1,511,593 ⁽¹⁾	1,424,761
Value of multi-year variable compensation granted during the year		
Value of options granted during the year (detailed in Table 4)		
Value of Bonus shares granted during the year (detailed in Table 6)	585,503 ⁽²⁾	639,657 ⁽³⁾
Total	2,097,096	2,064,418

(1) The amount includes the payment to the Chair and Chief Executive Officer of an exceptional bonus related to the Austerlitz project, in the amount of €200,000, for the year ended November 30, 2022, subject to the adoption of the seventh resolution (see Chapter 8 Section 8.7) at the General Meeting of 4 May 2023.

(2) On 25 February 2022, the Board of Directors granted 15,000 performance shares to the Chair and Chief Executive Officer in respect of 2022, provided that he was still in office at the time of their final vesting in 2024. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- The achievement of quantitative criteria consisting of criteria reflecting short-term performance such as revenues, EBITDA, NIGS and WCR, and criteria anticipating future performance, such as the number of housing orders and the number of lots of Commitment Committees;
- The achievement of qualitative criteria composed of criteria related to team management, and the quality of the social climate in the company, the implementation of the CSR policy and the proper control of risks. On 27 January 2023, the Board of Directors definitively granted, subject to presence in 2024, 14,550 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2022 financial year.

At its meeting on 25 February 2022, the Board of Directors renewed the Chair and Chief Executive Officer's long-term compensation based on the grant of 10,000 performance shares to the Chair and Chief Executive Officer and providing for a three-year vesting period and a one-year holding period. The Board also decided that these shares were subject to long-term performance conditions assessed over the 2022-2024 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

(3) On 26 February 2021, the Board of Directors granted 15,000 performance shares to the Chair and Chief Executive Officer in respect of 2021, provided that he was still in office at the time of their final vesting in 2023. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- The achievement of quantitative criteria consisting of criteria reflecting short-term performance such as revenues, EBITDA, NIGS and WCR, and criteria anticipating future performance, such as the number of housing orders and the number of lots of Commitment Committees;
- The achievement of qualitative criteria composed of criteria related to team management, the quality of the social climate in the company, the control of operating expenses (including payroll), the return on equity, the adaptation of the company to technological and environmental changes and the proper control of risks. On 26 January 2022, the Board of Directors definitively granted, subject to presence in 2023, 15,000 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2021 financial year.

At its meeting on 26 February 2021, the Board of Directors also renewed a long-term compensation for the Chair and Chief Executive Officer based on the grant of 10,000 performance shares to the Chair and Chief Executive Officer and providing for a three-year vesting period and a one-year holding period. The Board also decided that these shares were subject to long-term performance conditions assessed over the 2021-2023 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

3 Corporate governance

Directors' interests

Table 2 AMF Nomenclature

Summary table of the compensation of each executive corporate officer (amounts in euros)

Nordine Hachemi Chair and Chief Executive Officer	Year ended November 30, 2022		Year ended November 30, 2021	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	600,000 ^(a)	600,000	600,000	600,000
Annual variable compensation	677,518 ^(d)	790,686 ^(c)	790,686 ^(c)	498,000 ^(b)
Multi-year variable compensation	-	-	-	-
Exceptional compensation	200,000 ^(e)	-	-	-
Compensation (formerly Directors' fees)	-	-	-	-
Any type of benefits (unemployment insurance)	34,075	34,075	34,075	34,033
Total	1,511,593	1,424,761	1,424,761	1,132,033

(a) The amount of fixed compensation was set by the Board of Directors on 27 January 2023.

(b) This variable compensation for 2020 was approved by the Board of Directors on 27 January 2021 and paid in February 2021.

(c) This variable compensation for 2021 was approved by the Board of Directors on 26 January 2022 and paid in February 2022.

(d) This variable compensation for 2022 was approved by the Board of Directors on 27 January 2023.

(e) This exceptional compensation for 2022 was approved by the Board of Directors on 27 January 2023.

He also benefits from a supplementary defined contribution pension, under the provisions of Article 83 of the French General Tax Code, since joining the company; the amount of contributions paid by the company for 2022 was €8,775.68, corresponding to annual contributions capped at 8% of gross salary within the limit of 8 times the social security cap. In addition to the pension plan for all employees, the Company has subscribed to a supplementary plan for corporate officers and members of the Executive Committee.

As of 28 February 2023, Nordine Hachemi held 111,068 shares in the company, directly and through RKCI, in which it holds 100% of the share capital. In addition, he holds 27.34% of the share capital of Artimus Participations, which itself holds 11.01% of Kaufman & Broad SA. Nordine Hachemi directly and indirectly holds 3.54% of the capital of Kaufman & Broad SA.

Table 4 AMF Nomenclature

Stock options granted during the financial year ended November 30, 2022 to each executive corporate officer by the issuer and by any group company

Name of executive corporate officer	Plan number and date	Type of options (purchase or subscription)	Valuation of options	Number of options granted during the year	Business year price
			according to the method used for the consolidated financial statements		
Nordine Hachemi	-	-	-	None	-

Table 5 AMF Nomenclature

Stock options exercised during the financial year ended November 30, 2022 by each executive corporate officer

Options exercised during the year by each executive corporate officer	Plan number and date	Number of options exercised during the year	Business year price
Nordine Hachemi	-	None	-

Table 6 AMF Nomenclature

Bonus shares granted to each corporate officer

Bonus shares granted during the year to each corporate officer by the issuer and by any group company (list of registered shares)	Plan number and date	Number of shares granted during the year ^(a)	Share price at grant date	Value of shares according to the method used for the consolidated financial statements	Acquisition date	Availability date
Nordine Hachemi						
Of which 2022 Plan (1 st Plan) ^(a)	25/02/2022	15,000	33.00	399,262	25/02/2024	25/02/2026
Of which 2022 Plan (2 nd Plan) ^(b)	25/02/2022	10,000	33.00	186,241	25/02/2025	25/02/2026

(a) On 26 February 2022, the Board of Directors granted 15,000 performance shares to the Chair and Chief Executive Officer in respect of 2022, provided that he was still in office at the time of their final vesting in 2024. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- The achievement of quantitative criteria consisting of criteria reflecting short-term performance such as revenues, EBITDA, NIGS and WCR, and criteria anticipating future performance, such as the number of housing orders and the number of lots of Commitment Committees;
- The achievement of qualitative criteria composed of criteria related to team management, the quality of the social climate in the company, the control of operating expenses (including payroll), the return on equity, the adaptation of the company to technological and environmental changes and the proper control of risks. On 27 January 2023, the Board of Directors definitively granted, subject to presence in 2024, 14,550 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2022 financial year.

(b) At its meeting on 25 February 2022, the Board of Directors renewed the Chair and Chief Executive Officer's long-term compensation based on the grant of 10,000 performance shares to the Chair and Chief Executive Officer and providing for a three-year vesting period and a one-year holding period. The Board also decided that these shares were subject to long-term performance conditions assessed over the 2022-2024 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

Table 7 AMF Nomenclature

Bonus shares vested during 2022 for each executive corporate officer

Bonus shares executive corporate officers (list of names)	Plan dates	Number of shares that became available during the year	Vesting conditions
Nordine Hachemi	27/02/2020 (1 st Plan)	10,650	(A)
	21/02/2019 (2 nd Plan)	4,405	(B)

(a) Pursuant to the authorisation granted by the Shareholders' Meeting of 2 May 2019, the Board of Directors, on 27 February 2020, decided to grant deferred annual compensation in the form of performance shares. The Board of Directors thus granted 15,000 performance shares to the Chair and Chief Executive Officer for 2020, provided that they are still in office at the time of their final vesting in 2022.

- The definitive allocation of performance shares to the corporate officer would be subject to the same performance conditions as those provided for in the annual variable compensation in cash. Quantitative criteria are composed of criteria reflecting short-term performance such as Revenue, EBITDA, NIGS and WCR, and criteria anticipating future performance, such as the number of Housing orders and the number of Commitment Committees. Qualitative criteria are assessed based on the following qualitative factors: Management of the group's teams, quality of the social climate in the company, control of operating expenses (including payroll), return on capital employed, adaptation of the company to technological changes, proper control of risks

As the performance conditions set by the Board were partially met, 10,650 shares were definitively allocated in February 2022.

(b) At its meeting of 21 February 2019, the Board of Directors decided to set up a long-term compensation for the Chair and Chief Executive Officer in 2019 based on the free allocation of 10,000 performance shares to the Chair and Chief Executive Officer, providing for a three-year vesting period and a one-year holding period. The Board decided to set the following performance conditions:

- Long term performance conditions assessed over the 2019-2021 period (3 years), including CSR performance, customer satisfaction, the level of employee shareholding in the Company's share capital and TSR (Total shareholder return). The relative weight of the four conditions is 15% for CSR performance, 17.5% for customer satisfaction, 17.5% for employee share ownership and 50% for TSR.

At its meeting of 26 January 2022, the Board of Directors decided to grant Mr Nordine Hachemi 4,405 performance shares in respect of his long-term compensation evaluated over the period 2019-2021. The shareholders' meeting of 5 May 2022 decided on the definitive allocation of shares, in accordance with the provisions of Article L.22-10-34 II of the French Commercial Code (ex post vote).

Table 11 AMF Nomenclature

Executive Corporate Officers	Employment contract	Supplementary pension plan	Indemnities or benefits due or likely to be due as a result of termination or change of duties	Indemnities relating to a non-compete clause
Nordine Hachemi Chair and Chief Executive Officer	No	Yes ^(a)	Yes ^(b)	Yes ^(c)

(a) Nordine Hachemi benefits from a supplementary defined contribution pension plan, pursuant to Article 83 of the French General Tax Code; the contribution paid by the company for Nordine Hachemi amounted to €8,775.68 for 2022. These contributions correspond to annual contributions capped at 8% of gross compensation within the limit of eight times the social security cap.

(b) The severance payment is equal to 12 months of gross fixed and variable compensation due for the past financial year, increased to 18 months in the event of a takeover of the Company by one or more third parties acting in concert triggering the obligation to launch a public offer for the Company's shares.

(c) Non-competition clause for twelve months covering French territory, giving rise to a fixed gross monthly compensation equivalent to 50% of the average gross monthly fixed compensation he received during the twelve months preceding the termination of his term of office (or of the duration of the latter if it is lower), the company having the option to reduce the duration or to exempt the executive from this commitment.

Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the financial year ended November 30, 2022 or granted for the financial year to Mr Nordine Hachemi, Chair and Chief Executive Officer, submitted to the shareholders' vote.

The Shareholders' Meeting, having reviewed the report of the Board of Directors on corporate governance prepared in accordance with Article L. 225-37 of the French Commercial Code, and approved, pursuant to Articles L. 22-10-08 and L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to the Chair and Chief Executive Officer of the Company for the financial year ended November 30, 2022, as presented in section 2.2. of the aforementioned report, included in section 8.9. "Appendix to the Corporate Governance Report" and Section 8.7. "The agenda and resolutions of the Shareholders' Meeting of 4 May 2023" in the "Eighth Resolution" of this universal registration document.

(i) Fixed and variable compensation

The Board of Directors, on the recommendation of the Compensation and Nomination Committee, determines the fixed annual compensation of the Chair and Chief Executive Officer in light of a detailed study of the fixed and variable compensation of executives of comparable companies carried out by an independent firm on behalf of the Company.

At the Board meeting of 25 February 2022, the fixed annual compensation of Mr Nordine Hachemi was maintained at €600,000 gross for 2022. His variable compensation was linked to the objectives of Kaufman & Broad SA's activities for the financial year.

The amount of this variable compensation, subject to objectives achieved, for the 2022 financial year was set at €700,000 gross. (Unchanged from 2019, i.e. 117% of his fixed annual compensation) in the event of achievement of the objectives at 100% and, in the event of outperformance, up to 120% of the aforementioned amount, i.e. a maximum gross amount of €840,000 (i.e. 140% of his fixed annual compensation), subject to presence in January 2023.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, this variable compensation is subject to a favourable vote at the Ordinary General Shareholders' Meeting to be held in 2023 to approve the financial statements for the year ended November 30, 2022. The variable portion of this compensation will be increased by 70% of its amount based on the following quantitative elements, each allocated a weighting: revenue, Ebitda, net income, group share, WCR, annual housing orders, number of lots of Commitment Committees for 2022; and

30% of its amount based on the following qualitative elements: The management of the group's teams and the quality of the Company's social climate; the implementation of the CSR policy and the proper management of risks.

The Board of Directors' meeting of 27 January 2023, on the proposal of the Compensation and Nomination Committee meeting of 16 January 2023, after having reviewed the Company's results and the qualitative results of the Chair and Chief Executive Officer during the financial year ended November 30, 2022, set the quantitative portion of the variable compensation due to the Chair and Chief Executive Officer for the financial year ended November 30, 2022 at €425,518, and the qualitative portion of this compensation at 120% of the target, i.e. €252,000 (i.e. a rounded total of €677,518, i.e. 97% of the target amount).

Regarding the quantitative portion, representing 70% of the variable compensation, the Board of Directors thus noted that the rights to variable compensation are open according to the elements described above. Regarding the qualitative portion, representing 30% of the variable compensation, the qualitative objectives were reviewed by the Compensation and Nomination Committee. (See section 8.9-II "Compensation and benefits granted to corporate officers during the financial year ended November 30, 2022" paragraphs "II.1. Chair and Chief Executive Officer").

Finally, if a favourable decision is made by the Council of State in 2022, enabling, by implementing the Austerlitz Project, to generate additional revenue of at least 300 million euros and a minimum target Ebitda, a gross amount of €200,000 would be paid to Nordine Hachemi as an exceptional bonus.

(ii) Deferred payment of the annual variable portion in the form of performance shares

In addition, the Shareholders' Meeting of 6 May 2021 (29th resolution) authorised the Board of Directors to allocate a maximum of 250,000 shares, including a maximum of 50,000 shares (i.e. 20% of the total amount) to Mr Nordine Hachemi. After taking into account the allocations made during the 2021 financial year, 250,000 shares may be granted under the aforementioned 29th resolution, including a maximum of 50,000 shares to the executive corporate officer.

At its meeting on 25 February 2022, the Board of Directors used the authorisation granted by this resolution and thus granted 15,000 performance shares to the Chair and Chief Executive Officer for 2022, provided that he was still in office at the time of their final vesting in 2024.

At its meeting of 27 January 2023, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, definitively granted a number of 14,550 performance shares to Nordine Hachemi in respect of his variable deferred payment compensation for the 2022 financial year, corresponding to an overall performance of 97%.

On the basis of valuation work carried out by an independent actuary, at the Company's request, based in particular on the Company's share price at 25 February 2022, the benefit corresponding to the 14,550 performance shares to be granted to the Chair and Chief Executive Officer in respect of his annual variable compensation with deferred payment is estimated at approximately €387,284.

The definitive allocation of performance shares to the corporate officer is subject to the same performance conditions as those provided for in the annual variable compensation in cash set out in section 8.9-II "Compensation and benefits granted to corporate officers during the financial year ended November 30, 2022" paragraph II.1 .1.2 (b).

Thus, if these performance conditions are met, the Chair and Chief Executive Officer will be entitled to the allocation of performance shares in respect of the annual variable compensation with deferred payment, according to the same ratio and in the same proportions as for the annual variable compensation in cash. If 100% of the performance conditions are met, the maximum number of performance shares attributable, i.e. 15,000 shares, would be allocated to the Chair and Chief Executive Officer. No additional performance shares would nevertheless be granted in the event of outperformance above 100%.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, the definitive allocation of performance shares in respect of this deferred payment variable compensation is subject to the approval of the Ordinary General Meeting to be held in 2023 to approve the financial statements for the year ended November 30, 2022.

As indicated in paragraph I.5 "Change in the compensation policy for the Chair and Chief Executive Officer approved by the General Shareholders' Meeting of 5 May 2022" in section 8.9 I. "Compensation policy," it is proposed to the General Meeting of Shareholders to be held on 4 May 2023 to approve, in its seventh resolution, to modify the Compensation policy of the Chair and Chief Executive Officer approved by the General Meeting of Shareholders of 5 May 2022 and thus authorise the payment to the Chair and Chief Executive Officer of the exceptional bonus for the financial year ended November 30, 2022.

Subject to the approval of the seventh resolution referred to above, an exceptional bonus related to the Austerlitz project, in the amount of €200,000, will be paid to the Chair and Chief Executive Officer for the financial year ended November 30, 2022.

(iii) Long term compensation

It should be noted that in 2018 the Board of Directors set up a long-term compensation for the Chair and Chief Executive Officer based on the free allocation of 10,000 performance shares to the latter, providing for a three-year vesting period and a one-year holding period and performance conditions assessed over the 2018 - 2020 period. This long-term compensation plan was renewed:

- In 2019 by the Board of Directors on 21 February 2019, with the allocation of 10,000 performance shares to the Chair and Chief Executive Officer, subject to performance conditions assessed over the 2019-2021 period,
- In 2020 by the Board of Directors on 27 February 2020, with the allocation of 10,000 performance shares to the Chair and Chief Executive Officer, subject to performance conditions assessed over the period 2020 - 2022,

- In 2021 by the Board of Directors on 26 February 2021, with the allocation of 10,000 performance shares to the Chair and Chief Executive Officer, subject to performance conditions assessed over the period 2021 - 2023,
- In 2022 by the Board of Directors on 25 February 2022, with the allocation of 10,000 performance shares to the Chair and Chief Executive Officer, subject to performance conditions assessed over the 2022-2024 period.

At its meeting on 27 January 2023, the Board of Directors, acting on the recommendation of the Compensation and Nomination Committee, decided to allocate to Nordine Hachemi, in respect of his long-term compensation in the form of performance shares (2020-2022 period), a total of 5,750 shares (estimated at approximately €113,261).

In accordance with the provisions of Article L.22-10-34 II of the French Commercial Code ("*ex-post*" vote), the payment of performance shares will be submitted to the favourable vote of the shareholders' meeting to be held on 4 May 2023 to decide on the definitive allocation of such shares. The effective transfer of ownership of the shares may only take place after approval of the resolution concerned by the general meeting of shareholders

The fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to the Chair and Chief Executive Officer of the Company for the 2022 financial year are described in section 8.9-II "Compensation and benefits granted to corporate officers during the financial year ended November 30, 2022" of this universal registration document.

For the 2023 financial year, the compensation and benefits set for the corporate officers of Kaufman & Broad SA are:

For the year ended November 30, 2023, the Compensation and Nomination Committee proposed to the Board of Directors on 24 February 2023 to maintain the compensation policy unchanged from that approved at more than 90% by the General Shareholders' Meeting of 5 May 2022 (except for the terms and *conditions for determining the variable compensation of the Chair and Chief Executive Officer, which may now reach, in the event of outperformance, up to 130% of the variable compensation compared to 120% previously - see Chapter 8.9 section I "Compensation policy"*). It should be noted that to emphasise even more strongly the link between the compensation of the Chair and Chief Executive Officer and the interests of shareholders, the Board of Directors proposes the renewal for 2023 of the long-term plan set up in 2018 and approved by the last shareholders' meeting of 5 May 2022.

At the Board meeting of 24 February 2023, the fixed annual compensation of Mr Nordine Hachemi was maintained at €600,000 gross for 2023. His variable compensation was linked to the objectives of Kaufman & Broad SA's activities for the financial year. The amount of this variable compensation, subject to objectives achieved, for the 2023 financial year was set at €700,000 gross. (Unchanged from 2022, i.e. 117% of his fixed annual compensation) in the event of achievement of the objectives at 100% and, in the event of outperformance, up to 130% of the aforementioned amount, i.e. a maximum gross amount of €910,000 (i.e. 150% of his fixed annual compensation), subject to presence in January 2024. In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, this variable compensation is subject to a favourable vote at the Ordinary General Shareholders' Meeting to be held in 2024 to approve the financial statements for the year ended November 30, 2023. The variable portion of this compensation will be calculated for 70% of its amount based on the following quantitative elements, each assigned a weighting: revenue, Ebitda, net income, group share, WCR, annual housing orders, number of lots of Commitment Committees for 2023; and 30% of its amount based on the following qualitative elements: The management of the group's teams and the quality of the social climate in the Company; the continued deployment of the CSR policy and the proper management of risks.

3 Corporate governance

Directors' interests

In addition, the Board of Directors' meeting on 24 February 2023 made use of the authorisation granted by the 16th resolution granted by the Combined General Meeting of Shareholders of 5 May 2022 and thus granted

- 15,000 performance shares to the Chair and Chief Executive Officer for 2023, provided that he is still in office at the time of their final vesting in 2025 ("First Plan 2023").

The definitive allocation of performance shares to the corporate officer would be subject to the same performance conditions as those set out in the annual variable compensation in cash set out above.

Thus, if these performance conditions are met, the Chair and Chief Executive Officer would be entitled to the allocation of performance shares in respect of the annual variable compensation with deferred payment, according to the same ratio and in the same proportions as for the annual variable compensation in cash. If 100% of the performance conditions are met, the maximum number of performance shares attributable, i.e. 15,000 shares, would be allocated to the Chair and Chief Executive Officer. Nevertheless, no additional performance shares would be granted in the event of outperformance above 100%.

3.2.1.3. Compensation of Executive Committee members

Since 2016, the group's governance has included the following two bodies:

- The Executive Committee defines the group's strategy and monitors its deployment. It sets the guidelines and the main decisions concerning the life of the group. It sets the objectives of the Annual Plan by activity. Finally, it defines cross functional policies and ensures their implementation. It is composed of the Chair and Chief Executive Officer, the Chief Operating Officers, the Finance Director and the Human Resources Director;
- The Management Committee monitors the implementation of the Plan by activity. It proposes improvement actions and sets the objectives to be deployed in the agencies and departments. It contributes to the definition and implementation of the group's projects. It is composed of the Executive Committee and Regional Managing Directors and *Corporate Directors*.

The compensation of the members of the Executive Committee consists of a fixed portion and a variable portion. For the year ended November 30, 2022, the gross amounts of compensation and benefits received by the members of the Executive Committee, excluding the corporate officers of Kaufman & Broad SA, were overall €3,256,021, of which €1,869,462 fixed salary and €1,386,559 variable compensation. The members of the Executive Committee do not receive any other deferred and/or conditional compensation, and the group is not required to set aside provisions for *pensions or golden parachutes*; only amounts relating to retirement indemnities are provisioned in accordance with legal or contractual provisions: For members of the Executive Committee, this provision amounts to €1,077,269 in the 2022 financial statements. In addition, members of the Executive Committee and executive corporate officers are entitled to a supplementary defined contribution pension under the provisions of Article 83 of the French General Tax Code.

- 10,000 performance shares to the Chair and Chief Executive Officer in respect of the renewal of the long-term compensation plans set up in 2018 and renewed in 2019, 2020, 2021 and 2022 ("Second Plan 2023").

The acquisition of these shares is subject to the following conditions:

- The shares will only vest after three years, i.e. in 2026, and must then be held for one year by the Chair and Chief Executive Officer;
- Long term performance conditions assessed over the 2023-2025 period (3 years), including CSR performance, the quality of goods and services, the level of employee shareholding in the Company's share capital and TSR. The relative weight of the four conditions is 25% for CSR performance, 25% for Quality of Goods and Services, 20% for employee share ownership, 30% for TSR.

In 2022, the members of the Executive Committee, not including the corporate officers of Kaufman & Broad SA, benefited from 11,500 Bonus shares granted on 25 February 2022.

The definitive allocation of shares to senior executives is subject to the same performance conditions as those provided for in their annual variable compensation in cash, namely:

- The achievement of quantitative criteria comprising criteria reflecting the group's performance and its scope in the short-term, such as revenues, EBITDA, net income group share and working capital requirements, and criteria anticipating future performance, such as the number of housing orders and the number of lots of Commitment Committees;
- The achievement of qualitative criteria composed of criteria related to their scope of responsibility.
- On 27 January 2023, the Board of Directors noted that the performance conditions applicable to 10,420 performance shares had been met.

The minimum holding period of the shares by their beneficiaries is set at two years from their definitive allocation.

Note: The compensation of executive corporate officers and members of the Management Committee, mentioned in sections 3.2.1.2.1. and 3.2.1.3., dealing with the interests of executives, is generally paid by the Kaufman & Broad GIE with regard to fixed and variable compensation and benefits in kind (the Kaufman & Broad GIE is a structure dedicated to providing resources to the various legal entities comprising the group, and in particular staff). In addition, stock option and free share plans were authorised by the Shareholders' Meeting and grants to beneficiaries decided by the Board of Directors of Kaufman & Broad SA. Finally, the shares delivered were deducted from the treasury shares held by this company.

3.2.2. Total number of options granted on group shares

See section 3.3.3. "Share purchase or subscription option plans - Allocation of Bonus shares - Allocation of share subscription warrants."

Details of the transactions carried out during the year on stock options are presented in section 7.2.3.2. "Balance sheet of share purchase and sale transactions" et seq.

3.2.3. Information on stock option transactions during the year

See section 3.3.3. "Share purchase or subscription option plans - Allocation of Bonus shares - Allocation of share subscription warrants."

3.2.4. Information on transactions with members of the administrative and management bodies

None.

3.2.5. Loans and guarantees granted or constituted to members of the administrative and management bodies

None.

3.2.6. Information on transactions with companies with executives in common with the company or group companies

See sections 6.1.5. "Notes to the financial statements" Note 4.4. "Executive compensation (related parties)," paragraph "Terms and conditions of transactions with related parties" and 8.9 IV.2 c) "Commitments authorised pursuant to Article L. 225-42-1 of the French Commercial Code."

3.2.7. Compensation components due or awarded for the year ended November 30, 2022 to Mr Nordine Hachemi, Chair and Chief Executive Officer, submitted to the shareholders' vote

In accordance with Article L. 225-100 of the French Commercial Code, the Annual General Meeting decides on the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted in respect of the previous financial year, pursuant to the principles and criteria of compensation approved by the Combined General Meeting of Shareholders of 5 May 2022.

The Combined Shareholders' Meeting of 4 May 2023 will be asked to approve the components of compensation paid or granted to the Chair and Chief Executive Officer for the fiscal year ended November 30, 2022, as set out below:

Components of compensation	Amounts or accounting valuation subject to a vote	Comments
Fixed compensation	€600,000	-
Variable compensation	€677,518	Amount approved by the Board of Directors on 23 January 2023
Exceptional bonus	€200,000	Exceptional bonus related to the Austerlitz project. Subject to approval of the seventh resolution submitted to the Shareholders' Meeting of 4 May 2023
Compensation for the office of Director	None	-
Exceptional compensation	None	Seniority bonus in accordance with group policy applicable to all employees and executives paid in December 2018
Allocation of stock options or bonus shares	€585,503	
Of which 2022 Plan (1 st Plan)	€339,262	15,000 Bonus shares ^(a)
Of which 2022 Plan (2 nd Plan)	€186,241	10,000 performance shares ^(b)
Compensation for taking up or terminating office	None	-
Supplementary and supplementary pension plan	€26,327.04	Annual contributions capped at 8% of gross compensation up to eight times the social security cap
Company car	€20,400	(Monthly €1,700 excl. VAT)
Any type of benefits	€34,075	Unemployment insurance

(a) On 25 February 2022, the Board of Directors granted 15,000 performance shares to the Chair and Chief Executive Officer in respect of 2022, provided that he was still in office at the time of their final vesting in 2024. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- The achievement of quantitative criteria consisting of criteria reflecting short-term performance such as revenues, EBITDA, NIGS and WCR, and criteria anticipating future performance, such as the number of housing orders and the number of lots of Commitment Committees;
- The achievement of qualitative criteria composed of criteria related to team management, the quality of the social climate in the company, the control of operating expenses (including payroll), the return on equity, the adaptation of the company to technological and environmental changes and the proper control of risks.

On 27 January 2023, the Board of Directors definitively granted, subject to presence in 2024, 14,550 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2022 financial year.

(b) At its meeting on 25 February 2022, the Board of Directors renewed the Chair and Chief Executive Officer's long-term compensation based on the grant of 10,000 performance shares to the Chair and Chief Executive Officer and providing for a three-year vesting period and a one-year holding period. The Board also decided that these shares were subject to long-term performance conditions assessed over the 2022-2024 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

The principles and criteria for determining and allocating the compensation of corporate officers, as well as the components of this compensation and their calculations, are described in section 8.9. "Compensation and benefits granted to corporate officers."

3.3. Incentive programs

3.3.1. Incentive and profit sharing agreements

Through agreements between management and the trade unions of 25 June 2020, Kaufman & Broad set up a profit sharing scheme for its employees as well as a profit sharing scheme. These two agreements are applicable from 2021, from 1 December 2020 to November 30, 2021.

These agreements are directly linked to exceeding the economic performance determined according to the group's objectives and the indicators chosen are found in the variable part of the compensation of the group's senior executives. These agreements provide for the possibility for employees to place the sums received on the KB Actionnariat FCPE of the PEE

3.3.2. Group employee savings plan

A company savings plan was set up as part of the IPO in February 2000 and amended in February 2001, March 2002, July 2003, September and December 2006, December 2007, December 2008, December 2009 and December 2014. By amendment dated July 2017, this savings plan was extended to all employees of the group's subsidiaries and became a group savings plan. The savings collected in this respect are invested in the Kaufman & Broad Actionnariat FCPE and in the KB Actions FCPE created in 2017.

To encourage the creation of savings under advantageous financial and tax conditions, Kaufman & Broad has set up a group Savings Plan open to all employees (see section 3.3.2. of the universal registration document). It includes 5 Mutual Funds ("FCPE"), including the Kaufman & Broad Actionnariat fund, invested in Kaufman & Broad shares, which benefits from a matching contribution from the company, and the "KB Actions" fund with its two current sub-funds "KB Actions 2019" and "KB Actions 2022," a fund opened as part of the 2019 and 2022 shareholding offers carried out by a capital increase of Kaufman & Broad SA and closed to new payments.

The assets of the Kaufman & Broad Actionnariat FCPE are mainly composed of shares of the company, or, at the option of the employees, in the "Capi euro Monétaire" mutual funds, funds classified by its settlement in "monetary," "Capi Équilibre," funds classified by its settlement in "diversified," or "Flexi Taux court Solidaire," solidarity based fund classified by its settlement in "euro bonds" and invested between 5 and 10% in "solidarity" corporate securities defined in Article L. 214-164 of the French Monetary and Financial Code.

3.3.2.1. "KB Actions 2017"

Kaufman & Broad SA announced on 21 September 2017 the launch of its leveraged and investment-guaranteed "KB Actions 2017" shareholder offering, reserved for group employees who are members of the savings plan. Kaufman & Broad SA recorded on November 30, 2017, the capital increase resulting from the subscriptions to the KB Actions 2017 offer.

The offer was very successful with a 65.4% membership rate for eligible employees. A total of 236,496 shares were thus subscribed through the KB Actions 2017 FCPE, which in 2019 became the "KB Actions 2017" compartment of the KB Actions FCPE for an amount of €7,357,390.56.

The 236,496 new shares issued as part of the offer are ordinary shares, fully assimilated to existing shares and bearing current dividend rights. The "KB Actions 2017" transaction was unwound in July 2022, the sums invested in the fund opened under the 2017 shareholding offer were paid in cash for all or part of the initial investment or a re-investment in the new fund launched in June 2022 "KB Actions 2022."

3.3.2.2. "KB Actions 2019"

Kaufman & Broad announced on 13 May 2019, the launch of its leveraged and investment-guaranteed "KB Actions 2019" shareholder offering, reserved for group employees who are members of the savings plan. Kaufman & Broad SA noted the capital increase resulting from subscriptions to the "KB Actions 2019" offer. As in 2017, the offer was very successful. The membership rate of eligible employees was 66.1%, with a total of 283,991 shares subscribed through the "KB Actions 2019" compartment of the KB ACTIONS FCPE for €7,832,471.78. The 283,991 new shares issued as part of the offer are ordinary shares, fully assimilated to existing shares and bearing current dividend rights.

3.3.2.3. "KB Actions 2022"

Kaufman & Broad announced on 15 June 2022, the launch of its leveraged and investment-guaranteed "KB Actions 2022" shareholder offering, reserved for group employees who are members of the savings plan. Kaufman & Broad SA noted the capital increase resulting from subscriptions to the "KB Actions 2019" offer on 12 October 2022. As in 2017 and 2019, the offer was very successful. The membership rate of eligible employees was 53%, with a total of 299,999 shares subscribed through the "KB Actions 2019" compartment of the KB ACTIONS FCPE for €5,774,980.75. The 299,999 new shares issued as part of the offer are ordinary shares, fully assimilated to existing shares and bearing current dividend rights.

As of November 30, 2022, employees held 938,425 *Company shares*, mainly through the various employee share ownership funds of the group Savings Plan, representing 4.34% of the share capital of Kaufman & Broad SA.

3.3.3. Stock option or stock warrant plans – Awards of bonus shares – Awards of stock warrants

The regulations of the various share subscription and purchase option plans set up by the company include provisions allowing their beneficiaries to exercise the options early during the duration of any public offer for the shares of the company and for three months following the change of control and to bring to the offer or sell on the market outside the offer the shares resulting from the exercise of options, even though the applicable tax and social lock-up period would not expire. The sale of the shares before the expiry of the tax and social lock-up period will result in the cancellation of the benefit

of the preferential tax and social security regime applicable to the acquisition gain. As a result, the acquisition gain will be subject to social security contributions and income taxes for the beneficiary and employer contributions for the company.

The terms and conditions of the stock option and free share plans will not be modified due to the change of control or the Offer.

Beneficiaries will be able to freely sell their shares at the end of the applicable tax and social lock-up period.

3.3.3.1. Stock option or stock warrant plans

There are no stock option plans in place within the group.

3.3.3.2. Bonus share plans

Since 3 May 2018, the date on which the Company's Shareholders' Meeting authorised the Board of Directors to grant, on one or more occasions, free ordinary shares of the Company, to be issued or existing, to employees or executive corporate officers of the Company, all plans are subject to the following allocation criteria:

- A condition of presence within the Kaufman & Broad workforce at the date of final allocation by the Board of Directors in relation to the list of beneficiaries of the initial allocations at the end of the vesting period as provided for at the grant by the Board of Directors (a three-year vesting period and a one-year holding period for the executive corporate officers of the company or a two-year vesting period and two-year holding period for the employees of the company and the corporate officer for the universal plan). It is specified, however, that the allocation will be final in advance in the event of the death or disability of a beneficiary corresponding to the classification in the second or third of the categories provided for in Article L. 3414 of the French Social Security or Retirement Code;

- The condition of compliance with a set of quantitative and qualitative performance criteria:

- ✓ For employees assumed according to the position held within the company. These criteria are partly based on performance criteria that have an impact on the group's business and individual criteria linked to the objectives of the position. The employees concerned by these criteria represent approximately 15% of the list of beneficiaries of the initial grants.
- ✓ For the company's executive corporate officers, compliance with a set of quantitative and qualitative performance criteria having an impact on the group's business in the medium term determined by the company for the reference period concerned by the allocation by the Board of Directors, i.e. a three-year vesting period (see details of the criteria in section 3.2.1.3. "group compensation policy" paragraph "The executive officer's compensation policy" (ii) and (iii)).

3.3.3.3. Bonus share plan 2019

The Company's Shareholders' Meeting of 2 May 2019 authorised the Board of Directors to grant, on one or more occasions, free ordinary shares of the Company, to be issued or existing, to employees or executive corporate officers of the Company and of French or foreign companies or economic interest groups related to it under the conditions set out in Article L. 225-197-2 of the French Commercial Code or certain categories thereof, under the conditions defined below:

- The total number of Bonus shares granted may not exceed 250,000 shares, it being specified that the number of shares granted to executive corporate officers may not exceed 50,000 shares;
- The allocation of the shares to their beneficiaries will be definitive either (i) at the end of a vesting period of a minimum of one year, the beneficiaries then having to keep the said shares for a minimum period of one year as from their definitive allocation, or (ii) at the end of a minimum vesting period of two years, and in this case without a

minimum holding period. It is understood that the Board of Directors will have the option to choose between these two possibilities and to use them alternately or concurrently, and may, in the first case, extend the vesting and/or holding period, and in the second case, extend the vesting period and/or set a holding period.

It is specified, however, that the allocation will be final in advance in the event of the death or disability of a beneficiary corresponding to the classification in the second or third of the categories provided for in Article L. 341-4 of the French Social Security Code:

- The definitive allocation of shares to corporate officers must be subject to the achievement of performance conditions defined by the Board of Directors;
- The definitive allocation of shares to employee beneficiaries may be subject to the achievement of performance conditions defined by the Board of Directors;
- The delegation of authority to the Board of Directors is valid for thirty-eight (38) months;

- This authorisation automatically entails the waiver by shareholders of their preferential subscription rights in favour of the beneficiaries of the Bonus shares to be issued.

The Shareholders' Meeting has delegated all powers to the Board of Directors, in accordance with the laws and regulations in force and the provisions of this resolution, to implement this resolution and in particular:

- Set the performance conditions and, where applicable, the criteria for the allocation of shares, draw up the list (s) of beneficiaries of the allocations;
- Set, subject to the minimum period indicated above, the holding period of the shares, bearing in mind that it will be the responsibility of the Board of Directors for the shares that may be allocated to the executive corporate officers referred to in Article L. 225-197-1, II paragraph 4 of the French Commercial Code, either to decide that these shares may not be sold by the interested parties before the termination of their duties or to set the quantity of these shares that they will be required to keep in registered form until the termination of their duties;

3.3.3.4. Bonus share plan 2020

The Company's Shareholders' Meeting of 5 May 2020 authorised the Board of Directors to grant, on one or more occasions, free ordinary shares of the Company, to be issued or existing, to employees or executive corporate officers of the Company and from French or foreign companies or economic interest groups related to it under the conditions set out in Article L. 225-197-2 of the French Commercial Code or certain categories thereof, under the conditions defined below:

- The total number of Bonus shares granted may not exceed 250,000 shares, it being specified that the number of shares granted to executive corporate officers may not exceed 50,000 shares;
- The allocation of the shares to their beneficiaries will be definitive either (i) at the end of a vesting period of a minimum of one year, the beneficiaries then having to keep the said shares for a minimum period of one year as from their definitive allocation, or (ii) at the end of a minimum vesting period of two years, and in this case without a minimum holding period. It is understood that the Board of Directors will have the option to choose between these two possibilities and to use them alternately or concurrently, and may, in the first case, extend the vesting and/or holding period, and in the second case, extend the vesting period and/or set a holding period.

It is specified, however, that the allocation will be final in advance in the event of the death or disability of a beneficiary corresponding to the classification in the second or third of the categories provided for in Article L.3414 of the French Social Security Code:

- The definitive allocation of shares to corporate officers must be subject to the achievement of performance conditions defined by the Board of Directors;
- The definitive allocation of shares to employee beneficiaries may be subject to the achievement of performance conditions defined by the Board of Directors;

- Decide whether, in the event of transactions involving the share capital that take place during the vesting period of the allocated shares, to adjust the number of shares allocated to preserve the rights of the beneficiaries and, in this case, determine the terms of this adjustment;
- Complete all formalities and, in general, do all that is necessary.

This authorisation terminates the authorisation granted to the Board of Directors under the nineteenth resolution of the Shareholders' Meeting of 3 May 2018 to grant Bonus shares to employees and executive corporate officers of the Company. Pursuant to this delegation, the Company's Board of Directors granted 93,217 existing shares to the corporate officer and group employees other than corporate officers on 27 February 2020, representing 0.42% of the Company's share capital, and granted 10,000 existing shares to the corporate officer on 27 February 2020, representing 0.05% of the Company's share capital.

See section 3.3.3.2. "Bonus share plans" for the summary table relating to this bonus share plan.

- The delegation of authority to the Board of Directors is valid for thirty-eight (38) months;
- This authorisation automatically entails the waiver by shareholders of their preferential subscription rights in favour of the beneficiaries of the Bonus shares to be issued.

The Shareholders' Meeting has delegated all powers to the Board of Directors, in accordance with the laws and regulations in force and the provisions of this resolution, to implement this resolution and in particular:

- Set the performance conditions and, where applicable, the criteria for the allocation of shares, draw up the list (s) of beneficiaries of the allocations;
- Set, subject to the minimum period indicated above, the holding period of the shares, bearing in mind that it will be the responsibility of the Board of Directors for the shares that may be allocated to the executive corporate officers referred to in Article L.225-197-1, II paragraph 4 of the French Commercial Code, either to decide that these shares may not be sold by the interested parties before the termination of their duties or to set the quantity of these shares that they will be required to keep in registered form until the termination of their duties;
- Decide whether, in the event of transactions involving the share capital that take place during the vesting period of the allocated shares, to adjust the number of shares allocated to preserve the rights of the beneficiaries and, in this case, determine the terms of this adjustment;
- Complete all formalities and, in general, do all that is necessary.

This authorisation terminates the authorisation granted to the Board of Directors, under the twenty-sixth resolution of the Shareholders' Meeting of 2 May 2019, to grant free Company shares to employees and executive corporate officers.

3.3.3.5. Bonus share plan 2021

The Company's Shareholders' Meeting of 6 May 2021 authorised the Board of Directors to grant, on one or more occasions, free ordinary shares of the Company, to be issued or existing, to employees or executive corporate officers of the Company and from French or foreign companies or economic interest groups related to it under the conditions set out in Article L. 225-197-2 of the French Commercial Code or certain categories thereof, under the conditions defined below:

- The total number of Bonus shares granted may not exceed 250,000 shares, it being specified that the number of shares granted to executive corporate officers may not exceed 50,000 shares;
- The allocation of the shares to their beneficiaries will be definitive either (i) at the end of a vesting period of a minimum of one year, the beneficiaries then having to keep the said shares for a minimum period of one year as from their definitive allocation, or (ii) at the end of a minimum vesting period of two years, and in this case without a minimum holding period. It is understood that the Board of Directors will have the option to choose between these two possibilities and to use them alternately or concurrently, and may, in the first case, extend the vesting and/or holding period, and in the second case, extend the vesting period and/or set a holding period.

It is specified, however, that the allocation will be final in advance in the event of the death or disability of a beneficiary corresponding to the classification in the second or third of the categories provided for in Article L.341-4 of the French Social Security Code:

- The definitive allocation of shares to corporate officers must be subject to the achievement of performance conditions defined by the Board of Directors;
- The definitive allocation of shares to employee beneficiaries may be subject to the achievement of performance conditions defined by the Board of Directors;

3.3.3.6. Bonus share plan 2022

The Company's Shareholders' Meeting of 5 May 2022 authorised the Board of Directors to grant, on one or more occasions, free ordinary shares of the Company, to be issued or existing, to employees or executive corporate officers of the Company and from French or foreign companies or economic interest groups related to it under the conditions set out in Article L. 225-197-2 of the French Commercial Code or certain categories thereof, under the conditions defined below:

- The total number of Bonus shares granted may not exceed 250,000 shares, it being specified that the number of shares granted to executive corporate officers may not exceed 50,000 shares;
- The allocation of the shares to their beneficiaries will be definitive either (i) at the end of a vesting period of a minimum of one year, the beneficiaries then having to keep the said shares for a minimum period of one year as from their definitive allocation, or (ii) at the end of a minimum vesting period of two years, and in this case without a minimum holding period. It is understood that the Board of Directors will have the option to choose between these two possibilities and to use them alternately or concurrently, and may, in the first case, extend the vesting and/or holding period, and in the second case, extend the vesting period and/or set a holding period.

- The delegation of authority to the Board of Directors is valid for thirty-eight (38) months;
- This authorisation automatically entails the waiver by shareholders of their preferential subscription rights in favour of the beneficiaries of the Bonus shares to be issued.

The Shareholders' Meeting has delegated all powers to the Board of Directors, in accordance with the laws and regulations in force and the provisions of this resolution, to implement this resolution and in particular:

- Set the performance conditions and, where applicable, the criteria for the allocation of shares, draw up the list (s) of beneficiaries of the allocations;
- Set, subject to the minimum period indicated above, the holding period of the shares, bearing in mind that it will be the responsibility of the Board of Directors for the shares that may be allocated to the executive corporate officers referred to in Article L.225-197-1, II paragraph 4 of the French Commercial Code, either to decide that these shares may not be sold by the interested parties before the termination of their duties or to set the quantity of these shares that they will be required to keep in registered form until the termination of their duties;
- Decide whether, in the event of transactions involving the share capital that take place during the vesting period of the allocated shares, to adjust the number of shares allocated to preserve the rights of the beneficiaries and, in this case, determine the terms of this adjustment;
- Complete all formalities and, in general, do all that is necessary.

This authorisation terminates the authorisation granted to the Board of Directors, under the thirteenth resolution of the Shareholders' Meeting of 5 May 2020, to grant free Company shares to employees and executive corporate officers.

It is specified, however, that the allocation will be final in advance in the event of the death or disability of a beneficiary corresponding to the classification in the second or third of the categories provided for in Article L.341-4 of the French Social Security Code:

- The definitive allocation of shares to corporate officers must be subject to the achievement of performance conditions defined by the Board of Directors;
- The definitive allocation of shares to employee beneficiaries may be subject to the achievement of performance conditions defined by the Board of Directors;
- The delegation of authority to the Board of Directors is valid for thirty-eight (38) months;
- This authorisation automatically entails the waiver by shareholders of their preferential subscription rights in favour of the beneficiaries of the Bonus shares to be issued.

The Shareholders' Meeting has delegated all powers to the Board of Directors, in accordance with the laws and regulations in force and the provisions of this resolution, to implement this resolution and in particular:

- Set the performance conditions and, where applicable, the criteria for the allocation of shares, draw up the list (s) of beneficiaries of the allocations;

- Set, subject to the minimum period indicated above, the holding period of the shares, bearing in mind that it will be the responsibility of the Board of Directors for the shares that may be allocated to the executive corporate officers referred to in Article L.225-197-1, II paragraph 4 of the French Commercial Code, either to decide that these shares may not be sold by the interested parties before the termination of their duties or to set the quantity of these shares that they will be required to keep in registered form until the termination of their duties;
- Decide whether, in the event of transactions involving the share capital that take place during the vesting period of the allocated shares, to adjust the number of shares allocated to preserve the rights of the beneficiaries and, in this case, determine the terms of this adjustment;

- Complete all formalities and, in general, do all that is necessary.

This authorisation terminates the authorisation granted to the Board of Directors, under the sixteenth resolution of the Shareholders' Meeting of 6 May 2021, to grant free Company shares to employees and executive corporate officers.

3.3.3.7. Summary tables

3.3.3.7.1. Stock option or stock subscription plans

Table 8 AMF Nomenclature

History of grants of stock options

None.

There were no outstanding plans as of November 30, 2022.

3.3.3.7.2. Bonus share allocation plan

Allocation of bonus shares 2019

2019 (2nd grant -2019 Plan)

Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	3 May 2018
Number of Bonus shares granted	138,012
Tranche 1 - Date of Board of Directors' meeting granting shares	21 February 2019
Number of beneficiaries	1
Number of Bonus shares granted on 21 February 2019	10,000
Vesting period, date of transfer of shares	21 February 2022
Holding period	1 year
Starting point for the possibility of resale of shares	21 February 2023
<i>Of which number of shares granted to corporate officers ^(a)</i>	10,000
<i>Of which number of shares vested ^(b)</i>	4,405
<i>Of which number of shares expired ^(c)</i>	5,595

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the medium term determined by the Company for the period 2019-2021, Acquisition period of three years and one year of retention.

(b) At its meeting on 26 January 2022, the Board of Directors, acting on the recommendation of the Compensation and Nomination Committee, decided to grant Nordine Hachemi a total of 4,405 shares as long-term compensation in the form of performance shares (2019-2021 period)

(c) On the date of their transfer to the beneficiaries, 5,595 shares expired.

3 Corporate governance

Incentive programs

Allocation of bonus shares 2020

2020 (1st grant -2019 Plan)

Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	2 May 2019
Number of Bonus shares granted	250,000
Tranche 1 - Date of Board of Directors' meeting granting shares	27 February 2020
Number of beneficiaries	883
Number of Bonus shares granted on 27 February 2020	93,217
Vesting period, date of transfer of shares	27 February 2022
Holding period	2 years
Starting point for the possibility of resale of shares	27 February 2024
Of which number of shares granted to corporate officers ^(a)	15,000
Of which number of shares vested	61,399
Of which number of shares expired ^(b)	31,818

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the short-term (fiscal year) and in the medium-term determined by the Company for fiscal year 2020, Acquisition period of three years and one year of retention.

(b) On the date of their transfer to the beneficiaries, 31,818 shares expired.

Allocation of bonus shares 2020

2020 (2nd grant -2020 Plan)

Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	2 May 2019
Number of Bonus shares granted	156,783
Tranche 1 - Date of Board of Directors' meeting granting shares	27 February 2020
Number of beneficiaries	1
Number of Bonus shares granted on 27 February 2020	10,000
Vesting period, date of transfer of shares	27 February 2023
Holding period	1 year
Starting point for the possibility of resale of shares	27 February 2024
Of which number of shares granted to corporate officers ^(a)	10,000
Of which number of shares vested	5,750
Of which number of shares expired ^(b)	4,250

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the medium term determined by the Company for the period 2020-2022, Acquisition period of three years and one year of retention.

(b) On the date of their transfer to the beneficiaries, 4,250 shares expired.

Allocation of bonus shares 2021

2021 (1st grant -2021 Plan)

Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	5 May 2020
Number of Bonus shares granted	250,000
Tranche 1 - Date of Board of Directors' meeting granting shares	26 February 2021
Number of beneficiaries	779
Number of Bonus shares granted on 26 February 2021	103,649
Vesting period, date of transfer of shares	26 February 2023
Holding period	2 years
Starting point for the possibility of resale of shares	26 February 2025
<i>Of which number of shares granted to corporate officers ^(a)</i>	15,000
<i>Of which number of shares vested</i>	83,984
<i>Of which number of shares expired ^(b)</i>	19,665

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the short-term (fiscal year) and in the medium-term determined by the Company for fiscal year 2020, Acquisition period of three years and one year of retention.

(b) They were 7,505 shares as of November 30, 2022.

Allocation of bonus shares 2021

2021 (2nd grant -2021 Plan)

Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	5 May 2020
Number of Bonus shares granted	146,351
Tranche 1 - Date of Board of Directors' meeting granting shares	26 February 2021
Number of beneficiaries	1
Number of Bonus shares granted on 26 February 2021	10,000
Vesting period, date of transfer of shares	26 February 2024
Holding period	1 year
Starting point for the possibility of resale of shares	26 February 2025
<i>Of which number of shares granted to corporate officers ^(a)</i>	10,000
<i>Of which number of shares vested</i>	-
<i>Of which number of shares expired ^(b)</i>	0

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the medium term determined by the Company for the period 2021-2023, Acquisition period of three years and one year of retention.

(b) None had expired as of November 30, 2022.

3 Corporate governance

Incentive programs

Allocation of bonus shares 2022

2022 (1st grant -2022 Plan)

Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	6 May 2021
Number of Bonus shares granted	250,000
Tranche 1 - Date of Board of Directors' meeting granting shares	25 February 2022
Number of beneficiaries	814
Number of Bonus shares granted on 25 February 2022	131,553
Vesting period, date of transfer of shares	25 February 2024
Holding period	2 years
Starting point for the possibility of resale of shares	25 February 2026
Of which number of shares granted to corporate officers ^(a)	15,000
Of which number of shares vested	-
Of which number of shares expired ^(b)	22,696

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the short-term (fiscal year) and in the medium-term determined by the Company for fiscal year 2020, Acquisition period of three years and one year of retention.

(b) They were 14,913 shares as of November 30, 2022.

Allocation of bonus shares 2022

2022 (2nd grant -2022 Plan)

Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	6 May 2021
Number of Bonus shares granted	118,447
Tranche 1 - Date of Board of Directors' meeting granting shares	25 February 2022
Number of beneficiaries	1
Number of Bonus shares granted on 25 February 2022	10,000
Vesting period, date of transfer of shares	25 February 2025
Holding period	1 year
Starting point for the possibility of resale of shares	25 February 2026
Of which number of shares granted to corporate officers ^(a)	10,000
Of which number of shares vested	-
Of which number of shares expired ^(b)	0

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the medium term determined by the Company for the period 2022-2025, Acquisition period of three years and one year of retention.

(b) None had expired as of November 30, 2022.

3.4. Statutory Auditors' special report on related party agreements

Shareholders' Meeting convened to approve the financial statements for the year ended November 30, 2022

To the Annual General Meeting of Kaufman & Broad SA,

This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

It is our responsibility to inform you, based on the information provided to us, of the terms and conditions of those agreements that have been disclosed to us or that we may have discovered in the course of our engagement, as well as the reasons justifying why they are in the Company's interest. It is not our responsibility to comment as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to determine whether the agreements are appropriate and should be approved.

In addition, it is our responsibility, where applicable, to provide you with the information provided for in Article R. 225-31 of the French Commercial Code relating to the implementation, during the past financial year, of the agreements already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements.

Agreements submitted for approval by the Annual General Meeting

We hereby inform you that we have not been advised of any agreement authorised and entered into during the year to be submitted for the approval of the Shareholders' Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the Annual General Meeting

We hereby inform you that we have not been advised of any agreement already approved by the Shareholders' Meeting that remained in force during the year.

Paris La Défense, 17 March 2023

The Auditors

KPMG SA
Xavier Fournet

Ernst & YOUNG Audit
Denis Thibon



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4 Risk factors

Risk factors

4.1. Risk factors

The following table sets out the risks and uncertainties incurred by the group that may have a material adverse effect on its business, results, financial position and outlook. The occurrence of all or part of these risks could, in particular, lead to significant deviations from forward-looking and other quantitative data included in the documents filed by the group with the AMF or its other written or verbal communications. The following list of risks is not exhaustive because other risks unknown to date could occur in the future and other risks may already exist whose effects are not currently considered to have a material adverse impact on the group's business, results, financial position and results.

This chapter presents the main risks that could, as of the date of this universal registration document, affect the group's activity, financial position, reputation, results or outlook, as identified in the context of the update of the mapping of the group's major risks, carried out in 2022 according to the evolution of the dedicated indicators, which assesses their criticality, ie their severity and probability of

occurrence, after taking into account the action plans put in place. The group's risk mapping is updated every year, either based on a complete update exercise using interviews, as in 2022 for the 2023 financial year, or based on changes in the relevant indicators defined during the process to adjust the weighting of major risks. Within each of the risk categories mentioned below, the risk factors that the Company considers, as of the date of this universal registration document, to be the most important are mentioned first.

The risks listed below, as of the date of this universal registration document, are those that the company considers to be specific to the group, and the realization of which could have a significant negative net impact on the group, its activities, its financial position, its results or its ability to achieve its objectives. The order of importance in which these risk factors are presented by the company could be modified at any time, in particular, due to the occurrence of new external or specific events of which it is aware.

Risks related to the group's business sector	<ul style="list-style-type: none"> • Risks related to the economic environment * • Risks related to competition in the real estate development sector • Risks related to joint development • Risks related to bank guarantees in the context of revenues in the future state of completion
Risks related to the group's activities	<ul style="list-style-type: none"> • Risks related to the land market * • Risks related to construction costs * • Risks related to relations with suppliers ^{CSR} * • Risks related to the group's development strategy * • Risks related to the reputation group's ^{CSR} • Risks related to the management of programs ^{CSR} • Risks related to major projects • Risks related to contracts with public entities • Risks related to pollution ^{CSR} • Risks related to climate conditions ^{CSR} • Risks related to It systems • Risks related to acquisitions • Risks related to attempted fraud, fraud and corruption • Risks related to insurance coverage
Risks related to the company	<ul style="list-style-type: none"> • Risks related to dependence on managers ^{CSR*} • Risks related to human resources risks ^{CSR*} • Risks related to the company's debt • Risks related to restrictive clauses of financing contracts
Market risks	<ul style="list-style-type: none"> • Risks related to Interest rate *
Legal risks	<ul style="list-style-type: none"> • Risks related to regulations directly applicable to the group ^{CSR} * • Risks related to tax systems that may affect the new housing market and changes in tax regulations • Risks related to litigation • Risks related to off balance sheet commitments • Risks related to the protection of personal data

* Risks considered to be the most important in the category.

^{CSR} Risk factors presented in the CSR risk assessment table.

Impact of the chain of numerous shocks since 2020 on risk factors specific to the group

The company believes that recent crises that have or continue to affect the global economy (COVID-19 health crisis, the Russian-Ukrainian conflict or the sudden rise in inflation, etc.), although not specific to the group, could, to a certain extent, reinforce certain risks or families of risks specific to the group such as risks related to construction costs, risks related to relations with suppliers, caused by a deterioration of the global economic situation and its repercussions on the French economy and could also impact the risks related to the company's indebtedness.

For several quarters, the global economy has been facing persistent difficulties, economic activity in all countries has slowed and inflation has become widespread. This situation, after almost two years of a pandemic, was followed by an energy crisis as a result of the Russian-Ukrainian conflict; which led major central banks to tighten their monetary policies, while most governments took fiscal measures to limit price increases and/or support income. Global commodity and energy prices declined overall in the second half of 2022, but remained high and resulted in inflation rising steadily in 2022, reflecting both the lower growth outlook on the one hand and the persistence of supply pressures on the other.

4.1.1. Risks related to the group's business sector

4.1.1.1. Risks related to the economic environment *

The new real estate market in France in which the group operates remains strongly influenced by the general economic context in which it operates. The evolution of key macroeconomic indicators, such as economic growth, interest rate levels, as well as, for new housing, the unemployment rate and household confidence (described in section 1.3. "Essential characteristics of the business") are all variables that can influence real estate development activity.

In France, the economic signals are mixed, as they suggest an industrial decline and therefore a moderate decline in economic activity at the end of 2022, before a gradual rebound is expected, especially in spring 2023. Indeed, since mid-2022, economic indicators, although relatively stable, show a marked divergence between French companies and households. For companies, the business climate remains slightly above its long-term average, and the employment situation is even more significantly above its known averages in recent years. As for households, confidence in the economic situation remains depressed, in particular in relation to the level of inflation, both real and perceived. Macroeconomic indicators also appear almost stable, whether quarterly growth or the annual shift in consumer prices (which has fluctuated around 6% since the summer of 2022), but the contribution of food is now ahead of that of energy. Inflation as measured by the Harmonised Index of Consumer Prices (HICP) has continued to rise in recent months, reaching 7.1% in November. The tensions on commodity prices that emerged during the post-COVID recovery in 2021 were amplified by the war in Ukraine in 2022, fuelling a historically high rise in energy prices.

In total, annual gross domestic product (GDP) in France increased by 2.6% between 2021 and 2022, a figure that is mainly the result of the rebound in activity in mid-2021, after the health crisis. Quarterly, GDP grew slowly in 2022 (at +0.15% on average per quarter), in an international context marked by an accumulation of shocks (complex management of the COVID-19 pandemic in China, war in Ukraine) and the very high level of inflation. In 2022, inflation expanded to include a large number of goods and services. The combination of tensions on production conditions gradually passed on to consumer prices. In particular, because of food (+13% year on year in January 2023), which has taken an increasingly important part in this annual shift in the overall price index (with a plateau of around 6% since mid-2022). Taking into account the assumption of a barrel of Brent at €80, inflation may remain around 6% in February 2023 with the 15% increase in the regulated electricity tariff. Then, in the coming months, and unless new events occur, two effects could be associated: On the one hand, the continued spread of past shocks, and on the other hand, moderation factors such as a gradual normalisation of global supplies. As a result, inflation is expected to

peak in the first half of 2023, before falling back to 2% in the annual index towards the end of 2024 and for 2025.

Unemployment seems to remain at a persistently low level, compared to recent decades, below 8%. The ILO unemployment rate remained virtually stable compared to the previous quarter: -0.1 point, to 7.3% of the working population. It has fluctuated between 7.3% and 7.4% since the fourth quarter of 2021. In the fourth quarter of 2022, the workforce would continue to grow steadily, before slowing down significantly in the first half of 2023. Given the expected slowdown in employment, the unemployment rate would remain at around 7.3% of the working population until mid-2023. Despite the sustained increase in nominal wages per capita, given high inflation, the purchasing power per capita of households fell slightly in 2022 (-0.6%), which should also continue in 2023 (-0.4%), compared to its sharp increase of 2021 (+2.0%).

Household investment in real estate, fueled in particular by the historically low level of interest rates, after having rebounded strongly in 2021 mainly by the savings surplus resulting from the period of the COVID-19 pandemic, experienced a sharp slowdown in 2022. The expected decline is expected to be more than 15%, or around 100,000 orders in volume compared to nearly 120,000 in 2021, level from 2010 to 2015 (post-financial crisis). After having been hampered by the difficulty of obtaining building permits, the pace of which is still slow (despite a recovery observed at the end of 2021), it was mainly the rapid rise in interest rates during 2022 that contributed to the decline in new housing orders in the second half of 2022. Interest rates continued to rise gradually in December, with an effective rate (i.e. excluding expenses and insurance, of 2.05% on average). Growth in outstanding home loans slowed but remained significant. In December 2022, new home loans amounted to 15.0 billion euros (after 18.2 billion euros in November 2022). Over the year, production excluding renegotiations reached 218 billion euros, down 3.0% compared to 2021 (225 billion euros), which remains a year outside standards for home loans. But there were two phases to the development of credit production: An exceptionally dynamic first half benefiting from still very low rates, with average monthly production of 19.7 billion euros (compared to 18.4 billion euros on average for 2021) followed by a second half of normalization during which average monthly production decreased to 16.7 billion euros. Compared to the other major countries in the euro area, all of which see a slowdown and a stronger rise in home loans, it appears in France the most abundant and cheapest in Europe.

4 Risk factors

Risk factors

As of the date of this universal registration document, there are significant uncertainties in France that could adversely affect growth prospects in 2023:

- The decline in average household purchasing power, albeit limited in 2022, is also expected to continue in 2023, and would not increase again until 2024-2025;
- Demand for housing, whether from individuals or institutional investors, although still present has fallen sharply in 2022, should now stagnate. It is expected to be affected by the loss of purchasing power, as well as by higher construction costs, including difficulties in the supply of materials, structural difficulties in recruitment in the construction sector and the gradual normalization of financing conditions. The household investment rate, after its high point in early 2022, would gradually return to a level close to that of before the COVID crisis only by 2025;
- The high volatility of raw material prices, both upwards and downwards, whose cyclical nature is difficult to anticipate. Difficulties in international value chains and upward pressures on non-food commodity prices have begun to ease, but their levels remain generally high;
- The uncertainty surrounding the inflation outlook remains high. In the short-term, the peak in inflation that was expected for the end of 2022 could continue in the first half of 2023, once the peak of tensions on commodity prices and energy supply and prices in production has passed. In the medium-term, the path of inflation will depend on the transmission of price increases to wages, and vice versa;
- The social movements that could materialize, particularly reinforced in France by the pension reform currently under discussion in the National Assembly and exacerbated in a context of tensions on the price of oil, sharp increases in energy prices and food prices;
- Climate issues and their consequences (particularly in terms of regulation, following a particularly alarming climate in 2022) on the global economic model;
- The sharp deterioration of the international environment (in particular the situation of trade relations between the United States and China that is still deteriorating and Europe as well as the continuation of the Russian-Ukrainian conflict and its threat of aggravation) but also the resurgence of protectionism of the major world economies;
- The fiscal challenges of Member States related to the consequences of the amplification of country debt despite the end of COVID-19 support measures, as a result of the continuation of stimulus measures and those taken to protect the economy against inflation.

In the case of new housing, customers choose to purchase a property based on their acquisition capacity at the time of purchase but also on their confidence in their ability to meet their future obligations, particularly related to the financing terms of the proposed purchase. The acquisition of a home is a major investment that affects the situation of buyers for years. In the current context, the factors described above give rise to uncertainties regarding growth and employment prospects, household confidence could be significantly and sustainably affected, which could in particular result in the postponement or even the abandonment of real estate acquisition projects.

While the need for housing remains one of the main factors in purchase intentions, the lack of means and the difficulty of financing remain significant constraints. This capacity is based less on the purchasing power of households, whose incomes have stagnated for several years, than on their ability to borrow. For companies, the ability to obtain financing in an uncertain environment, but also the profitability prospects that the company could obtain by operating

this real estate if necessary, are also important factors in the choice of acquiring real estate.

Demand for real estate assets sold by the group also depends directly on the ability and willingness of financial institutions to offer loans in sufficient quantities to enable potential buyers to finance the acquisition of these assets. The terms of the loans, namely their maturity, their interest rate and their terms of grant (level of personal contribution, guarantees requested, etc.) as well as the rate of economic inflation, are likely to have a direct impact on the level of demand for goods on the market. The group's operating income could therefore be significantly impacted if this demand were to decline, particularly because of the difficulties encountered by potential buyers in financing their purchase.

The group's business is seasonal (as described in section 1.3.1.6 "Cyclical nature and seasonality"). Historically, activity (particularly the number of orders, land purchases and revenues) is generally higher in the second and fourth quarters, particularly in the Commercial property sector, which is strongly linked to the commercial sector, generally leading to a fluctuation in revenues during these periods, which could have a significant impact on its results. Unforeseeable events in the last months of the year may significantly affect the group's level of activity and results.

The main features of the macroeconomic environment in which the group developed its business in 2022 are described in section 2.1.1. "Significant data."

Finally, the main assumptions used by the group with regard to factors that could positively or negatively influence its activity for 2023 are presented in section 2.6. "Recent developments and future prospects."

For several years, the group has benefited from a favourable environment characterised by low real estate lending rates for its Housing business and relatively long loan terms; in 20 years, interest rates on home loans ⁽¹⁾ rose from 4.89% (January 03) to 1.91% in November 2022 compared to 1.12% at a one-year interval; At the same time, the average duration ⁽²⁾ over the same period increased from 15.4 years (Dec. 2003) on average to 21.6 years in December 2022, an extension of more than 6 years in nearly two decades compared to two additional years in the last 15 years (Q4 2007). This lengthening made it possible to absorb the consequences of the continued rise in housing prices and, often, to contain the effort rate below the 33% threshold. And last December, the average duration was the highest level seen so far. Despite these favourable conditions for new housing activity, new loan production in the early 2010's increased by 35% (June. 2010). However, since the sharp rise in interest rates and the tightening of lending conditions in recent years, new loan originations have fallen sharply by 40%, from 31.7 billion euros (June 2021) to 19.7 billion euros in December 2022. The rise in real estate lending rates induced by that of the main key rates, driven by the main central banks to tighten their monetary policies to cope with inflationary pressures since mid-2021, should continue in the coming months, or even years. Therefore, it seems likely that in an already very competitive market context between banks present in the field of real estate financing, a market where supply remains low and given the historically low levels achieved in the last five years, could therefore result in a lasting rise in real estate lending rates

(1) Source: Banque de France - New home loans to households, annual interest rate (excluding renegotiation)

(2) Source: Banque de France - "Average term of home loans excluding purchases and renegotiations to individuals."

In addition, in real estate, selling prices are dependent on the rates of return expected by investors, who themselves depend on changes in long-term interest rates. A rise in long-term interest rates would probably lead to an increase in the rates of return requested by investors and thus downward pressure on revenues prices; such a change could lead the group to abandon or postpone certain Commercial property projects, thus negatively affecting its development.

For Kaufman & Broad, the new housing market is based on two main axes: Homeownership and rental investment, the latter being split between institutional and individual investors. These priorities continue to be supported by the various tax systems that have followed one another for several years; whether they are intended for the first buyers through the "Zero Plus Rate Loan," or for private investors thanks to the various tax advantages offered to them (Scellier, CensiBouvard, Duflot in 2013-2014 and Pinel since September 2014 and renewed in 2018 for four years; Lastly, Article 168 of the 2021 Finance Act extends the Pinel system until 31 December 2022. It is renewed for 2023 and 2024, with declining tax rates).

Any factor adversely affecting the real estate market could have a material adverse effect on the group's activities. In particular, these factors may reduce the demand for houses and apartments or increase the time taken to build them or the associated costs. A decline in demand could reduce the group's ability to find buyers for the part of the real estate program that was not pre-sold before the acquisition of the land and the start of construction work. It is also possible that the group may not be able to pass on the increases in construction costs to its selling prices, either due to an economic recession or because house prices have been set several months ahead of their delivery pursuant to the terms of the sale contracts on completion. In addition, the group's outstanding orders (which include revenues related to goods not yet delivered and for which no notarized deed has yet been signed) are likely to contract if real estate prices decline in France sustainably. Finally, a decline in demand or an increase in construction times may postpone the recognition of profits made in the context of a real estate program due to the revenue recognition method applied by the company (see section 2.2.2. "Origins of net income" - paragraph "Revenue"). The group's inability to anticipate or adapt to changes in these factors could significantly affect its business, results, financial position and outlook.

In this context, the group has for several years begun to diversify its offering towards products where its know-how in housing development can be transferred, such as residential services (tourism, students, business and non-medical seniors) and the

commercial sector to reduce its exposure to cyclical changes in new housing in France.

Such diversification could nevertheless increase the cancellation rate of orders, change the pace of recognition of the group's revenues or affect its gross margin. For example, the application of the percentage of completion method to commercial property programs results in less progressive income generation than can be observed for the Housing business. This effect is due to two main factors:

- First, the pre-marketing rate: The group generally enters into a Commercial property program only when the program is fully pre-marketed (see section 1.4.4. "Marketing method"); whereas for housing programs, the group's commitment generally occurs after reaching a pre-marketing rate of 50% compared to 100% for Commercial property;
- Second, the proportion of real estate costs in Commercial property is higher than in the housing segment, as these lands are generally located near the city centres where they are acquired at a higher price per square meter.

As a result of these various factors, revenue and income recognition is faster in Commercial property programs than in Housing. This product mix effect can create distortions in the analysis of changes in activity from one year to the next. In addition, the gross margins of Commercial property programs are generally lower than those recorded for Housing. As a result, over a given period, the group's gross margin may be impacted by the product mix between Commercial property and Housing, being noted, however, that the impact of this mix on the group's overall profitability remains limited given lower structural costs in the Commercial property activity. Finally, orders relating to units from managed residences, excluding block revenues, are more likely to be cancelled than those of the Housing business. Indeed, there is greater volatility of investors according to the profitability offered. In addition, in cases where specialised networks of third-party revenues agents are used to solicit new investors, the revenues methods of these agents may not generate the same level of customer loyalty as that resulting from the group's internal methods.

4 Risk factors

Risk factors

4.1.1.2. Risks related to competition in the real estate development sector

The development builder business is highly competitive. Competition is exercised in terms of land acquisition, product selling prices and access to subcontractors. It is carried out by national and regional developers (see section 1.3.1.4. "Main market players"). The market for the resale of houses and apartments is also a source of additional competition.

The conditions of the competition that the group encounters may in particular:

- Make it difficult to acquire suitable land that meets its land acquisition criteria (see paragraph 4.1.2.1 "Risks related to the land market" of this universal registration document);

- Slow down the construction of its facilities due to a lack of subcontractors;
- Reduce its revenues and/or profit margins;
- Bring Kaufman & Broad to offer or increase price discounts;
- Reduce home revenues or increase the rate of withdrawal of buyers.

Each of these factors can have a significant negative impact on results, increase costs and/or hinder the growth of the group's activities. If the group were not able to deal effectively with this competition, it could lose market share and its profitability could be affected.

4.1.1.3. Risks related to joint development

Certain real estate programs are developed by the group based on a shareholding and current account of partners outside Kaufman & Broad. Due in particular to the economic and financial situation, certain partners of the group associated in co-development transactions may fail during the completion of the real estate program and may not be able to honour their commitments, leading the company to meet the cash requirements generated by the real estate programs concerned. When the group considers that the financial position of its partners is weakened, a provision for risks is

recognised in the company's financial statements. As such, the total amount of provisions for risks amounts to 8.2 million euros in the group's consolidated financial statements for the year ended November 30, 2022, compared with 8.7 million euros at the end of 2021 (see 6.1.5. "Notes to the financial statements," Note 8.1 "Provisions," paragraph "Provisions for associated risks"). However, these provisions may be insufficient to cover the default of its partners.

4.1.1.4. Risks related to bank guarantees in the context of Future Completion revenues

For its real estate programs, the group uses the extrinsic guarantee system to provide the customer with the financial completion guarantee required by the regulations in force. The group obtains guarantees, on a transaction-by-transaction basis, from financial institutions or certain insurance companies (see section 1.5.4 "program financing"). The effective implementation of these bank guarantees could represent a significant financial expense for the group. As of November 30, 2022, the amount of financial completion guarantees and fixed asset indemnities given by the group or by its banking institutions in the form of guarantees amounted to 415 million euros compared to 409 million euros as of November 30, 2021 (see 6.1.5. "Notes to the financial statements," Note 8.3 "Guarantees granted"). In addition, an increase in the number of claims for these guarantees could lead to an increase in the cost of

these guarantees for the group and/or adversely affect its ability to obtain new bank guarantees in the future, which could have a significant adverse effect on the group's ability to finance its projects. In addition, a significant deterioration affecting the real estate market, such as a financial crisis, could result in a decrease in the number of financial institutions likely or willing to grant such guarantees to the group and/or an increase in the cost of these guarantees and/or additional constraints imposed on the group. Difficulties for the group in obtaining such extrinsic guarantees could limit its ability to pass revenues on to completion in the sheltered housing sector and could have a significant adverse effect on the group's business and results. Finally, the group may be exposed to counterparty risk in the event of default by a bank that has granted these bank guarantees.

4.1.2. Risks related to the group's activities

4.1.2.1. Risks related to the land market *

The continuation of the group's business is subject to the availability of land of sufficient quality and size to be able to develop Single-family homes in communities or Apartments programs, as well as the group's ability to identify and acquire this land. The increase in competition (driven in particular by the current practice of auctions during land revenues, particularly when these are sold by a public authority, and resulting in a sharp increase in the cost of land) (see also paragraph 4.1.1.2 "Risks related to competition in the real

estate development sector" of this universal registration document) and the scarcity of land on sale in certain sectors that may meet the standards set by the group could have a significant adverse effect on the group's development and its ability to achieve its objectives (see chapter 5.1.3.5. "Integrate the preservation of biodiversity into the group's strategy" of the "Non-Financial Performance Statement: Kaufman & Broad's social, environmental and societal responsibility" in section 5.1 of this document).

4.1.2.2. Risks related to construction costs *

- As a developer builder, Kaufman & Broad entrusts the construction work to third-party companies belonging to different state bodies and in this context is exposed to risks inherent in anticipating its construction costs. To better understand these, the group has a "controlled" process in the conduct of its activities, which is used to validate the strategic and financial relevance prior to the commitment to a real estate project (see section 1.5. Operations). Despite the existence of these decision-making processes, the group may, however, face additional costs related to unexpected technical constraints, exceptional weather conditions resulting in a delay in the completion of work, a loss during construction or the failure of a subcontractor. These unexpected events could have a significant adverse impact on the financial balance of the transaction.
- In addition, the group notes that during periods of pressure on real estate prices, there is a tendency to pass on increases to construction costs. This could appear due to the lack of availability of companies and the growth of their own expenses (increase in the cost of materials and increasingly stringent regulatory standards, particularly in terms of safety and the environment). Thus, when economic conditions improve, demand for subcontractors increases, which may result in higher prices for their services impacting the construction costs of developers. This price increase is

generally observed from 12 to 18 months after the first signs of improvement in economic conditions; conversely, when economic conditions deteriorate and demand slows, prices fall according to the same mechanism, generally in the same period from 12 to 18 months. In addition, significant changes in the prices of raw materials (mainly concrete, steel and cement) used in the construction of buildings sold by the group could have a significant impact on the group's construction costs.

- In the last five years, the index of production prices for new housing construction has increased by 21.2% (between Q3 2017 and Q⁽¹⁾3 2022) with an acceleration over the last three years, whose average rate is 5.0% (average annual growth rate). Year-on-year growth was 9.4% (Q3 2022 vs. Q3 2021). In twenty years, production prices for new housing construction have increased by 60.1% (between Q3 2002 and Q3 2022), ⁽²⁾an average annual increase of 2.3%. This rise in construction costs could have a significant discordant impact on the group's margin if the company could not pass it on, even partially, to its selling prices. Furthermore, the concentration or reduction in the number of companies trading within this segment may entail, besides a possibility of reduced choice, an increase in prices and lesser control over the quality of produced works.

4.1.2.3. Risks related to relations with suppliers *CSR* *

As the group's business is based on a multitude of companies and suppliers, the financial difficulties, or even the cessation of payments, of some of these companies or some of these suppliers (in the event of receivership or liquidation) could have significant adverse consequences on its activity and in particular slow down its projects or increase its costs. The group's difficulty in finding suppliers that are available and efficient in terms of CSR and able to meet the specifications could also have an impact on the quality of the group's buildings and commitments, particularly in the context of obtaining certifications or labels. It could also adversely impact the smooth running of collateral claims (see section 4.2.3.

"Insurance"). Similarly, the group may suffer adverse consequences, particularly in terms of image, in the event of breaches or infringements committed by its suppliers and subcontractors.

The same risk of failure from one of the group's partners is present when the group undertakes co-promotion operations.

In addition, in the current context of the ongoing COVID-19 epidemic, a possible deterioration in the health situation that would require a further strengthening of current traffic restrictions or a total lockdown could lead to a new shutdown, total or partial, of ongoing construction sites, which could have significant adverse consequences for the group's activity.

4.1.2.4. Risks related to the group's development strategy *

The success of the group's development strategy depends in particular on its ability to best meet the needs of its customers (type of housing, Retail areas delivery or processing time), by implementing appropriate commercial practices, in a highly competitive environment (see paragraph 4.1.1.2 "Risks related to competition in the real estate development sector"). The group must also be able to mobilise the necessary skills internally to anticipate changes in the competitive, legal, tax and technical environment and offer its customers innovative solutions and products.

The group's inability to implement a commercial policy and organization adapted to the changing needs of its customers could lead to a loss of customers and markets or force the group to make commercial discounts, which would negatively impact its financial profitability. In addition, an inadequate or inadequate development and innovation strategy and a lack of knowledge of the legal and

technical structure specific to the new products that the group would like to develop, due in particular to difficulties in recruiting innovative or necessary profiles for innovation, an insufficient level of digitalization or inadequate operational reporting, could lead to the loss of development opportunities and market share.

Finally, the execution of the group's development strategy requires the pooling of resources and know-how within the group to seize development opportunities and implement the most appropriate responses to the needs of its customers. As a result, a lack of synergies between agencies and regions within the group, cross-functional training involving several teams or even a silo operation that is too decentralized could lead to a loss of the technical know-how of the teams, their ability to innovate and the privileged relations put in place at the local level by the group, which could undermine the implementation of the group's development strategy.

(1) Source: INSEE - Cost and price indices in construction (Quarterly data from Q4 2000 to Q3 2022 base 100 - 2015)

(2) Source: INSEE - Cost and price indices in construction (Quarterly data from Q4 2000 to Q3 2022 base 100 - 2015).

4 Risk factors

Risk factors

4.1.2.5. Risks related to the reputation group's ^{CSR}

The group markets different product ranges under the unique brand Kaufman & Broad. In recent years, the group has diversified the range of products marketed under this brand, particularly in response to difficult macroeconomic conditions that have changed customer behaviour. As a result, the group's offering now extends from low-income housing to high-end housing; in addition, the commercial offering includes a growing share of Commercial property and managed products. This heterogeneity of the offer could be a source of confusion for the customer and thus alter the brand image that the group wishes to convey. In addition, given the increase in the number and diversity of its customers and/or prospects (individuals, businesses and private and institutional investors, local authorities), the group is exposed to image and reputational risk in the event of a serious failure, whether proven or not, in the quality of the services provided and/or received.

In addition, the group's agencies can organise, to a certain extent and independently, their own advertising campaigns and marketing operations in addition to national campaigns, and could therefore convey an image that would not correspond to the group's strategy, despite the existence of a common national graphic charter. In addition, in the event of a serious, real or alleged failure in the quality of the services the group provides, the group would be exposed to reputational and image risk.

Finally, the development of social media, blogs and discussion forums contributes to the development of image risk for the part belonging to the public and more specifically to e-reputation.

4.1.2.6. Risks related to the management of programs ^{CSR}

The group's programs may not generate the estimated commercial and financial results at the time of the commitment decision as reflected in the forecast budget at completion. Given the number of factors that may affect the cost structure and profitability of the programs compared to initial estimates, difficulties in implementing appropriate management control procedures to identify and correct possible budget variations could lead to significant additional costs or underperformance of certain group programs. Even if the group undertakes to develop a real estate program only under certain conditions, in particular the achievement of a pre-market rate of around 50% (see section 1.5.3. "Land development and construction monitoring"), there can be no guarantee that the remaining portion of unreserved lots will be sold on favourable terms, or sold at all, particularly in the context of the current health crisis, the economic consequences of which, in particular on household confidence, could lead to the postponement or even the abandonment of real estate acquisition projects.

There can be no further assurance that the group's budget and financial modelling tools will be able to anticipate any fall in demand or cost increases early enough to allow the group to cancel programs that may not be profitable. In the event of an inability to accurately anticipate these uncertainties and thus contain their costs, among other things an increase in materials or energy costs, the group's results could be significantly degraded (see chapter 5.1.3.2. "Mitigation of climate change," in particular in the paragraph "Risk management regarding the group's ability to adapt and anticipate the impacts of climate change").

4.1.2.7. Risks related to major projects

To continue the growth of its activities, the group intends to continue the development of major projects, in particular urban projects (such as the project to redevelop the Austerlitz district in Paris, in which Kaufman & Broad announced on 29 January 2021 that it had obtained the building permit for approximately 50,000 sq.m of office space, which was the subject of various cancellation proceedings, see section 2.1.1 "Significant data" in the paragraph "Significant events over the period" whose outcome was favourable for the group with the definitive allocation of the building permit. After the 2022 financial year, Kaufman & Broad announced that it had completed the acquisition of all the building volumes of the A7/A8 - Austerlitz Train Station transaction and that it had signed the contracts necessary for the completion of the project (see section 2.5 "Subsequent events" of this universal registration document), which is one of the pillars of its development strategy.

In addition, since the end of 2019, the group has created a structure dedicated to the development of major urban projects and the rehabilitation of industrial wasteland, for which the group currently has a reservoir of around 700,000 sq.m under study in the medium term.

The scale of this type of transaction, which is very significant, increases the risks traditionally associated with property

development operations, particularly in financial terms, image or even technical complexity. These operations may also cause increased difficulties in finding suppliers because of their importance and complexity, or lead to an increase in the time required to obtain a building permit and cumbersome and complex administrative procedures. Significant financial penalties could also be applied to the group in the event of delays in the work, including for external causes (such as the COVID-19 pandemic, in which most of the group's worksites were thus shut down, in whole or in part, over the period from mid-March to April 2020, (see the introductory paragraph of chapter 4.1 "Risk factors" of this universal registration document).

The occurrence of such events could affect the execution of these major projects and therefore the implementation of the group's development strategy.

In addition, these major projects may result in peaks in activity, then in a significant increase in revenue and financial results over a financial year, which would not be renewed in subsequent years, which may then imply significant variations in the group's revenue and results, upwards or downwards. As a result, comparisons of the group's results from one period to another are not necessarily representative of the trend in the group's future results.

4.1.2.8. Risks related to contracts with public entities

In the course of its business, Kaufman & Broad may enter into contracts with public entities, such as the acquisition of land or the carrying out of real estate development transactions. The complexity of regulations inherent in contracts with public entities could require the company to incur additional costs justified by compliance with specific constraints. In addition, the granting of contracts by public persons in favour of the group could give rise to appeals or even cancellations, in particular in cases where said public persons have

not complied with the European or national regulations governing the granting of such public contracts, in which case the financial situation of the group could be adversely affected. In addition, as the collection periods for receivables held by public entities are generally longer than those for private entities, the group's cash position could be affected. Finally, the steps and other technical achievements that may be imposed on the group by public entities could reduce the profitability of the real estate programs concerned.

4.1.2.9. Risks related to pollution ^{CSR}

Prior to any acquisition of land or buildings, the group generally carries out, through specialist firms, a study on the quality and pollution of soil, basements and existing buildings, on the land history of the site and a search for asbestos and lead for buildings to be renovated or restructured.

In addition, the group requires ceding companies to disclose all environmental risks of which they are aware. Despite these practices, there is no guarantee that the group will be able to avoid all significant risks relating to the disposal of toxic waste, the rehabilitation and monitoring of sites and other environmental issues that may affect the property of which it is or has been owner.

No estimate of these contingent liabilities can be made, even if the group can, if necessary, and after performing appropriate due diligence, acquire real property requiring moderate restoration costs. In such cases, the group takes, prior to the acquisition, measures allowing it to surround itself with guarantees as to the exact scope of the necessary work and the importance of the costs related to the elimination, restoration and/or monitoring of the site, based on

detailed research carried out by its environmental councils (see in chapter 5.1.3.5. "Integrate the preservation of biodiversity into the group's strategy" of the "Non-Financial Performance Statement: Kaufman & Broad's social, environmental and societal responsibility "in section 5.1 of this document).

Nevertheless, the group may encounter problems related to pollution or soil quality during the construction site (or possibly have repercussions after the work), which may notably result in litigation initiated by the competent administrative authorities or any third party for damage to property or bodily injury. Although under the terms of the sale agreements, the seller of the land or building may sometimes be held liable, the discovery of pollution on a plot of land or in a building may lead to additional delays and costs and have significant financial consequences if the seller of the building or the land, or its guarantor, if necessary, proves insolvent. The group may also have reduced its ability to sell assets in areas affected by pollution or to incur debt due to the impossibility of giving the assets pledged as collateral (see chapter 5.1.3.5. "Integrate biodiversity conservation into the group's strategy," in particular in the paragraph entitled "Quality and soil pollution").

4.1.2.10. Risks related to climate conditions ^{CSR}

Weather conditions, other than natural disasters, the exceptional nature of which makes the risk unpredictable, and other environmental factors may also be detrimental to the group's housing or office construction activity. For example, particularly harsh winter conditions that would result in site stoppages for several days (or even weeks) could lead to delays in delivery that would affect the recognition of the group's revenue and margin.

Climate change could lead to an increase in the number of extreme weather events and thus amplify the degree of occurrence and impact of the events described above, particularly due to their frequency, magnitude, duration and unpredictability (see chapter 5.1.3.2. "Mitigating climate change" of the "Non-financial performance statement: Kaufman & Broad's social, environmental and societal responsibility "in section 5.1 of this document).

4.1.2.11. Risks related to It systems

The group relies on its IT systems to carry out its activities (particularly for the monitoring of its supplies, orders and the invoicing of its products, communication with its customers, the management of its personnel and the provision of the necessary information to the various operational managers for decision

making). The physical, partial or total destruction of its computer systems could result in a disruption of its information flows and thus adversely affect the continuation of its activities. The group is also exposed to the risk of loss, theft or compromise of its data.

4 Risk factors

Risk factors

4.1.2.12. Risks related to acquisitions

In recent years, the group has made targeted acquisitions and equity investments to increase its market share, as well as disposals (see sections 1.1.1. "History" and 1.1.1.3. "External growth policy").

However, the group may not be able to identify the appropriate companies, make the acquisitions under satisfactory conditions or ensure compliance with the clauses of the acquisition/disposal contract. Furthermore, if the group's objective is to ensure the proper integration of the acquired entities and activities, it cannot guarantee that this will take place in accordance with the anticipated timetable. It could also encounter difficulties in maintaining the key skills identified during the acquisition process, or in achieving the expected synergies within the planned timeframe. The group may also incur expenses or liabilities not disclosed in its audits and during the acquisition process, and integration costs may be higher than initially envisaged.

The occurrence of any of these risks could have a material adverse effect on the group's financial position or results of operations.

In addition, acquisitions made by the group may result in the recognition of goodwill in its consolidated financial statements, *representing the* expected future economic benefits of the assets acquired. Downward revisions of these expected benefits, particularly due to changes in the economic situation, may result in impairment of goodwill, which *would* then negatively impact the group's financial position and results. As of November 30, 2022, the goodwill recognised in the group's assets amounted to 68.6 million euros (see note 5.1 "Goodwill" in Section 6.1.2. of the notes to the group's consolidated financial statements for the year ended November 30, 2022, set out in Chapter 6.1. "Consolidated financial statements as of November 30, 2022" of this universal registration document).

4.1.2.13. Risks related to attempted fraud, fraud and corruption

In the context of its real estate development activities, Kaufman & Broad may have to make significant legal and financial commitments (acquisition of land, where appropriate from natural persons or public persons, launch of transactions in particular), likely to expose it in particular to attempts of fraud, fraud and embezzlement or corruption. These attempts could directly or indirectly cause the group financial harm, by attacking the financial flows that are exchanged between Kaufman & Broad, its customers and its

stakeholders but also affect the group's reputation and financial interests. Despite prevention and awareness campaigns, as well as the importance given to the fight against fraud in the internal control work program, Kaufman & Broad cannot totally eliminate the risk of fraud. (See chapter 5.1.2.3. "Compliance and ethics at Kaufman & Broad" of the "Non-financial performance statement" in the paragraph "Combating corruption and influence peddling").

4.1.2.14. Risks related to insurance coverage

The group's business is covered by insurance: All Building Risks, Business Damage, Non-Licensors Builder, Master Civil Liability, Promoter Civil Liability and Real Estate Agents Civil Liability. The group has not taken out any insurance covering the risk of operating losses.

The number of insurance companies able to offer this coverage is limited. As a result, the company may face premium inflation, which would have a material impact on its results or growth objectives.

As the terms of these policies are contractually revised periodically, the group may not be able to take out hedges in the future under conditions equivalent to those currently in place, or even to take out such hedges, which could increase its exposure to risks and its costs therefore negatively affect its activity, profitability and growth. Finally, as insurance premium rates are dependent on claims, an increase in claims could lead to higher insurance premiums paid by the group and/or impact the level of risk coverage.

4.1.3. Risks related to the company

4.1.3.1. Risks related to dependence on management * *CSR*

The group depends on certain key executives. In the event of an accident or departure of these executives, the group's ability to achieve its development objectives could be affected *. The management team (Comex), which has an average length of service of 15.9 years, has extensive experience in the market in which the group operates. There can be no assurance that the group will be able to retain these executives and that some of these executives may be required to retire, which could have a material adverse effect on its business, financial position, outlook and results.

The executives concerned are mainly the members of the Management Committee and the managers of the regional activities.

4.1.3.2. Human Resources risks * *CSR*

In addition to the risk of dependence on executives detailed in the previous paragraph, human resources management involves risks inherent to the group's organization and the real estate development sector (see also section 5.1.4.1 "Build with employees: group human resources policy" in the non-financial performance statement of this document). Indeed, the concentration within the group of key departments on a limited number of people leads to a risk of loss of knowledge or skills in the event of the departure of these employees or if, in the context of the current health crisis, several of them were unable to work *. The group would not necessarily be able to quickly recruit experienced replacements, which could undermine its organization and generate additional costs related to the training of new entrants.

As a Non-Delivery Builder, Kaufman & Broad entrusts the work to third-party companies. In accordance with the Law of 31 December 1993, the Project Manager designates, from the design of the structures, a Safety and Health Protection Coordinator (SPS), who defines, for their worksites, prevention plans to identify the risks and to inform the various stakeholders on the worksites of the risks they incur. Under this scheme, companies must also draw up their specific health and safety plan (HSP). Failure to comply with safety conditions on the construction sites entrusted to construction firms could have an adverse impact on the group's business and reputation.

4.1.3.3. Risks related to company debt

The group takes on debt to finance its business, land acquisition and the implementation of its property programs.

The main financial liabilities of the group consist of a syndicated loan agreement for an amount of 250 million euros, which has an initial maturity of 5 years, concluded on **30 January 2019** (hereinafter referred to as the "Senior Credit Agreement") and a Euro PP bond loan for 150 million euros, issued on 18 May 2017 (hereinafter referred to as the "Bond Loan"). Financial liabilities and the breakdown of the group's financial debt are set out in Note 6. "Financing and financial instruments" in the appendix to the group's consolidated financial

statements at November 30, 2022. At 30 March 2020, in accordance with the clause provided for in the Credit Agreement signed at 30 January 2019, Kaufman & Broad applied for a one-year extension of the maturity date of the Credit Agreement, as provided for under the terms of the Credit Agreement, namely amending it from the initial maturity date of 30 January 2024 to the extended maturity date of 30 January 2025. The application was accepted by all lenders party to the Syndicated Loan Agreement of 30 January 2019.

At November 30, 2022, the group's cash flow and cash equivalents amounted to 101.0 million euros, as compared with 189.5 million euros at the end of November 2021, to which 250 million euros of undrawn *revolving* credit facility can be added, bringing Kaufman & Broad's financial capacity to 351.0 million euros at November 30, 2022, as compared with 439.5 million euros at November 30, 2021. Lastly, the group's total debt amounted to 214.3 million euros, or a net debt of 67.8 million euros (excluding IFRS 16 and Put NeoResid lease liabilities), as compared with 168.6 million euros at November 30, 2021, with a net cash position of 35.9 million euros.

The group's level of debt could have adverse consequences, namely by:

- Requiring the group to devote a significant portion of its cash flows to repaying amounts due in for its borrowings, thereby reducing its ability to use its cash flows for other purposes;
- Affecting the group's ability to respond to changes in market conditions, whether by increasing its vulnerability to adverse economic conditions or by preventing it from benefiting from an improvement in these conditions;
- Affecting its ability to act upon commercial opportunities;
- Limiting its ability to obtain additional financing beyond commitments already made, in order to hedge its working capital requirements, investments, potential acquisitions and refinancing;
- Detrimentially affecting the terms of loans negotiated with its creditors;
- Limiting its capacity to apply a flexible approach to planning the group's growth; and
- Affecting the group's competitive position, in the event of the restrictive clauses contained within its credit agreements not allowing the group to adapt to market developments under the same conditions as its competitors.

The group's ability to honour its debt obligations will depend on its future performance, which is in turn dependent on changes that may occur within the general economic situation, the group's competitive environment, and financial, political or other factors which are beyond its control. Furthermore, Kaufman & Broad SA is a *holding* company that has no activity other than holding the shares of its subsidiaries. Kaufman & Broad SA therefore depends on the ability of its operating subsidiaries to generate the cash flows necessary for the repayment of its loans, particularly through the payment of dividends or intra-group loans.

In the event of insufficient liquidity for debt servicing, the group may be forced to reduce or postpone acquisitions or investments, to sell assets, to refinance its debt or to seek additional financing, which may not be obtained under satisfactory terms, which could have an adverse effect on its business or financial position.

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4.1.3.4. Risks related to restrictive clauses in financing agreements

The 18 May 2017 Bond Loan and the 30 January 2019 Syndicated Loan Agreement contain several restrictive clauses which particularly limit the ability of Kaufman & Broad SA and its subsidiaries in completing the following transactions (other than under the conditions authorised by the Bond Loan and/or the Syndicated Loan Agreement):

1. The sale or transfer all assets, in part or in whole;
2. The acquisition of interests, or establishing or participating in joint ventures;
3. Restructuring operations such as mergers with/or takeover of another company;
4. Significant modifications to the nature of their activities; and
5. The granting of guarantees or security interests for any of their assets, outside the normal course of business, to guarantee its commitments or those of its subsidiaries which are members of the group.

For example, these restrictions could affect the group's ability to conduct its business, and could also limit its ability to react to market conditions or to act upon business opportunities that arise, including making certain payments or investments, or creating certain privileges or security interests. However, these restrictions could also affect the group's ability to finance the operating cycle and its business investments, to make strategic acquisitions, investments or alliances, to restructure its organization or to finance its capital requirements. These restrictions could therefore have a significant adverse effect on the group's ability to generate sufficient revenues to honour its obligations under its credit agreements.

In addition, the Margin applicable to each Relevant Advance Payment will be determined (i) based on the level of the financial leverage ratio applicable at each testing date, and (ii) based on the levels of the Annual CSR Criteria, a positive and negative incentive mechanism will be applied to the outstanding applicable margin.

Moreover, the terms of the Bond Loan stipulate, in particular, for each accounting half-year period from November 30, 2017 until the maturity of the Bond Loan, that the group must comply with the following two ratios, calculated on a consolidated basis, the levels of which having been defined as follows:

Ratio at the end of each half-year period (Bond Loan)	Threshold to date
Leverage ratio ^(a)	≤ 3.0
Gearing ratio ^(b)	≤ 2.5

(a) Or net financial debt (1) divided by the EBITDA (2) whereby:

(1) Financial debt refers to gross financial debt deducted by cash flow and cash equivalents, and excludes certain subordinated debt and certain off-balance sheet commitments;

(2) The EBITDA is defined as the consolidated net income before income taxes, financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses), other non-recurring and/or non-recurring income and expenses, excluding calculated expenses (namely including depreciation, amortisation and provisions, fair value adjustments, income or expenses related to non-monetary employee compensation) and capital gains or losses on asset revenues, and deducted by net income from minority interests.

(b) Net financial debt (1) divided by the adjusted shareholders' equity ⁽³⁾:

(3) Adjusted shareholders' equity = consolidated shareholders' equity at November 30, 2016 + total consolidated income from 1st December 2016 ^{to} the end of the quarter under review - dividends paid over the period under review + total impairment charge from the period from 1st December ²⁰¹⁶ to the end of the quarter under review.

In addition, in the event of Kaufman & Broad SA undergoing a change of control, each holder will have the option of requesting the early repayment of the debt taken out by Kaufman & Broad SA under the terms of this loan. Under the terms of the Bond Loan, a change of control would occur (i) in the event of the sale, transfer or any other act of disposal (other than a merger, consolidation or any similar transaction), in one or more related transactions, of the group's assets, in whole or in substantial part, or (ii) if a person or a group of persons acting jointly acquires (directly or indirectly) more than

33.33% of the voting rights for Kaufman & Broad and the mandatory public tender offer resulting from this threshold being exceeded: (a) was not recommended by the company's Board of Directors, or (b) was recommended by the company's Board of Directors and was successfully completed. The 2019 Syndicated Loan Agreement also stipulates that the group must comply with the following two ratios, calculated on a consolidated basis, for each accounting half-year period from November 30, 2018 until the maturity of the Syndicated Loan Agreement, the levels of which have been defined as follows:

Ratio at the end of each half-year period (Senior Credit Agreement)	Threshold to date
Leverage ratio ^(a)	≤ 3.0
Gearing ratio ^(b)	≤ 2.0

(a) Or net financial debt (1) divided by the EBITDA (2) whereby:

(1) Financial debt refers to the gross financial debt minus cash and cash equivalents, and excludes certain subordinated debt and certain off-balance sheet commitments;

(2) The EBITDA is defined as consolidated net income before income taxes, financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses), other non-recurring and/or non-recurring income and expenses, excluding calculated expenses (including in particular depreciation, amortisation and provisions, fair value adjustments, income or expenses related to non-monetary compensation of employees) and capital gains or losses on disposals of assets, and minus net income from minority interests.

(b) Net financial debt (1) divided by consolidated shareholders' equity (3):

(3) Refers to, at any given date, the sum of the Borrower's consolidated equity at the beginning of the relevant financial year, plus the consolidated net income of the group at that date, minus (i) dividends paid in cash (including the share of profit attributable to minority interests) and other equivalent distributions of the Borrower paid to its shareholders in cash since the beginning of the relevant financial year, (ii) impairment resulting from cumulative impairment tests for the same period (in order to neutralise their inclusion in the consolidated net income of the group) and (iii) the impact of treasury shares held by the Borrower at November 30, 2017.

These ratios will cease to apply from the date on which the company obtains a rating of at least BBB- on the Standard & Poor's scale and/or a rating of Baa3 on Moody's, and/or BBB- on the Fitch scale. For the 2022 financial year, international rating agency Fitch awarded Kaufman & Broad S.A. an Investment Grade BBB- rating with stable prospects. In particular, Fitch noted Kaufman & Broad's solid business model and its high level of cash flow, supported by limited working capital requirements in the project cycle. Kaufman & Broad is currently the only pure developer in mainland Europe to obtain an Investment Grade rating. This note illustrates the strength of the group's financial structure, its operational efficiency and its controlled investment strategy in Managed Residences).

These restrictions could reduce the group's flexibility in conducting its business.

In addition, the group may not be able to fulfil the commitments, restrictive clauses and/or financial ratios described above, namely due to circumstances affecting the property market or a decline in its operating performance or profitability. However, a breach of these clauses could constitute a case of default under the Syndicated Senior Credit Agreement and/or the Bond Loan, which could allow the lenders and/or the bondholders to issue a request for the early repayment of any amounts borrowed, interest and accessories subject to these agreements, to use the associated guarantees where applicable, to seize any of the group's assets, and/or to waive any future financing for the group. In the event of a decline in the group's operating performance, the company may have to request *wavers* from the group's creditors in order to avail itself of any potential cases of default; it is possible that these waivers may not be granted to the company and it may also be the case that incidents of default may lead the company and/or one of its subsidiaries to be

subject to a suspension of payments. In this respect, the Syndicated Senior Credit Agreement requires the prior consent of all or at least some, as the case may be, of the lenders party to these agreements for any relaxation of the group's restrictive commitments under the terms of the Syndicated Senior Credit Agreement.

In addition, the 2019 Syndicated Loan Agreement stipulates that, in the event of a change of control of Kaufman & Broad SA, all commitments will be automatically cancelled and all outstanding advance payments, as well as any accrued interest, any reinvestment costs and any other amounts due by virtue of financial documents will automatically become due and payable on the date of such change of control. Under the terms of the 2019 Syndicated Loan Agreement, a change of control refers to any event by which one or more persons, acting alone or jointly, come to hold control of the Borrower, under the terms of Article L. 233-3 of the French Commercial Code, without this event having been recommended and approved by the members of the Borrower's Board of Directors; it being specified that the term "acting jointly" bears the meaning assigned to it in Article L. 233-10 of the French Commercial Code.

In the event of the early repayment of sums due under the 2019 Senior Credit Agreement and/or the Bond Loan, the group may not be able to ensure repayment in full. The occurrence of such events could have a significant adverse effect for the group. Over the course of the Covid-19 pandemic, Kaufman & Broad did not request the postponement or suspension of the payment of its tax and social security charges, nor did it request any State-guaranteed bank loans, which were implemented as part of economic support measures. However, on 30 March 2020, the company did extend its "RCF" credit line by one year.

4.1.4. Market risks

4.1.4.1. Interest rate risks*

The structure of the group's debt, indexed to floating rates, exposes the group to direct interest rate risks that could lead to a significant increase in its obligations. In the event of a rise in interest rates, its unhedged floating rate debt service obligations would increase, even if the amount borrowed remained unchanged, and its net income and cash available for debt service would decrease, thus reducing the funds available for financing the activity and any future commercial opportunities.

At 30 January 2019, Kaufman & Broad signed a Syndicated Loan Agreement for a total of 250 million euros with an initial maturity of 5 years. This loan replaces the Senior Credit Agreement established on 4 April 2016 and represents 50 million euros in loans under Tranche B and 100 million euros in revolving credit facility lines (RCF), respectively, undrawn to date. The implementation of this Corporate *line* will allow the company to extend the maturity of its resources and improve their cost, whilst enabling greater flexibility of use according to requirements and opportunities, in addition to its available cash flow. For the first time in the property development

sector, this facility includes a positive *incentive* mechanism linked to several CSR indicators, thus demonstrating the company's environmental commitment. Given the repayment of senior debt over the course of the quarter, the residual swap of 20 million euros was repaid in full and in advance in 2019.

Since the issuance of 150 million euros in bonds, fixed rate debt, and the repayment of 150 million euros on the credit lines of a syndicated loan taken out in 2016, and its refinancing with a Corporate credit line in January 2019 (RCF), the group's exposure to interest rate risks amounts to 250 million euros. During the Covid-19 pandemic that began in March 2020, and in order to further strengthen its cash position and its means of financing its general requirements, in March 2020, the group proceeded with a drawdown of 150 million euros as a precautionary measure, repayable over periods of 1, 3 and 6 months. The company proceeded with the gradual repayment of these drawdowns over the second and third quarters of 2020.

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Over the 2022 financial year, the group did not draw on the "RCF" line.

Unused syndicated lines of credit

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Unused RCF line ⁽¹⁾	250,000	250,000

(1) The revolving credit facility (RCF), for a maximum amount of 250 million euros and with an initial maturity of 5 years until January 2024, was extended over the six months to mature in January 2025. It was established in January 2019 to finance the group's general and working capital requirements.

Financial asset and liability sensitivity to rate variations

<i>(in thousands of euros)</i>	Base	Book gain/loss Increase 50 pts	Net profit/loss Decrease 10 pts
Syndicated lines of credit ^(a)	0	0	0
Bond Loan	150,000	0	0
Bank loans ^(b)	12,490	-62	12
Credit facilities and other borrowings ^(c)	3,960	-20	4
Cash ^(d)	100,998	505	-101
Marketable securities	-	-	-
Swap ^(e)	0	0	0
Net impact on income before tax	-	423	-85

(a) Assumptions: EURIBOR 1 month at -0.101%.

Before the effect of hedges, a 50-basis point increase or a 10-basis point decrease in interest rates on the above liabilities would have an impact on pre-tax income of:

- Upward: -82 thousand euros;
- Downward: +16 thousand euros. Excluding issuance costs, fair value of derivatives, and accrued interest.

(b) Bank loans to finance the acquisition of the Managed Residences portfolio.

(c) Excluding issuance costs, fair value of derivatives and accrued interest

(d) Bank balances and cash in hand

(e) Following the repayment of the Senior Credit Agreement balance on 4 April 2016 and the balance of the residual swap of 20 million euros since the first quarter of 2019, the group no longer has any hedging instruments.

Instrument type	Floating/fixed	< 1 year	1 to 5 years	More than 5 years
Syndicated lines of credit ^(a)	floating			
Bond Loan	fixed	2,322	150,000	
Bank loans	fixed	0	0	12,490
Credit facilities	floating	3,889		
Financial liabilities		6,211	150,000	12,490
Bank balances and cash in hand	floating	99,412		
Short-term investments	floating	0		
Order balances	floating	1,586		
Financial assets		100,998	0	0
Net position before hedging		-94,787	150,000	12,490
Swap			0	
Net position after hedging		-94,787	150,000	12,490

(a) This breakdown does not take into account the 250 million euros of the RCF line of the syndicated credit facility of 30 January 2019, undrawn at November 30, 2022.

4.1.5. Legal risks

4.1.5.1. Risks related to regulations directly applicable to the group*

There are no specific statutes governing the group's activity as a developer and builder of Single-family homes in communities, apartments and offices.

However, in conducting its business, the group is required to comply with numerous regulations, and any amendments to these regulations may entail significant, adverse financial consequences. In particular, the reinforcement of standards in regard to construction, environmental elements or building permits could have a negative impact on the group's profitability and operating income. Similarly, changes in tax regulations, and the removal of certain tax benefits in particular, may significantly influence the property market and therefore adversely affect the group's financial position.

As a Property Developer, and as the concept developer for its property programs, the group is required to comply with the applicable town planning regulations set out by the local town planning documents drawn up by municipalities (current land use plans, local town planning plans, designated development areas [DDA]). In particular, these requirements cover the rules relating to the height of buildings, the distances between each building, the principles of implantation on the plots intended for building construction, any exemptions from these rules and principles, and the external and aesthetic aspect of constructions.

The group is also required to comply with environmental regulations, particularly those relating to water (water distribution, wastewater treatment), the emission of polluting substances, respect for fauna and flora, the protection of endangered species, the discovery of archaeological remains, hazardous substances, and the decontamination of polluted sites and classified facilities.

The growing number and constant evolution of such rules (town planning, construction standards, environmental standards, building bans and restrictions on classified sites, rules for issuing building permits, consumer protection rules) may have a significant adverse effect on the group's activity and growth. This accumulation of standards leads to increasing complexity in the development of property transactions, additional costs related to new obligations, which could lead to longer delivery times for the group's property programs and an increase in the number of appeals and, consequently, could affect the group's results.

As a seller of property products, the group is subject to the general legal provisions regarding revenues, and also to specific regulations regarding the off-plan revenues (referred to as VEFA in France), codified in Articles L. 261-3 et seq. of the French Construction and Housing Code.

Pursuant to Articles L. 271-1 et seq. of the French Construction and Housing Code (Code de la Construction et de l'Habitation), non-professional buyers have the right to withdraw for a ten-day period from the date of receipt of the private purchase agreement or the order contract, as applicable, the agreement only becoming final at the end of this period. With regard to off-plan revenues, the regulations contain a number of public policy provisions intended to protect buyers. The main provisions concern the obligation to conclude the deed of sale in notarised form, the obligation to provide a guarantee of completion (most often in the form of a bank guarantee), the obligation to attach a conditional precedent of obtaining financing to the conclusion of a preliminary agreement, as well as the conditions related to the client's assessment of the compliance of the project and the lot reserved with the stipulations of the deed of final sale, the obligation to sequester the security deposit from the seller, and the obligation to respect a master schedule for calls for financing.

In addition, the group is subject to the rules regarding the right of liability, applicable to all parties involved in the construction process (guarantees for sound insulation, and two-year and ten-year warranties). The texts established a presumption of liability for any party involved in the act of construction in the event of damage, even should such damage result from a ground defect, which compromises the solidity of the structure or any of its equipment, rendering it unfit for its purpose.

Buyers therefore have a ten-year warranty covering any damage that makes the property unsuitable for its intended use, and a two-year warranty, known as the operational guarantee, for components of equipment that can be separated from the building. They can claim their right to compensation from the group, which may in turn make a claim against the party responsible for the construction defect. This warranty system is supplemented by mandatory insurance, as introduced by French Law No. 78-12 of 4 January 1978, referred to as "Builders' and Contractors' Liability Insurance" insurance, which is taken out as soon as work on the construction site begins, allowing for the pre-financing of compensation for any defects appearing under the two-year or ten-year warranty. The benefit of this insurance coverage is transferred to clients who have purchased the housing, and then to their successors in the event of the housing being resold. In the event of compensation, the insurers then hold the responsible Builders and their insurers liable, in order to recover the sums advanced (see Section 4.2.3.1. "Legally required insurance").

This insurance and other insurances related to the business activity are described in Section 4.2.3. "Insurance." With regard to the regulations applicable to the group's worksites, the French Law of 31 December 1993 requires the Property Developer to appoint, at the beginning of the property concept development phase, a health & safety protection coordinator. In addition to appointing this coordinator, the group has a policy to anticipate and identify risks related to construction operations, not only during the construction phase but also throughout the maintenance of the building after its delivery.

Thus, the group implements prevention plans on its worksites in order to identify risks and inform the various parties intervening on the worksites of the risks they incur, and it also prohibits access to worksites by companies that have not obtained prior approval. With regard to social regulations and in order to fulfil the obligations of duty of vigilance incumbent upon the contracting Property Developer, as established by the French Labour Code to combat illicit work, and the use of a foreign employer from overseas without the necessary rights, accompanied by financial civil penalty (solidarity of the payment of taxes and charges with the company in question and/or criminal sanctions (fines and/or imprisonment)), the group's technical departments must first verify, prior to the signing of a contract then every six months throughout the term of execution of the contract, that the companies and approved subcontractors are up-to-date with their social contributions and must require that the managers of these companies sign a sworn statement certifying that they do not employ labour under any irregular or illicit circumstances. The purpose of these provisions is to prevent and reduce the risk of illicit work.

Over the course of its business, and particularly when filing building permits, in addition to the normal period for examining the building permit file (generally 3 to 5 months), the group may be confronted with deadlines that may be imposed by third-party appeals. Third parties (associations, local residents, etc.) may challenge building and demolition permits, basing their appeal on non-compliance with local town planning rules (local town planning plan, DDA development plan, etc.) and the French Town Planning Code. The main risk to which the group is exposed at this stage is essentially any delays to the operation's schedule that may be entailed (see Section 1.5.2.4. "Commitment Committee"), or even the need to abandon projects for

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which investigations have incurred costs for the group. When certain projects are abandoned, the group may also be required to pay employment termination payments or indemnities for loss of activity, under the terms of the land management agreements relating to these projects.

The implementation of the warranties described in this s may expose the group to the risk of having to pay significant sums, and may thus adversely affect its image and reputation.

4.1.5.2. Risks related to tax systems that may affect the new housing market and changes in tax regulations

Since the late 1990s, a number of tax systems have been put in place, with varying degrees of influence on the level of new housing construction (see Section 1.3.1.1. "Tax incentives").

Like all of its competitors, Kaufman & Broad benefits from tax incentives for personal investment. The duration of the applicable incentives to date is time-limited. The substitution of expiring incentives with new incentives that are less favourable, the absence of alternative incentives, their reappraisal, as well as the removal or modification of certain advantages in favour of the acquisition of new housing, rental investment or in favour of home ownership could have a significant adverse effect on the property market and, in particular, on the sale volumes or prices of new housing, thus running the risk of adversely impacting the company's activity and/or profitability.

These tax systems may be modified, or reappraised, following legislative or regulatory changes or a change in the parliamentary majority.

More generally, the group is subject to numerous tax regulations applicable to its activities; these regulations mainly pertain to rules regarding the evaluation of direct tax charges, the various VAT regimes, and the determination of the tax due according to the income of companies included within the tax consolidation scope. The group may also be affected by changes in regulations pertaining to town planning taxes (including fees for creating offices and development tax).

Whilst the company takes all measures possible to prevent any risk of error, the complexity of these rules and their constant evolution may lead to disputes with tax authorities, which may in turn lead to expenses of varying significance with regard to the group's financial position. The main provisions for tax risk are described in Section 6.1.5. "Notes to the financial statements," Note 8. "Provisions - Contingent liabilities - Guarantees" paragraph "Provisions for tax risk."

4.1.5.3. Risks related to litigation

During the course of the "normal" conduction of its business, the group is likely to be affected by legal actions or disputes (claims, lawsuits filed with various courts, etc.), particularly in respect of defects within the context of its property development programs, failure to comply with legal or regulatory provisions, the validity of building permits obtained (e.g., the building permit obtained by Kaufman & Broad for the redevelopment project of the Gare d'Austerlitz district (lots A7/A8) was subject to an appeal for cancellation in 2022, the Council of State rejected the appeal against the building permit, see also Section 2.1.1. "Significant data" in the paragraph "Significant events over the period" Austerlitz); serious, actual or alleged defects in the quality of the services it provides, or any other alleged irregularity. Such proceedings could result in orders to pay significant amounts, damage to the group's image and/or to the Kaufman & Broad brand, and/or a decline in demand for its products and services, which could then have a significant adverse effect on the group's activities and results. Procedures that expose the group to significant costs could also partially distract the focus of the group's executives from overseeing group operations.

Details of the main ongoing legal proceedings are described in Section 4.3. "Ongoing litigations" and Section 6.1.5. "Notes to the financial statements," Note 8. "Provisions- Contingent liabilities - Guarantees."

4.1.5.4. Risks related to off-balance sheet commitments

Given its business, the group has significant off-balance sheet commitments that could represent a significant expense overall. These commitments include the Financial Completion Guarantees presented in Note 8.3. "Guarantees and sureties issued" (see Section 6.1.5. "Notes to the financial statements").

The group's main off-balance sheet commitments consist of Loss of Land Use Indemnities, Financial Completion Guarantees, and financial covenants.

4.1.5.5. Risks related to the protection of personal data

For the purposes of its business, the group collects and uses data provided by its clients. Thus, in the context of relations with its clients or prospective clients, the group collects personal data, some of which is relatively sensitive in regard to their assets.

Although the company considers that it has taken all appropriate measures (see Section 4.2.1. "Internal control and risk management system" in Section 4.2.1.4.3 "Information systems") to protect this data and to comply with the regulations of the French National Data Protection Authority (CNIL), there is no way of entirely eliminating the risk that this data may be destroyed or transmitted to third parties, namely in error or by fraud, or may be subject to hacking or malicious use by third parties (including group employees). In such events, the persons subject to such prejudice may sue the group. In this case, the group's image and the Kaufman & Broad brand could be tarnished, which could have a significant adverse effect on the group's activities, income and financial position.

In addition, the group has adapted its procedures in to ensure compliance with the European Personal Data Protection Regulation (see Section 5.1.2.3. "Compliance and ethics at Kaufman & Broad" in the paragraph "Combating corruption and trading in influence").

4.2. Internal control, risk management and insurance system

4.2.1. Internal control and risk management system

4.2.1.1. Objectives and scope of Kaufman & Broad's internal control and risk management system

The Kaufman & Broad group uses the AMF's reference framework for the design, management and evaluation of its internal control system. No group entity adopts any other standards.

The internal control and risk management system implemented within the Kaufman & Broad group aims in particular to ensure:

- Compliance with laws and regulations pertaining to management, decision-making and/or execution of transactions as well as the behaviour of staff;
- The application of the instructions and guidelines set by the group's Executive Management;
- The proper functioning of the company's internal processes, particularly those contributing to asset safeguarding;
- The reliability and fairness of the accounting, financial and management information communicated to internal structures and externally.

The internal control system put in place by the group's Executive Management provides for a risk management system, which aims to identify and analyse the main risks identifiable with regard to its objectives, and to ensure that risk management procedures are in place. The risk mapping carried out by Executive Management forms an essential step in identifying the company's risks.

One of the objectives of the internal control system is to prevent and control risks resulting from the company's activity and the risks of errors and fraud, particularly in the accounting and financial fields. However, like any control system, it cannot provide an absolute guarantee that these risks are entirely eliminated and aims to obtain reasonable assurance of achieving the objectives of the internal control system.

The scope of the internal control system described in this Universal Registration Document covers all group entities and Segments, i.e., the parent company Kaufman & Broad SA and its direct and indirect majority interests.

4.2.1.2. Internal control environment and organization

4.2.1.2.1. General organization of internal control

4.2.1.2.1.1. Executive Management

Executive Management is directly responsible for the internal control system. It defines the internal control guidelines and supervises the implementation of all components thereof; as such, internal control ensures that there are effective control measures in place within all group institutions. The Chief Financial Officer is specifically responsible for supervising and maintaining internal control measures relating to accounting and financial information.

4.2.1.2.1.2. Overall organization of the group

The group's internal control is founded on:

- A general organization based on the duality of regional operational departments, which constitute profit centres and are located in France in line with the group's development strategy, and functional departments, which play a role of control and also provide expertise and advice to these departments. These include:
 - Finance,
 - Human Resources,
 - Institutional revenues,
 - Department of Quality, Architecture and Client Experience,
 - CSR and Innovation,
 - Planning and Regions;

- A centralised general organization: Key decisions and procedures, and particularly all land acquisitions subject to the prior approval of the members of the Land Committee and the Commitment Committee, the accounting of revenue and associated costs, and the consolidation process are all centralised to Kaufman & Broad's head offices. As a result, regional management has limited autonomy over major decisions affecting internal control and financial positions;
- Specific control bodies:
 - The Kaufman & Broad SA Department of Management Control, Budgets and Reporting
 - The Kaufman & Broad SA Internal Audit Department, and
 - The Kaufman & Broad SA Audit Committee.

4.2.1.2.2. Management structures

The group's management is organised around Mr Nordine Hachemi, Chairman and Chief Executive Officer, along with the group's other senior executives.

The management bodies are made up of an Executive Committee and a Management Committee, which may meet as an Extended Management Committee.

4.2.1.2.2.1. Executive Committee

The composition of Kaufman & Broad's Executive Committee is detailed in Section 3.1.3.1 of this Universal Registration Document.

The Executive Committee implements the group's strategy and monitors its deployment, namely through the Annual Business Plan. Lastly, it defines any changes in the organization according to the strategic decisions made by the Board of Directors and ensures the implementation of these decisions.

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4.2.1.2.2.2. Corporate Social Responsibility (CSR) Executive Committee

As corporate social responsibility (CSR) has become a key issue for its business, Kaufman & Broad has created a CSR Department, which reports directly to the company's Chairman and Chief Executive Officer, along with a CSR Executive Committee, which is tasked with implementing the CSR Plan in line with the company's strategy.

A CSR Committee for the Board of Directors has also been recently created, tasked with monitoring the implementation of the Plan defined by the CSR Executive Committee and reporting to the Board of Directors.

The description of CSR governance is described in Section 5.1.2.1 "CSR governance: organization dedicated to Sustainable Development" in the non-financial performance statement.

It should be noted that ESG criteria have formed an integral part of Kaufman & Broad's management Compensation parameters since 2018.

4.2.1.2.2.3. Management Committee

The composition of the Kaufman & Broad Management Committee is detailed in Section 3.1.3.1.8. of this Universal Registration Document.

The Management Committee monitors the implementation of the Business Plan. It proposes improvement actions and sets the objectives for agencies and departments. It contributes to the definition and implementation of the group's projects.

The Management Committee may meet as an Extended Management Committee, which comprises the Management Committee, agency management and cross-functional operational departments. The Extended Management Committee defines and monitors the agencies' implementation of the Plan, ensuring compliance with our commitments to all stakeholders, particularly our partners and our clients.

4.2.1.2.2.4. Land Committee and Commitment Committee

These Committees are composed of the Chairman and Chief Executive Officer, the Chief Financial Officer and the Chief Executive Officers in charge of the Regions. These Committees review each proposed land acquisition.

Land Committee: Knowledge of the property project from the outset of its design phase

The Land Committee validates the strategic and financial pertinence of the proposed transactions and the preliminary provisional expenditure budget (until the building permit application is filed), authorises the signature of a bilateral revenues agreement, if necessary, and authorises the implementation of indemnity for loss of use of land (particularly in the case of unilateral revenues agreement). The operation of this Committee is detailed in Section 1.5.2.2 of this Universal Registration Document.

Commitment Committee: Authorisation to continue with the review of the dossier

Prior to the filing of the building permit application, the members of the Commitment Committee meet to validate the strategic approach of the operation (particularly in regard to commercial and technical aspects), validate the updated budget for the operation which will be considered as the reference budget, validate the typology and composition of the operation, authorise the filing of the building permit application, and authorise the launch of invitations to tender (ITT) and marketing and commercial tools. These decisions constitute an authorisation granted to the Director of the agency concerned to continue with the review of the property project. The operation of this Committee is detailed in Section 1.5.2.4 of the Universal Registration Document.

4.2.1.2.2.5. Quarterly review meeting of real estate programs

Each quarter, prior to the preparation of the financial statements, the Executive Management and the Finance Department examine, in the presence of each agency Director, the property programs validated by the Land Committee, the current commercial strategy, and the consistency of the operations' business forecasts. These performance reviews of the regional agencies allow for corrective actions to be defined where necessary. The members of the quarterly Committee are responsible for approving the budgets for property transactions, enabling the group to prepare its consolidated financial statements.

4.2.1.2.2.6. Monthly review meeting of the consolidated financial statements and related indicators

Each month, the members of the Finance Department meet to analyse the actual consolidated financial data compared with the forecast data, commercial activity, land acquisitions and the progression of ongoing programs, and housing starts and deliveries over the period.

4.2.1.2.3. Cross-functional support departments

The Finance Department comprises the following Segments, which provide support and control within Kaufman & Broad SA and its subsidiaries.

4.2.1.2.3.1. Department of Management Control, Budgets and Reporting

The group's Department of Management Control, Budgets and Reporting has the following objectives:

- To lead planning processes;
- To implement and execute reporting, management and decision-making support tools adapted to the various levels of responsibility and types of activity;
- To analyse the differences between the results achieved and the objectives set, explaining the causes to operational management and monitoring the implementation of the corresponding corrective measures;
- To ensure the accuracy of basic data and to check the consistency of the reporting on financial information systems;
- To participate in the preparation of internal and external operational and financial reports;
- To develop management information systems;
- To supervise the management control functions in agencies.

4.2.1.2.3.2. Internal Audit Department

The main tasks of this department, which reports to the Chief Financial Officer, are to ensure:

- The adequacy and efficacy of the group's procedures in relation to its business and environment;
- Compliance with these procedures by their respective participants.

This service may also be requested by the Finance Department or the Audit Committee to carry out ad-hoc audits on specific aspects.

The 2022 audit plans were drawn up by the Director of Internal Audit, who presented them to the Chairman and Chief Executive Officer and the Chief Financial Officer before communicating them to the Audit Committee; the prior analysis of risks and changes in the group's environment and within its structure are the main axes used to establish of these plans. The Internal Audit Department performed the respective controls on compliance with the internal control system, linked to the preparation of the consolidated financial statements and on the agencies' compliance with the operational internal control system.

4.2.1.2.3.3. Treasury and Financing of Operations

The negotiation and management of lines of credit, the management of financing, investments, financial completion guarantees, off-balance sheet commitments and interest rate risk are centralised within Kaufman & Broad in the Treasury and Financing Department. This department is also responsible for managing the group's insurance policies.

4.2.1.2.3.4. Accounting and Consolidation Department

The group's Accounting and Consolidation Department has the following objectives:

- Coordination and supervision of accounting services (general accounting, supplier auxiliary accounting, client auxiliary accounting and fund-raising) and the consolidation department;
- The preparation of accounting and financial information documents, in accordance with the applicable forms and standards;
- Monitoring changes in accounting and consolidation systems;
- Coordinating with the Statutory Auditors and providing them with the information needed to carry out their work.

4.2.1.2.3.5. Information Systems Department

The definition, development and implementation of new It solutions and the day-to-day management of tools are performed by the Information Systems Department according to the needs of the company. The Information Systems Department also defines the information system security policy and coordinates security-related projects (access management, infrastructure security, compliance, business continuity plan).

4.2.1.2.3.6. Legal Department

The Legal Department is responsible for:

- Providing assistance and advice to both support departments and operational departments in connection with the construction of property programs, particularly regarding the preparation of contracts and agreements;
- Establishing authorisations to sign the deeds necessary for executing the property programs for the programs managed at head offices, along with establishing authorisations to sign land acquisition deeds for the whole group;
- Monitoring of the group's legal disputes and risks;
- Implementing the preventive summary procedure;
- Legal monitoring of all group entities.

4.2.1.2.3.7. Tax Department

All tax matters, whether corporate or *operational*, are centralised within the Finance Department, within which a specific Segment is dedicated to taxation. Its mission covers:

- The group's tax monitoring and, in particular, developments related to its business;
- The validation and control of tax returns and the calculation of current tax;
- Providing assistance and advice to operational departments in connection with the construction of property programs;
- Monitoring the group's tax disputes and risks.

4.2.1.2.3.8. Financial Information Department

This department is responsible for overseeing the preparation, reliability and consistency of all financial and management information documents, in collaboration with the contributing departments, namely the Department of Management Control, Budgets and Reporting and the Accounting and Consolidation Department.

4.2.1.3. The company's risk management systems

4.2.1.3.1. Significant risks identified

The significant risks to which the group may be exposed are detailed in the company's Universal Registration Document in Section 4.1. "Risk factors."

4.2.1.3.2. Risk identification and management process

To maintain the efficacy of its internal control system, Kaufman & Broad's Executive Management regularly ensures that the company implements the appropriate procedures. It carries out risk mapping for this purpose.

In 2022, the group updated its mapping for major risks in regard to its objectives.

The risks were identified through interviews with the Directors who are members of the Audit Committee and approximately 50 Kaufman & Broad managers and senior executives, including mainly the Regional Chief Executive Officers, the heads of the head offices' cross-functional departments and the agency Directors. These interviews allowed for a better understanding of the causes and potential consequences of each of these risks, as well as the main control mechanisms used for them. The ranking of major risks issued from the interview phase was also subject to a validation workshop, attended by members of the Management Committee and Directors from amongst those who had previously met as part of the process.

The updated mapping of major risks was presented to the Audit Committee on 25 January 2023.

The group's risk mapping is updated every year, either based on a comprehensive update exercise through interviews, as in 2022, for the 2023 financial year, or based on the changes in the relevant indicators defined during the process to adjust the weighting of major risks.

Furthermore, in accordance with the provisions of the Sapin II Law, the group established its corruption risk map in 2018, following the same approach as that used for mapping of the group's major risks. The measures adopted by the group to prevent and combat corruption and trading in influence are regularly presented to the Audit Committee of the Board of Directors. This system is detailed in Section 5.1 of this Universal Registration Document. "Non-financial performance statement: Kaufman & Broad's social, environmental and societal responsibility."

Kaufman & Broad's risk management framework particularly provides for the identification of the main identifiable risks at the level of the operational structures in the Regions. The corresponding risk maps cover the entire lifespan of property projects and, more specifically, the following major activities:

- Land prospecting and acquisition;

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- Selection of construction firms and monitoring of construction;
- Reservations and revenues.

For each of the risks identified, whether they are strategic, financial, legal or operational, the company has put in place controls to reduce its risk exposure to a level that it has deemed to be acceptable.

These controls are carried out either at the head offices or at the regional offices of Kaufman & Broad. They constitute the key elements of the group's internal control system. These include:

- Legal and regulatory obligations applicable to Property Developers;
- Land development opportunities that align with the company's objectives in terms of volume and profitability;
- Monitoring and processing third-party appeals against building permits;
- Compliance with internal procedures during the decision-making phases for land commitments (Land Committee and Commitment Committee), the signing of revenues agreements (delegations of authority), commercial launches, land acquisitions (pre-marketing rate and conditions precedent) and works expenditure;

- Preparation of the Invitation to Tender;
- Estimates of provisional construction costs;
- The selection of construction firms;
- Checking the soundness of contracting firms' financial structures;
- The administrative authorisations necessary to implement the construction process;
- Execution plans and revenues plans;
- Supervising worksites and monitoring work schedules;
- Certificates of work costs by the Contractor;
- Declarations of completion of work and certificates of compliance;
- Forecast balance sheets for operations (changes in the sale price and project costs);
- Calls for funds from clients and collection;
- Variable Compensations allocated to land development and commercial employees.

4.2.1.4. Key elements of the group's internal control system

4.2.1.4.1. Code of Ethics and Internal Rules

The group's Code of Ethics was updated in 2022. It has been supplemented by a Disciplinary Sanctions Procedure and a Whistleblowing Procedure to take into account changes within the group and the provisions of the Sapin II Law. This Code and these procedures form part of the Internal Rules which, like the user guidelines for the use of IT resources and internet services, have been signed by all group employees.

The Code of Ethics sets out and formalises the principles to be applied by group employees with regard to the following topics: Respect for fundamental rights, the responsibilities incumbent on employees, business conduct, relations with shareholders, suppliers, clients and elected representatives, in accordance with the group's social responsibility approach. The Code of Ethics also refers to existing agreements, procedures and notes covering these fields.

These procedures provide for reporting systems and sanctions in the event of failure to comply with the obligations set out in the Code, the Internal Rules and the applicable laws and regulations. In addition, the Whistleblowing System that the procedure framework includes a secure IT reporting module, "KB Ethics."

These documents and the user guidelines for the use of IT resources and internet services are available on the Kaufman & Broad intranet and have been communicated to all group employees.

In addition, since 2019, all group employees have completed mandatory training on the main aspects of the Code of Ethics and related procedures.

4.2.1.4.2. Internal procedures

The internal control system covers approximately 30 separate procedures, the main ones being: Land acquisition, management of calls for funds and payment collection from clients, monitoring of

client receivables, debt management, bank reconciliations, bank guarantees, Human Resources, account closing and consolidation, determination of goodwill and assessment of asset impairment losses, earn *out*, preparation and control of a property program budget and forecasting process, recognition of revenue and inventory upon completion, reservation management, percentage of completion, tax planning and calculation of current tax, management of the supplier database, registration and validation of supplier debts, supplier payments, purchases, end-of-construction management, annual business reviews and exit interviews.

In addition, there are several IT procedures relating to departmental planning and organization, security, safety, change management and system operations.

The procedures describe their respective objectives, managers and participants, the inherent risks and the possible consequences on the group's financial statements in the event of their failure. They include each of the control points, some of which are considered to be "key" in light of their importance in the group's risk prevention system.

4.2.1.4.3. Information systems

The Kaufman & Broad group IT Department, which reports to the Chief Financial Officer, is responsible for project management in the definition, development and implementation of new IT solutions and in the daily management of existing tools.

There is a set of procedures in place for purchasing and managing service and maintenance contracts. For operational management, business line procedures govern the development and operating functions. In addition, Kaufman & Broad has circulated IT Security Guidelines that list the rules and responsibilities regarding the use of IT resources. This document is sent to employees, who must sign it and return it to the Human Resources Department upon their hiring.

4.2.1.4.4. Budgetary and management control

Planning

Operational planning is decentralised to a regional level. It is led by Executive Management and the Finance Department, which define its principles and timetable, and which manage the process for each entity, verifying global consistency with the group's strategy.

The operational managers of the various agencies, assisted by their management controllers, prepare a two-year plan for their respective entities, including a detailed budget for the coming year. The proposed objectives are approved by the Finance Department and Executive Management between October and January. The Finance Department and the Chief Executive Officers in charge of the Regions consolidate and comment on all of the entity plans.

Weekly dashboard

Each week, management control publishes a dashboard, which is sent to Executive Management, namely containing the gross and net orders of the past week.

Monthly budget control

The annual budget is periodic and used as a singular reference for budgetary control. The consolidated income statement and balance sheet are prepared monthly by the Consolidation Department and then sent to Executive Management. The Management Control Department establishes budget control: Validation of income and expenses at the end of the period, measurement of deviations from the Plan and/or from the latest budget updates, and analysis of their possible future impacts.

Reconciliation with accounting data

The accounting and management systems are provided with the same information (single entry of accounting documents) and are consistent in terms of methodology. The systematic, monthly scoping of budget returns with the financial statements helps to control the reliability of financial information.

Updating

Each entity updates its annual budget on a quarterly basis. These exercises make it possible to refine the trends at the end of the year but do not replace the initial Plan in terms of budget control benchmarks. These updates are validated by Executive Management and the Finance Department in quarterly committees with the managers of each agency or subsidiary. They are presented at the Board of Director meetings, prior to the publication of the quarterly results.

Quarterly Flash Report

The results for the current quarter are updated during the first 10 days of the last month of the quarter in question. On the basis of these provisional results, the objectives are, where appropriate, redefined by Executive Management.

Planning and monitoring the achievement of signature objectives

Signature objectives are set by Executive Management on the basis of revenues forecasts prepared by agency managers.

4.2.1.4.5. Controls on key accounting principles and estimates

With regard to key accounting principles and estimates, at each reporting date, those participating in internal control ensure that the principles and methods of IFRS 15 are correctly applied, with the group's consolidated revenue and margin recognised on the basis of percentage of completion.

From a technical perspective, the acquisition of the land and the justification of the physical progress of the projects constitute key controls within the group's internal control system, in parallel with the updating, on an at least quarterly basis, of the budgets upon completion of our property operations by the regional departments concerned. These operating budgets are reviewed by the Executive Management in charge of the Regions prior to the quarterly closing of accounts; they are also reviewed by the Finance Department at the quarterly Committees preceding the closing of half-yearly and annual accounts, which bring together regional management and Executive Management, organised by the Finance Department.

From a commercial perspective, the signing of the authentic deeds of sale of each lot sold off-plan constitutes substantive evidence, formalised by the certificates systematically issued by notaries, on a sale-by-sale basis.

4.2.1.4.6. Liquidity and interest rate risk controls

As part of its liquidity risk analysis, the company has implemented an integrated process for preparing cash forecasts for each of these property transactions, overseen by the Treasury and Financing Department and the Department of Management Control, Budgets and Reporting, which reports to the Finance Department.

The interest rate risk management policy is established by Executive Management, following a proposal submitted by the Finance Department. Its objective is to control variations in interest rates and their impact on income and cash flows, so that the overall cost of debt remains at an acceptable level. To achieve this objective, the group hedges the interest flows of its floating rate loans through swaps (Floors). These swaps constitute derivatives which hedge the cash flows. They are recognised in the balance sheet at fair value. However, there can be no assurance that the hedging policy implemented by the group will produce the desired effects, particularly in the event of default by its hedging counterparties.

Regarding interest rate risk, only the Revolving *Facility Agreement* signed at 30 January 2019 is indexed with floating rates. This credit authorisation has not yet been drawn down. Should the group decide to use this credit, it could again be exposed to the risk of an increase in its obligations given the indexation of this contract at floating rates. In this case, and given the level of interest rates and their likely evolution, the group would consider the need to establish hedging instruments to cover the interest payments on this credit.

4.2.1.4.7. Legal and operational controls

From a legal perspective, the Chairman and Chief Executive Officer and/or the Regional Chief Executive Officers of Kaufman & Broad SA are corporate officers of the majority of the group's subsidiaries, either individually or as permanent representatives of a group company.

On an operational level, each agency Director receives annual performance objectives in writing from Executive Management every year. The agency Director and their team take ownership of these objectives by actively participating in the budgeting process.

During the quarterly Committees, the agency Directors present the Chief Executive Officer in charge of the region concerned and the Finance Department with a report on the progress of each of the property programs that they manage, as well as an updated forecast for each of these operations.

Each agency Director must also present the Land Committee and the Commitment Committee with any new projects that they intend to develop.

Lastly, agency Directors are responsible for ensuring compliance with the group's internal control procedures within their entities.

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4.2.1.5. Internal control relating to the preparation of accounting and financial information

Kaufman & Broad's internal control over accounting and financial information is organised around the following elements:

- The accounting and financial function, under the hierarchical responsibility of the Chief Financial Officer;
- Accounting and financial information systems;
- The procedures for preparing the financial statements;
- Control of commitments;
- Financial communication;
- The Department of Management Control, Budgets and Reporting.

4.2.1.5.1. Accounting and finance

The role of the Finance Department is to:

- Define the group's accounting standards and doctrine;
- Define tax policy;
- Determine the periodic deadlines for all departments involved in preparing financial statements;
- Implement reporting tools, and to control the reliability of the processes used to collect and process financial databases;
- Verify the accuracy of this data and the consistency of the reporting in regard to financial information systems;
- Audit the parent company's preparation of accounts and consolidated financial statements in accordance with the accounting standards, principles, rules and methods applicable within the group;
- Analyse any discrepancies between the budget and the actual situation, and to implement and monitor the appropriate corrective measures;
- Monitor the availability of financial information within the deadlines and in the form required by Executive Management.

Accounting and financial information is prepared, under the responsibility of the Chief Financial Officer, by the Director of Accounting and Consolidation.

4.2.1.5.2. Procedures for preparing financial statements

Consolidated financial statements are prepared on a quarterly basis, in accordance with IFRS. In general, the group discloses this accounting and financial information during the month following its preparation. The Accounting and Consolidation Department is responsible for establishing this information. To this end, based on the deadlines set, the Accounting and Consolidation Department sends notifications to all departments concerned on the progress of the closing process, specifying the information to be entered, the restatements to be made, and the schedule for these operations.

The Department of Management Control, Budgets and Reporting reviews the consolidated income statement prepared by the Accounting and Consolidation Department, analyses any significant differences and reports them to the Accounting and Consolidation Department.

The IFRS financial statements are prepared under the responsibility of the Chief Financial Officer and then submitted to the Chairman and Chief Executive Officer. When the interim and annual consolidated financial statements are approved, these financial statements are reviewed by the Audit Committee and the Board of Directors, and are reviewed (audit as part of the annual financial statements and limited review as part of the half-year financial

statements) by the Statutory Auditors prior to the financial communication of these results. They are then approved by the Board of Directors.

4.2.1.5.3. Procedures for monitoring off-balance sheet commitments

The group's main off-balance sheet commitments consist of Loss of Land Use Indemnities, Financial Guarantees for Completion and financial covenants.

4.2.1.5.3.1. Indemnities for Loss of Land Use

When the group plans to acquire land in order to develop a property program, it must provide the seller with an Indemnity for Loss of Land Use until the signature of the notarial deed. This indemnity takes the form of either a guarantee given to the seller (general case) or a payment of funds (special and exceptional case). There are two types of guarantees that may be given to the seller: The joint and several guarantee, and the first demand guarantee.

With respect to the joint and several guarantee, through one of its subsidiaries, the group asks an insurance company or a financial institution to act as a joint and several guarantor on behalf of the group company acquiring the property for the seller, for the amount of the asset price. These guarantees may also be granted by Kaufman & Broad SA. For first demand guarantees, the group asks an insurance company or a financial institution to act as first demand guarantor on its behalf vis-à-vis the seller for the amount of the fixed asset price.

These guarantees are monitored by the Treasury and Financing Department, which asks insurance companies and financial institutions to send it a list of the corresponding guarantees given on a twice-yearly basis.

4.2.1.5.3.2. Financial Guarantees for Completion

In the context of off-plan revenues, Kaufman & Broad enters into a financial institution, a mutual guarantee body or an insurance company, a financial guarantee for completion of the construction, which takes the form of a joint and several guarantee for the benefit of the buyers or a credit facility agreement (Article R. 261-21 § a or § b of the French Construction and Housing Code). These guarantees are subscribed on a transaction-by-transaction basis, in return for which the group generally grants the guarantor a mortgage on unsold lots and/or a commitment not to sell shares in the company overseeing the property program.

A monthly valuation is carried out by the Treasury and Financing Department and then updated with the figures provided by the institutions concerned, according to their own declarations to the Banque de France or the French Insurance Control Commission (CCA).

4.2.1.5.3.3. Financial covenants

As part of the signing of its *Revolving Facility Agreement* of 30 January 2019 and the issuance of its bond on 18 May 2017, the group is subject to financial covenants. Each half-year period, the group's Financing Department sends the Statutory Auditors the financial information necessary for their calculations, and then communicates these covenants to the representatives of the lenders. These financial ratios are also calculated and presented quarterly to the Audit Committee and the Board of Directors as part of the group's risk management system.

4.2.1.5.4. Group financial communication

Other than the Chairman and Chief Executive Officer, only persons duly authorised by the former are authorised to communicate financial information to the market. This includes the Chief Financial Officer.

The Finance Department prepares the following documents:

- Universal Registration Document, quarterly information, interim and annual financial statements and business report;

- Financial press releases;
- Presentations for financial analysts and investors;
- Presentations for rating agencies.

These documents are approved by the Chief Financial Officer and Chairman, and the Chief Executive Officer. Financial Press Releases are generally submitted to the Board of Directors prior to their publication.

4.2.1.6. Updating and review of the functioning of the internal control system

Kaufman & Broad's current internal control system, as described above, is supplemented by operational, legal and regulatory surveillance which aims to identify and anticipate changes in French and European business, legislation and regulations that could have an impact on the company's economic balance. This function is fulfilled by the Executive Management and by the various operational and functional departments, which take all appropriate measures to ensure that the interest of the Kaufman & Broad group prevails in due course.

The correct application of accounting and financial reporting procedures is monitored by the Internal Audit Department, and occasionally by an independent auditing firm, supervised by Kaufman & Broad's Internal Audit Department.

The results of this work, carried out at the head offices and within most of the group's regional agencies (depending on their contribution to the consolidated financial statements), are regularly reported to the Audit Committee.

These periodic diligence procedures carried out by the Kaufman & Broad Audit Department, which aim to ensure the correct application of procedures relating to accounting and financial information, do not entail an assessment of the overall system for controlling operational and financial risks resulting from the group's business. Therefore, the above information cannot correspond to an assessment of the adequacy and efficacy of the company's internal control system, as it does not cover it in whole.

4.2.2. Risk management by type

In order to prevent and effectively manage the risks related to its business, the group has implemented an internal control system that is described in the management report Issued by the Board of Directors (see Section 6.7. "Management Report of the Board of Directors").

The internal control and risk management system implemented within the Kaufman & Broad group namely aims to ensure:

- Compliance with the laws and regulations of the management, decision-making and/or execution of transactions as well as the behaviour of staff;
- The application of instructions and guidelines set by the group's Executive Management;
- The proper functioning of the company's internal processes, particularly those contributing to the safeguarding of assets;
- The reliability and fairness of the accounting, and the financial and management information communicated to internal structures and externally.

The internal control system put in place by the group's Executive Management provides for a risk management system that aims to identify and analyse the main identifiable risks with regard to its objectives and to ensure that there are risk management procedures in place. The risk mapping drawn up by Executive Management forms an essential step in the identification of the company's risks.

One of the objectives of the internal control system is to prevent and control the risks resulting from the company's activity and the risks of error and fraud, particularly in the accounting and financial fields. Like any control system, however, it can not provide an absolute guarantee that these risks are totally eliminated and aims to obtain reasonable assurance of achieving the objectives of the internal control system.

For example, the action plans and internal policies implemented by the entities or departments concerned aiming to manage major risks and other risks identified by the group include:

4.2.2.1. Management of risks related to the group's business sector

4.2.2.1.1. Management of economic cycle risks

The selectivity of locations and the continuous adaptation of the definition of the products offered for sale by the company have allowed the company to maintain its business in a general context that is uncertain and which has been subject to deterioration. In addition, the group confronts changing market conditions by having the ability to conduct its business with a low level of fixed expenses. The group's main costs are variable, mainly resulting from land acquisition costs, construction costs, program marketing costs, as well as commissions and Compensation of revenues teams (approximately 15% of the group's payroll is considered to be variable). As a result, in the event of a slowdown in activity, the group may reduce its costs by decreasing the number of programs launched. After taking into account the necessary adjustments to

the programs already committed (namely provisioning the costs related to the programs committed and the additional future costs to complete these operations, and taking into account the investigation costs for abandoned programs), the group considers that the benefits of a more conservative development strategy are generally made clear within one year of its implementation. In addition, energy transition commitments, combined with demographic and sociological trends, will continue to support housing demand. In fact, only new housing can achieve carbon neutrality while part of the existing rental market can no longer meet long-term energy performance objectives.

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Internal control, risk management and insurance system

4.2.2.1.2. Management of risks related to joint developments

As part of its internal control system, the group has internal control processes that cover 30 separate procedures, including land acquisition, the management of calls for funds and payment collection from clients, monitoring client receivables, preparing and controlling a property program budget and the forecasting process, the recognition of revenue and inventories at the completion stage, order management, the progression rate, supplier payments, purchases, end-of-worksite management (for the main ones relating to property programs: See Section 4.2.1.4. "Key elements of the group's internal control system"). The property transactions carried out in co-development do not grant exemption from the need for compliance with these procedures, particularly in terms of land selection.

4.2.2.2. Risk management related to the group's business

4.2.2.2.1. Management of land market risks

In order to be able to anticipate any tensions regarding the availability of land necessary for the construction of its programs as early as possible, the group has developed a tool for managing its land reserve, any land included therein being required to meet the selection criteria set by the group (see Section 1.5.2.1. "Land selection"). Lastly, it is the Land Committee that establishes the criteria for the land to be included in the group's land reserve and that validates the strategic and financial pertinence of the planned projects of operations and the preliminary provisional expenditure budget, as well as authorising the implementation of an indemnity for the loss of use of land, particularly in the case of unilateral revenues agreement (see Section 1.5.2.2. "Validation of projects by the Land Committee").

4.2.2.2.2. Management of risks related to supplier relations

In order to better assess the risk of exposure to supplier failure, a procedure governing the selection of suppliers, partners or associates has been implemented, along with the signing of a contract in the event of a call for tenders. The use of financial ratings aims to guarantee the solidity and reliability of the companies with which the group concludes contracts (see Section 5.1.4.7. "With regard to partners and suppliers" paragraph "Supplier selection and responsible purchasing"). In addition, for several years now, Kaufman & Broad has been engaged in a process of centralisation at a regional level of its finishing purchases and standardisation of its supplier selection procedures on a group level. This centralisation makes it possible to forge lasting relationships with suppliers signing a master agreement with the group. This also gives Kaufman & Broad a way of assessing the financial strength and compliance of the companies with which it concludes contracts by perpetuating their relations (see Section 5.1.2.3. "Compliance and ethics at Kaufman & Broad").

4.2.2.2.3. Management of construction cost risks

The group has a "controlled" process in the conducting of its activities, which is used to validate the strategic and financial pertinence prior to committing to a property project (see Sections 1.5. Operations). The group relies on preliminary expenditure forecasts and technical reviews, and launches Invitations to Tender (ITT) prior to acquiring land.

4.2.2.1.3. Management of risks related to bank guarantees within the context of off-plan revenues

In order to minimise the risk of exposure to a decline in the number of institutions able to grant such guarantees to the group, it uses an increased and diversified number of leading banking institutions. The group's main banking institutions are: Crédit Mutuel ARKÉA, Crédit Mutuel group (CIC, BECM, etc.), Banques Populaires group and Caisses d'Épargne group (Palatine, SOCFIM, Natixis, Caisse d'Épargne Midi Pyrénées), Crédit Agricole Corporate Investment Bank (CACIB), Société Générale, and BNP Paribas, and then, in addition to these, financial institutions specialising in guarantees and insurance brokers, such as: Atradius, MB cautions (QBE, ERGO, Tokio Marine Europe), CGI Bâtiment, Weez'Us (Liberty), and Allianz (formerly Euler Hermès).

For example, in regard to carrying out construction work, Kaufman & Broad mainly selects companies through tenders. These procedures, carried out within the framework of the Invitation to Tender (ITT), allow for the competition of the companies approached to carry out the works, and therefore also contribute to the control of operation cost prices.

4.2.2.2.4. Management of risks related to program management

As part of its internal control system, the group has a process for validating its commitments in a property program. The final decision to acquire land is made by the members of the Land Committee. The general rule adopted by Kaufman & Broad stipulates that the final land acquisition is executed if (i) the administrative authorisations required to carry out the planned program are obtained and are free from any third-party objections (the latter condition relating to third-party objections applies in most cases) on the one hand, and, on the other hand, if (ii) the profitability of the program, as presented in the provisional financial statements, is verified (position and level of marketing, technical feasibility, cash flow plan, etc., see Sections 1.5.2. "Land purchases" et seq.).

4.2.2.2.5. Management of risks related to major projects

The scale of this type of transaction, which is very significant, increases the risks traditionally associated with property development operations, particularly in terms of finance, reputation or even technical complexity. Thus, in order to support the development of these projects, the group has the specific skills necessary and sufficient to execute them, both internally and externally.

In addition, given the increased administrative and technical difficulties that may affect this type of transaction, the group is particularly vigilant in preparing the resulting business forecasts.

Lastly, given the significant variations that these major projects may inflict on the group's revenues and results, an appropriate financial communication strategy is anticipated.

4.2.2.2.6. Management of risks related to pollution

Prior to any acquisition of land or a building, the group generally uses the services of specialist firms to carry out a review of the soil quality and pollution, existing buildings and underground structures, the site's land history and an asbestos and survey for buildings to be renovated or restructured.

The group also requires selling companies to disclose any environmental risks of which they are aware and may, if necessary, acquire property that imposes moderate restoration costs, after the appropriate due diligence. In such cases, prior to the acquisition, the group takes measures allowing it to cover itself with guarantees regarding the exact scope of the necessary works and the importance of the costs related to the elimination, restoration and/or monitoring of the site, on the basis of detailed research carried out by its environmental advisers.

4.2.2.2.7. Management of IT system risks

In order to prevent this risk, the group has implemented a business continuity plan (BCP) that essentially provides for the restoration of its IT environment as promptly as possible. In 2019, Kaufman & Broad made the decision to outsource its head offices' data centre. This project came to an end in August 2020. It enabled the group's data to be divided across two latest-generation data centres, guaranteeing optimal energy performance coefficients. These data centres are located in France.

4.2.2.3. Management of risks related to the company

4.2.2.3.1. Management of risks related to Human Resources and dependence on executives

Given that the group has taken into account the importance of its employees' expertise and performance, it aims to attract the right profiles and talents consistently throughout the group by offering ambitious professional prospects, and by building a strong group culture with them. To this end, the group implements a number of mechanisms in the management of its Human Resources, such as integration processes, training and support for young professionals recruited in the company, annual interviews and career reviews to identify talent, to ensure the transmission of the company's culture and expertise, and to identify profiles that could progress towards key positions (see the group's CSR Charter and Section 5.1.4.1. "Building with employees: group human resources policy").

4.2.2.2.8. Management of risks related to acquisitions

Over recent years, the group has made targeted acquisitions and equity investments with a view to increasing its market share and revenues (see Sections 1.1.1. "History" and 1.1.1.3. "External growth policy").

As part of these transactions, the group systematically carries out accounting and operational audits and verifications, which are necessary for the formulation of a satisfactory offer and for the identification of any expenses or contingent liabilities that need to be guaranteed under the acquisition agreement. The proper integration of the key skills identified and the achievement of the forecasts established during the acquisition process are also subject to special surveillance.

4.2.2.2.9. Management of risks related to attempted fraud, corruption and fraud

The group only completes transactions with leading financial intermediaries, and this only passes via secure and remote transmission software, and it does not engage in *e-commerce* with its clients. In addition, most of the financial transactions carried out by the group as part of its operations are carried out either through notaries for land acquisitions or the signature of authentic revenues documents (off-plan), or with financial institutions that allow financial flows on the basis of calls for funds validated by our clients.

The group also exercises strict control over these means of payment, all of which are centralised to the group's head offices.

As part of the obligations related to the entry into force of the Sapin II Law, the group has deployed an adapted system to prevent corruption and trading in influence. This system is detailed in Section 5.1.2.3. "Compliance and ethics at Kaufman & Broad."

Due to the COVID-19 outbreak, a guide to the health & safety rules to be respected during the COVID-19 pandemic in the aim of ensuring a good quality of social living was put in place at the end of the lockdown period in May 2020, detailing the material adaptations (glass partitions, cleaning kits, etc.), social distancing rules, and the organization of remote working (see Chapter 5 of this Universal Registration Document regarding Kaufman & Broad's Non-Financial Performance Statement in Section 5.1.4.3. "Quality-of-life at work and social relations" Remote working agreement. Signed on 17 September 2021, this agreement establishes that "remote working now forms an integral part of the working organization within the group").

4.2.2.4. Market risk management

4.2.2.4.1. Interest rate risk management

The interest rate risk management policy is detailed in Section 4.2.1.4.6. "Liquidity and interest rate risk controls."

4 Risk factors

Internal control, risk management and insurance system

4.2.2.5. Legal risk management

4.2.2.5.1. Management of risks relating to regulations directly applicable to the group

In order to minimise its exposure to these risks, the group has a Legal Department that is in charge of regulatory and legislative matters, whether they're of a *corporate* or operational nature. On an operational level, it provides assistance and advice to both support departments and operational departments within the context of the construction of property programs, particularly in regard to the preparation of contracts and agreements. On a corporate *level*, it is responsible for all aspects of the legal monitoring of all group structures, as well as the internal monitoring of new standards and regulations and their interpretation, supported by external consulting firms specialised in legal matters.

4.2.2.5.2. Management of risks related to tax systems that may affect the new housing market and changes in tax regulations

In order to adapt to changes in the tax systems in which the group operates, it has a Tax Department that deals with all tax issues, whether they're of a *corporate* or operational nature. Whilst it is centralised in the Finance Department, it also relies on liaison with the Legal Department at head offices and in the Regions. Its mission includes the task of overseeing the group's tax monitoring, particularly with regard to changes related to its business. Lastly, the group supplements this monitoring system by using the services of external consultants specialising in tax matters.

4.2.2.5.3. Management of risks related to litigation

The risks inherent to such procedures are covered by insurance, under the conditions summarised in Section 4.2.3. "Insurance." These risks are also monitored and analysed by the group's legal department and advisers, and are systematically reassessed in line with any changes to procedures and the group's past experience.

Where applicable, these risks may also be partially or fully provisioned for accounting purposes.

4.2.2.5.4. Risk management related to off-balance sheet commitments

The internal control procedures implemented to identify and control these off-balance sheet commitments are detailed in Section 4.2.1.5.3. "Procedures for monitoring off-balance sheet commitments."

4.2.2.5.5. Management of risks related to the protection of personal data

For the purposes of its business, the group collects and uses data provided by its clients, prospective clients, candidates and contractual partners.

In order to ensure the protection of this data, the group has implemented a prohibition on the external disclosure of any of its applications deemed to be confidential and/or sensitive in nature. The group's information system is secured by access restrictions, protection rules, advanced firewall systems and security systems, which are regularly tested and reinforced.

In accordance with European Regulation No. ²⁰¹⁶/679 pertaining to the protection of personal data (GDPR), the group has established a register of the various data processing that it carries out within the context of its activities. Specific processes corresponding to personal data also allow clients, prospective clients and candidates to exercise their rights of access, rectification, limitation, portability, deletion and opposition.

A Steering Committee monitors issues related to personal data and the procedures in place.

Regular communication information and awareness campaigns are also implemented to keep employees informed on matters of IT security.

4.2.3. Insurance

4.2.3.1. Legally required insurance

As part of the regulations related to its business as a developer/building, as described in Section 4.1.5.1. "Risks related to regulations directly applicable to the group", group companies take out the mandatory insurance required by Law No. 78-12 of 4 January 1978, covering the project executed (referred to as "construction damage insurance"), the liability of the Property Developer (referred to as Non-Builder Developer insurance) and the responsibility of the contracting, when it is exercised by group companies.

The "Builders' and Contractors' Liability Insurance" is taken out as soon as work starts on the construction site and is intended to pre-finance the repairs of any damages or defects that have arisen following acceptance, falling under the scope of the ten-year guarantee. The benefit of this coverage is transferred to clients upon delivery of their homes, and is passed on to their successors in the event of the resale of their homes.

This insurance covers the costs of repairing damage, even if it results from ground defects, that compromise the solidity of the structures built or that affect the said structures in one of their constituent elements or one of their fittings, making them unfit for purpose or affecting the solidity of inseparable components of viability, foundation, frame, enclosure and roofing elements under the terms of Article 1792-2 of the French Civil Code.

This insurance covers repair costs, including those incurred for any demolition, clearing, removal or dismantling work that may be necessary, once an amicable appraisal has been carried out within certain pre-established deadlines. Following the payment of this compensation, insurers generally turn to the liable Builders and their respective insurers in order to recover the sums advanced.

The cap of the guarantee is equivalent to the total cost of the construction, including fees, for non-residential structures, and equivalent to the cost of repairs for housing structures.

The group's companies are covered by a ten-year liability insurance policy for developer-builders, known in France as "CNR" insurance.

These insurance policies cover the payment of construction repair work to which the group has contributed within its capacity as a builder, when its liability is incurred on the basis of the presumption established by Articles 1792 et seq. of the French Civil Code, with respect to construction work and within the limit of this liability.

The cap of the guarantee is the amount of the total cost of construction, including fees, for non-residential structures, and the cost of repair for housing structures.

Builders' and Contractors' Liability Insurance and CNR insurance policies have been taken out with AXA France IARD, and SMA since 1st January 2020.

They represented a cost of 7.12 million euros (0.54% of consolidated revenues) for the year ended at November 30, 2022.

Since 1st January 2010, the group's companies operating as Contractors have been covered by a specific professional insurance policy (Construction and Civil Engineering) covering professional and ten-year Developer's liability, taken out on 1st January 2020 with QBE.

Premiums paid under this contract during the year ended November 30, 2022 represented a cost of 0.534 million euros (0.04% of consolidated revenues).

4.2.3.2. Other insurance related to the group's business

The group's business is also covered by optional "Developer Civil Liability," "All Construction Site Risks" and "Real Estate Agents' Civil Liability."

4.2.3.2.1. Developer Civil Liability

The "Developer Civil Liability" contracts are intended to guarantee Kaufman & Broad against the financial consequences of the liability that may be incumbent upon it as a result of any bodily injury or material and/or immaterial damage caused to third parties as a result of its business and related services, as well as by the persons, tangible or intangible property, and animals used in the conducting of its business and for which it would be declared civilly liable.

They represented a cost of 1.145 million euros in 2022 (0.087% of consolidated revenues).

The amount of coverage taken out for all of the group's activities since January 2014, with regard to all bodily injury, property damage and consequential damage, amounts to 75 million euros (equivalent to 5.70% of consolidated revenues).

4.2.3.2.2. All Construction Site Risks and Real Estate Agents' Civil Liability

The group also has optional insurance policies for "All Construction Site Risks" and "Real Estate Agents' Civil Liability".

The "All Construction Site Risks" insurance policy, taken out for each operation, guarantees the Project Manager and all participants in the operation against any accidental loss or damage to the structures during the construction period.

The guarantee is granted for up to the total amount of work carried out on the site, including project management and technical control fees.

They represented a cost of 1.131 million euros (0.086% of consolidated revenues) for the year ended November 30, 2022.

The "Real Estate Agents' Civil Liability" for companies engaged as property dealers whose guarantees comply with the Hoguet Law (Law of 2 July 1970), has been included in the Developer CL Contract since 1st January 2014. They shall guarantee bodily injury and consequential property damage, and consequential damage under the same conditions as those set out in paragraph 4.2.3.2.1. "Developer Civil Liability."

4.2.3.2.3. Corporate Officers Civil Liability

Lastly, the group has taken out a "Corporate Officer Civil Liability" policy which guarantees, under certain conditions, the civil liability that executives may incur in the event of professional misconduct committed in the fulfilment of their duties as executive officers, and which also covers the defence costs incurred by policyholders when they are legally pursued on civil or criminal grounds with regard to their activities as executives.

4.2.3.2.4. Fraud and cyber risk insurance

Lastly, in addition to the organization, procedures and existing IT systems to prevent and combat these risks, in 2022, the group renewed its fraud and cyber risk coverage by taking out two separate policies that guarantee, under certain conditions, civil liability, costs and possible losses caused by fraud or breach of the group's IT systems.

4 Risk factors

Current litigation proceedings

4.3. Current litigation proceedings

Due to the nature of its day-to-day business, the company may be subject to legal proceedings (civil, administrative, etc.) filed against it, resulting namely from structural defects, disorders affecting its achievements or non-compliance with certain legal or regulatory obligations, or appeals against building permits obtained, or of any other nature (administrative authorisation, etc.). Provisions are set aside for litigation based on the assessment of the risk carried out by the group's legal department and by its Executive Management, in collaboration with lawyers specialising in the cases at hand. The most significant ongoing legal proceedings are described in Section

6.1.5. "Notes to the financial statements," Note 8 "Provisions for liabilities and charges - Contingent liabilities - Guarantees" et seq. The details of all disputes, both those that are provisioned and those that are not, are communicated only to a limited extent, as such information would likely have an adverse impact on the outcome of the ongoing disputes. There are no other governmental, legal or arbitration proceedings, including any proceedings of which the company is aware, which are pending or threatened, likely to have or have had over the last 12 months significant effects on the financial position or profitability of the company and/or the group.



5

Corporate Social Responsibility CSR



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5.1. Non-financial performance statement: Kaufman & Broad's corporate social responsibility

Kaufman & Broad is aware that the property development business entails significant social, societal and environmental impacts, and it thus publishes information on how its business impacts are taken into account, and on its societal commitments.

Within a context whereby the production and use of buildings contribute to almost 25% of national greenhouse gas emissions, the design, construction and use of new and existing buildings are significant leverage points for achieving and respecting national climate commitments. Therefore, for a group like Kaufman & Broad,

Kaufman & Broad supported the 2022 fiscal year as a signatory to the United Nations Global Compact initiative and its ten principles supporting human rights, labour standards, the environment and the anti-corruption measures. The group is strengthening its commitment to integrate Sustainable Development Objectives into its strategy and, more specifically, through four of the Sustainable Development Goals defined by the United Nations:



"Make cities and human settlements inclusive, safe, resilient and sustainable."



"Ensure sustainable consumption and production schedules."



"Take urgent action to limit climate change and its impacts."



"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."

In accordance with Article L. 225-102-1 of the French Commercial Code, reviewed following the transposition of Directive 2014/95/EU on the Non-Financial Performance Statement, and specified by Decree No. 2017-1265 on the publication of non-financial information, the group has published this information for its 2022 financial year. In accordance with Decree No. 2017-1265, Kaufman & Broad has also verified this information, in accordance with the procedures set out in the Act of 14 September 2018. The information published in regard to CSR thus presents a description of the group's business model, the main risks related to its business, and the policies put in place to reduce and manage these risks, as well as their results.

The "Sustainable Development" section is organised in such a way so as to reflect the issues and risks identified, and to explain their inclusion in the group's strategy. The group as anticipated the CSRD regulation and has therefore classified these issues across the three recommended themes: Environmental, social, and governance.

Kaufman & Broad has been active in France for more than 50 years as a developer and builder of new homes, namely Single-family homes in communities (grouped Single-family homes in communities), apartments, social housing and serviced residences (students, non-medicalised seniors, business or tourism), hotels, and commercial property (offices, shops and logistics warehouses).

As a developer, Kaufman & Broad is present throughout the property chain, managing the operation from the design phase to the marketing process:

- Land research and development;
- Building design;
- Monitoring of construction/development;
- Delivery and client services.

The developer, responsible for coordinating all those involved in the operation, thus has a complete vision of the program. This position gives it the role of referee between various interests, and also confers a responsibility to contribute, with its realisation, to the city's policy and the fight against climate change.

the answer partially lies in improving the well-being of occupants and meet the demand of regions and citizens by building an inclusive city and efficient, high-performance buildings.

At a time when French citizens spend, on average, more than 80% of their time inside buildings, the design of housing and offices determines the setting and quality-of-life of users. The comfort and well-being of occupants are therefore at the heart of the group's concerns and constitute a source stimulating innovation and high-quality research.

For Kaufman & Broad, CSR (Corporate Social Responsibility) refers to adopting a responsible attitude towards our clients and all stakeholders in regard to social, societal and environmental issues. Their initial expectation is to be able to trust our group and our brand.

- **With regard to our clients, through the quality and sustainability of the property they will get from us, as they make a significant investment with their savings.**
- **With regard to elected officials and local government representatives, with regard to our brand and its ability to integrate into the vision of their regions.**
- **With regard to our employees, thanks to the career path and the working environment that we can offer them.**
- **With regard to our subcontractors and suppliers, through the conditions under which we work together.**

In addition, the group is committed to limiting the impact of property projects whilst creating confidence in how we manage or supervise our operations.

For our group, the best way to provide confidence for our stakeholders is through fundamental principles that must constantly and consistently guide our actions: Accountability and transparency. These principles must be expressed in all aspects of our business and at every stage of our processes.

We implement our CSR ambition around five key axes, illustrating our vision of responsibility:

- **Creating pleasant living spaces for all, now and in the future, through the quality of the design and control of our developments**
- **Being a player in the ecological transition for property and regions, through innovation, the preservation of resources and participation in the fight against climate change**
- **Being considered and recognised to be a responsible partner for regions, particularly in terms of employment and regional identity**

- **Acting transparently and responsibly, particularly with regard to our clients, local government officials, residents local to our worksites, and our subcontractors.**
- **Working to develop the potential of our employees and to collaborate with them to build a strong group culture together.**

As a responsible player, our CSR commitments are the levers of a sincere approach, integrated into our corporate project, positioning our group and its brand for the years to come.

Kaufman & Broad is therefore developing its strategy with responsible land development, building typologies that meet local requirements, products which feature materials and energy efficiency performances ensuring low consumption for occupants and a limited carbon footprint, alongside ongoing dialogue with these various stakeholders in order to best meet their requirements and expectations.

One of the specificities of the property development business is that the group has a direct influence on certain issues: Selection of land or design criteria for buildings and target certifications - except in the case of joint developments - while it only has an indirect influence on

others: Practices of companies on construction sites (influenced by the criteria initially set out in the specifications when awarding work contracts), or behaviour of building occupants (which can only be influenced by the pitch made upon order placement and/or handing over keys).

The group's business model presented below has been defined taking into account the recommendations published by the European Commission in the Guidelines on Non-Financial Information (methodology for the communication of non-financial information, 2017/C 215/01) and by the International Integrated Reporting Council (IIRC) in its 2013 International Reference Framework for Integrated Reporting. Although not necessarily exhaustive, this formalisation of the group's business model is intended to represent its business cycle, its products and the business environment in which it operates, so as to provide a better understanding of the challenges, risks and opportunities detailed in this Section. Section 1.1. of this Universal Registration Document also elaborates on the essential characteristics of the group's business and functioning, and Section 2.1. details certain key indicators of its business.



The Group's strengths

Our employees and our relationship with our stakeholders

- 789 employees
- A strong customer experience culture
- A regional network close to the regions

A multi product approach

- Creation of a subsidiary dedicated to development in 2020
- Creation of a subsidiary dedicated to social housing in 2021
- Acquisition of a student residence management company



Our financial strength

- Result up 11,7 %
- Only real estate developer with a rating Investment Grade
- Increase in net housing reservations by 2.1 % in value terms

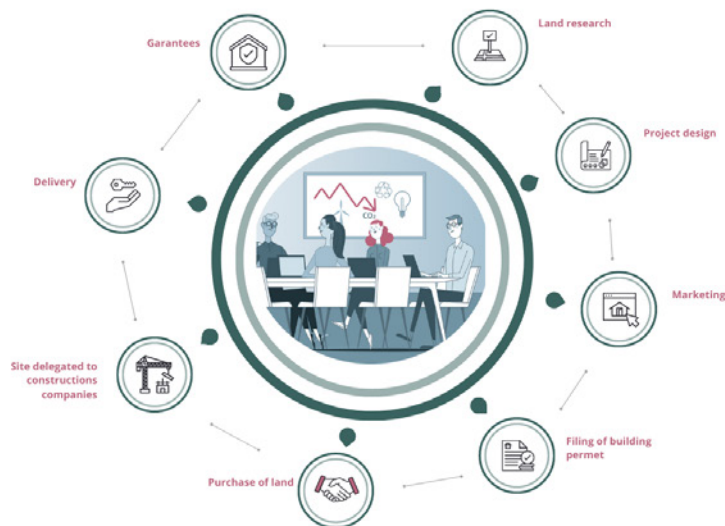
"Pure Player" in real estate development

Kaufman & Broad intervenes at all stages of the design and execution of a real estate transaction and coordinates all participants in the transaction.

Housing units (87.6 % of the turn over) BtoC and BtoB



Tertiary (11.4% of the turn over) BtoB



The Group's added value

With regard to employees

- "Great Place to Work" and "Happy trainees" Certified
- Specific business training programs
- Awareness of climate issues for the majority of employees
- Employee shareownership policy



For the environment

- Assessed by CDP A- integrating the Leadership level for its climate strategy
- Creation of an internal reference framework in 2021. 100 % of tertiary programs aim for a double or triple certifications.
- Operations launched in production aligned with the European Taxonomy
- 3.24 % decrease by KgCO2eq/m² concerning the business impact

With regard to society and the territories

- Development : 700 000 m² of wasteland under development
- Housing units : 34,009 units (land portfolio) of which 90 % in stressed areas.
- Development of managed residences adapted to societal and demographic changes (senior and student)

5.1.1. Evaluation of CSR challenges, risks and opportunities

5.1.1.1. Dialogue with our stakeholders

Kaufman & Broad intervenes at all stages of the design and execution of a property transaction, with multiple contact points. The group has defined the various issues and responsibilities that exist within its relations with its stakeholders.

Mapping of the group's stakeholders

The Company has mapped the various players based on a sector analysis, interviews with group managers and senior executives, and document analyses, which enabled the identification and classification of internal and external stakeholders according to their degree of influence on the group and their impact on the business.

- The first table represents the stakeholders directly necessary for the operation of the company and the sustainability of its offer. These are stakeholders with which the group proactively engages and collaborates.

Stakeholder	Mode of dialogue
Individual clients	<ul style="list-style-type: none"> • Website and app • Media and social networks • Client Relations and Client Account Department • revenues network • Owner's guide & green gestures booklet • Client satisfaction surveys
Employees and employee shareholders	<ul style="list-style-type: none"> • Employee representative bodies and trade unions • General Meeting and governance body for employee shareholders • HR reviews & annual interviews • Internal barometer • Internal communication & intranet • Great Place To Work (GPTW) and HappyTrainees satisfaction surveys • Whistleblowing System anonymous ethics
Local authorities and local residents	<ul style="list-style-type: none"> • FPI [Federation of French Property Developers] representative bodies • Professional associations • Responses to public invitations to tender • Meetings with the City Hall • Preventive summary procedures • Partnership with the "Empreintes Citoyennes" association
Partner companies and suppliers	<ul style="list-style-type: none"> • Negotiations • Contractual relations • Assessment of financial viability/solvency • CSR and Ethics Policy survey
Shareholders and Investors	<ul style="list-style-type: none"> • Website • Reference Document • General Meeting • Due Diligences • Dedicated meeting
R&D, experts and innovations	<ul style="list-style-type: none"> • Innovation booster network • Incubators • Contractual partnerships • Working groups • Association or sector organization (Observatoire de l'Immobilier Durable, Institut Français pour la Performance Énergétique des Bâtiments, Fondation Palladio, BBKA)
Institutional and corporate clients	<ul style="list-style-type: none"> • KB Patrimoine website (dedicated to recommendations for wealth management advisers) • Intermediated revenues network (independent wealth management advisers) • Signature of national conventions

- The second table corresponds to the identified stakeholders that operate in the same ecosystem as Kaufman & Broad and that may have an influence on the business, and with whom the group must therefore maintain an open dialogue.

Networks and professional associations	Certifying bodies and labels
Banks, insurance companies and lenders	Financial and non-financial rating agencies
Start-ups and technical partners	Journalists, media and influencers
Trade unions and employee representatives	End users
Regulatory, supervisory and regulatory authorities	Candidates
Associations and NGOs	Government (State and institutions)
Competitors and peers	Universities and schools

The stakeholder mapping was completed by a specialised firm in 2018. It was updated in 2020 on the basis of a benchmark and a reassessment of the levels of influence but also the dependence of the various categories of stakeholders on the group's activities.

5.1.1.2. Materiality analysis and non-financial risks

In 2022, the group updated its analysis of the group's non-financial risks. The group has therefore conducted a materiality analysis, taking into account external stakeholders and an analysis of the non-financial risks applicable to Kaufman & Broad's business.

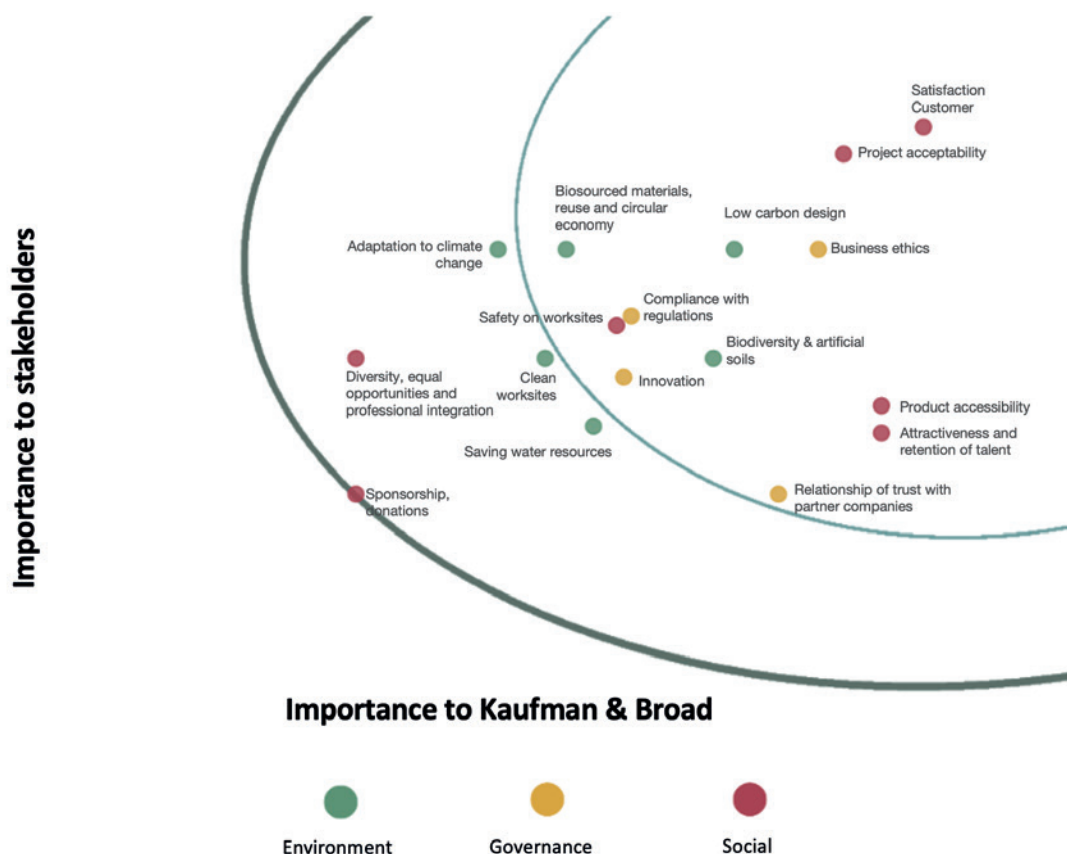
This exercise was carried out in parallel with the analysis of the group's major risks (see Chapter 4 of this document) in order to improve consistency between these two exercises.

Non-financial risks may therefore relate to certain risks included in the mapping of the group's major risks. These links are indicated throughout the Non-Financial Performance Statement, and are detailed in the references in the table below (referring to Sections 4.1. "Risk factors" and 4.2.1.3 "Company risk management systems"). It should be noted that the measures to prevent corruption and trading in influence are subject to mapping and a dedicated management process.

The materiality analysis and CSR risk mapping were carried out by a consulting firm in 2022. The definitions of the issues, risks and responses on the 2021 criteria grid were reviewed during individual interviews by managers and senior executives. In 2022, the risk assessment following initial interviews and questionnaires was reviewed and validated by the CSR Executive Committee.

The issues and risks identified by the group are assessed based on criteria taking into account the impact and probability of occurrence for each risk, in order to establish a rating of the gross risks. The efficacy of the control system is then assessed in order to determine the group's actual exposure (net risks) by the group's managers and senior executives surveyed.

The CSR risk mapping is updated every three years, and then reviewed each year by the CSR Executive Committee.



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The group details its policy to address the related challenges and risks throughout this chapter.

The challenges identified as major within this dedicated mapping concern client satisfaction, the acceptability of projects to external stakeholders (municipality and local residents), the low-carbon design of programs, ethics and the anti-corruption measures, the accessibility of housing for all, the attraction and retention of talent, program compliance, the consideration of biodiversity and soil

preservation, safety on worksites for our employees and stakeholders, as well as the ability to anticipate and innovate in the products and services offered. The group has anticipated the CSRD regulation and has therefore classified these issues across three recommended themes: Environmental, social, and governance.

The group also details the major non-financial risk identified and associated for each theme: Environmental, social and corporate governance issues.

Major environmental challenges

Challenge	Definition
Selection of efficient and high-performance low-carbon design	<p>The production and use of buildings contribute to almost 25% of national greenhouse gas emissions, the design, construction and use of new and existing buildings are significant leverage points for achieving and respecting national climate commitments and the group's carbon-reduction objectives.</p> <p>For the group, these are:</p> <ul style="list-style-type: none"> • Anticipating environmental transition regulations (thermal regulations, publications, etc.) and rising energy costs, as well as the price per tonne of carbon. • Taking into account the expectations of stakeholders (investors, clients, employees, local authorities, etc.) in terms of environmental performance • Raising awareness and training employees
Adaptation of projects to climate change	<p><i>Anticipating regulations and take into account investor expectations and requirements (e.g. publications), as well as the impact of climate change on business (extreme natural events affecting construction sites).</i></p>
Soil pollution and consideration of biodiversity	<p>In order to reduce the impact of construction on the region and biodiversity, and to make housing more pleasant and in order to achieve the objectives of the Paris Agreement and the Green Pact for Europe, and the Climate and Resilience Act of 22 August 2021, the group integrates the following into its strategy of design and then into the implementation of programs:</p> <ul style="list-style-type: none"> • Responsible land use and building optimisation • Reducing soil sealing • The principle of designing with nature • The principle of preserving and improving existing biodiversity.
Circular economy	<p>According to the ADEME and the OPTIGEDE Centre for Circular Economic Resources and Waste, the construction industry produces 42 million tonnes of waste and debris from demolition or decommissioning every year, exceeding household waste three times over.</p> <p>It is within this context that the group, as a property developer, contributes to the integration of the circular economy principle in order to:</p> <ul style="list-style-type: none"> • Integrate the reuse of materials into the design and production of new buildings • Develop the collection and reuse of construction waste as property developer

The environmental risk identified as major:

Risk	Implication for the group	Reference
Risk of not taking environmental issues into account at all stages of the product life cycle (design, construction, operation and renovation)	<p>Anticipate environmental transition regulations (thermal regulations, publications, etc.) and rising energy costs, as well as the price per tonne of carbon.</p> <p>Take into account the expectations of stakeholders (investors, clients, employees, local authorities, etc.) in terms of environmental performance.</p> <p>Reduce the group's direct impact and integrate environmental impact into the company's culture and employees' daily lives</p>	<p>5.1.3.2. Mitigating climate change</p> <p>Reducing the group's impact: The group's water and energy consumption and the occupants of our projects.</p> <p>Reducing the group's carbon footprint: Eco-design of buildings and use of low-carbon materials</p>

Major social challenges

Challenge	Definition
Client satisfaction	The group has always cultivated a sense of quality and the sustainability of its achievements. Employees remain the guarantors for this quality-focused culture, which is expressed through construction and also through client satisfaction and support.
Acceptability of projects to local authorities and local residents	The location of operations is chosen according to qualitative criteria such as the quality of the land, accessibility, and the presence of public facilities, shops and services. The programs are designed in close consultation with municipalities in order to contribute to city policy. The group is attentive to the market and stakeholders' expectations in order to adapt and develop its products.
Adapted and accessible pricing policy	In order to reduce the impact of construction on the region and its biodiversity, and to make housing more pleasant, as well as in order to achieve the objectives of the Paris Agreement and the Green Pact for Europe, the Climate and Resilience Act of 22 August 2021, the group integrates the following into its strategy for design and then implementation of programs: <ul style="list-style-type: none"> • Responsible land use and building optimisation • Reducing soil sealing • The principle of designing with nature • The principle of preserving and improving existing biodiversity.
Recruiting and retaining talent within the Kaufman & Broad teams	Kaufman & Broad's project is based on both individual development and collective strength. The mission of Human Resources is to develop an ecosystem that attracts and retains talent, offers motivating career paths, encourages and recognises the performance and commitment of our employees, while supporting the development of business lines and activities. The challenge of attracting and retaining the talent needed to conduct the group's business is therefore paramount. The group is convinced that each person's talent makes a difference, and that training and development play a central role throughout the career of employees within our group.
Safety conditions on worksites entrusted to construction firms	As a property developer, the group oversees the safety of construction sites entrusted to construction firms. The safety conditions apply to K&B employees, the various participants on worksites, and third parties outside the worksite (bystanders, local residents).

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Major identified social risks

Risk	Implication for the group	Reference
Generating employee loyalty and talent retention	<p>Attracting and retaining the talent needed to develop the business and conquer market segments. Anticipation of the replacement process for key people. Taking into account regulatory changes and the impact on team sizes.</p> <p>This risk includes the development and maintenance of employees' skills with:</p> <ul style="list-style-type: none"> • A training policy adapted to the group's needs. • Accounting for regulatory changes through training. • Pooling resources and expertise. <p>This risk also incorporates the health and well-being of employees, including:</p> <ul style="list-style-type: none"> • Compliance with legal obligations relating to health and safety in the workplace. Taking measures to ensure the health of employees, including during a pandemic. • Recognition and enhancement of employee satisfaction in order to avoid a deterioration in client relations due to higher rates of absenteeism. 	<p>4.1.3.1. Risks related to dependence on executives</p> <p>4.1.3.2. Risks related to Human Resources</p> <p>4.2.2.3.1. Management of risks related to Human Resources and dependence on executives</p> <p>5.1.4.1. Building with employees: group Human Resources Policy</p> <p>Talent management</p> <p>Equal opportunities and treatment</p> <p>Skills development</p> <p>Quality-of-life at work and social relations</p>
Quality of contracts and/or relationship with suppliers	<p>Finding suppliers that are available, qualified and capable of satisfying specifications on time. Avoiding a deterioration in the work quality, resulting in client dissatisfaction.</p>	<p>5.1.4.8 With regard to partners</p> <p>4.1.2.3. Risks related to supplier relations</p> <p>4.1.2.5. Risks related to program management</p>
Acceptability of projects to local authorities and local residents	<p>Developing relations with elected representatives and local authorities in order to avoid deferring or cancelling authorisations by locals and local representatives. Anticipating and taking into account the impact of national or local elections on applicable rules and standards (legislative, tax and urban development provisions).</p> <p>Developing the skills of employees to master a non-financial approach to projects.</p>	<p>5.1.4.2. With regard to local authorities</p>

Major governance issues

Challenge	Definition
Ethics and anti-corruption measures	<p>Adopting responsible behaviour towards all its stakeholders is one of the pillars of the Kaufman & Broad group's CSR strategy.</p> <p>The group prohibits any form of corruption, be it active or passive, in the conducting of its business</p> <p>The group and its employees undertake to strictly comply with the law and to prevent and combat corruption.</p>
Anticipating new regulations which impact project development	<i>The group anticipates new regulations, particularly those related to the French Town Planning Code or environmental law.</i>
Innovating to anticipate changes in markets and business lines, including environmental aspects, with the aim of integrating them into programs.	<p>For many years now, innovation has posed a major challenge in terms of differentiation and competitiveness in property development. Indeed, the objectives of ecological transition, metropolisation of regions, changes in lifestyles and the world of work, changes in relationships to property, time and space, disintermediation, the "all-connected" era and the emergence of Housing as a Service... are all underlying trends that are restructuring demand and creating new expectations and needs, both in residential and commercial contexts. These changes in user behaviour and stakeholder expectations show that the real challenge faced in future will primarily be to offer new services to occupants and residents, to enrich the user experience whilst preserving natural resources and assuming an active role in ecological transition (the Innovation Strategy and the CSR Strategy are designed to be coherent with one another, being combined in the Innovation and CSR Department).</p> <p>Here at Kaufman and Broad, our mission is to anticipate sustainable lifestyles by offering more than just housing, work spaces or square meters.</p>

Major risk related to governance

Risk	Implication for the group	Reference
Lack of anticipation and innovation in the products and services offered	<p>Offering products and/or services adapted to the new expectations and requirements of stakeholders (type of housing, uses, accessibility, environmental performance, services, quality, etc.).</p> <p>Monitoring innovations and further integrating innovative players.</p> <p>Sharing innovation knowledge with teams.</p>	5.1.2.2. Innovation within the CSR and Innovation Department

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5.1.1.3. Opportunities in activities related to ecological transition and social challenges in the region. (Green Business)

The identification of risks and the integration of climate, environmental and societal issues into our business lines, processes and company culture have lead the company to enrich its business model with activities aligned with the ecological transition, thus developing into "green" activities. For example, Kaufman & Broad has:

Challenge	group action - opportunity	Reference
<p>Environmental - preserving biodiversity and combating soil pollution by restoring old wasteland</p>	<p>In 2020, Kaufman & Broad created the company Aménagement & Territoires, it aligns more than 50 years of property expertise with the desire to intervene upstream in large-scale development projects and to provide local authorities with sound and extensive property expertise: Residential, student or senior housing, offices, shops, hotels, public facilities, etc. The creation of this subsidiary demonstrates the group's desire to respond to the double-edged challenge presented by cities: "Combating climate change and strengthening social ties." The mission of A&T is to support the Cities in their evolution and to make profound changes at the level of a neighbourhood - two aims that Kaufman & Broad is fully committed to as its responsibility as developer. The challenge is to create low-carbon, resilient neighbourhoods and ecological urban landscapes that thrive, meet everyone's expectations, make sense, and bring people together.</p> <p>Kaufman & Broad has initiated major industrial wasteland renovation projects, such as the Magasins Généraux project in Reims (approximately 80,000 sq.m FA). These projects create value for stakeholders (elimination of wasteland, service provision, nature in the city, architectural quality) and the company. These projects also address environmental issues and alleviate pressure on urban sprawl.</p> <p>Example: A&T is currently working on the development of nearly 700,000 m², and more than half of our projects are already developing on land that has been built on previously.</p>	<p>5.1.3.4. Integrating biodiversity conservation into the group's strategy</p>
<p>Environmental - Mitigating climate change:</p> <p>Supporting companies in the "green" evolution of their buildings.</p>	<p>Commercial property is one of Kaufman & Broad's strategic businesses aimed at supporting our user partners in their ecological transition.</p> <p>For all companies, the location and environmental performance of their office buildings are now part of a significant portion of Scopes 1 and 2, and even 3 of their CO₂ emissions. This is particularly the case for service companies, for which property represents a high proportion of their environmental impact. According to a JLL study, 79% of companies focus on assets that will help them to reduce their carbon footprint.</p> <p>The commercial property teams have integrated their prospects' CSR issues into their technical and commercial strategy. They offer their prospective clients - often property departments within large companies - offers to renovate and to implement their property master plans in order to achieve their climate-related objectives, as well as offering programs that actively contribute to the well-being and comfort of users and new ways of working.</p> <p>For each commercial property building, the group aims for double or triple certification. These various certifications and labels provide a quality guarantee for our stakeholders.</p> <p>Example:</p>	<p>5.1.3.2. Mitigating climate change</p> <p>Reducing the group's carbon footprint: Eco-design of buildings and use of low-carbon materials</p> <p>Reducing the group's impact: The group's water and energy consumption and the occupants of our projects</p> <p>5.1.4.5. With regard to our clients</p>

Challenge	group action - opportunity	Reference
<p>Environmental - Preservation of resources:</p> <p>Carrying out heavy renovation projects for existing buildings</p>	<p>Integrating the carbon logic and the Life Cycle Assessment (LCA) principle into our operational conduct culture, leading us to identify opportunities for major renovation projects. These operations are designed to preserve the structure of the existing building, hence optimising the carbon footprint of the operation, the economic performance of the project, and its acceptability for stakeholders.</p> <p>Example: Operation Highlight (24,000 sq.m FA) involves the heavy renovation and extension of a former office building. The manifestation of a new business with added economic, environmental and societal value, the group has decided to make this project its future head offices, with the move planned for summer 2022. The structure of the 14-storey building was preserved. With the addition of a new extension, Kaufman & Broad has renovated 17,600 m² of collaborative workspace.</p>	5.1.3.4. Integrating biodiversity conservation into the group's strategy
<p>Societal - housing</p> <p>Creating affordable housing for all with the quality requirements of property acquisition</p>	<p>To respond to the need for affordable housing for all, in 2021, Kaufman & Broad created the subsidiary Kalilog. The company specialises in the construction of social housing, using the same process and quality standards as home ownership projects. It operates throughout the country, including in areas where Kaufman & Broad does not operate (outside major cities, i.e., in social zones 2 and 3, Pinel B2 and C). Kalilog develops "custom" 100% social off-plan projects for local authorities, adapted to each region, within an optimised timeframe. This offer is a new response aiming to enable local authorities to reach the 25% quota for social housing required by the SRU Act [French Solidarity and Urban Renewal Act]. It also offers the opportunity to keep young people, families and seniors in their preferred regions, whilst enjoying of the security offered by a group like Kaufman & Broad and the expertise of a team dedicated to this activity. Kaufman & Broad works closely with social housing landlords to help build social housing for low-income households.</p> <p>Target: Kalilog aims to deliver 1,500 affordable housing units by 2026.</p>	5.1.4.6. With regard to communities Contribution to the economic and social development of regions: Facilitating access to housing
<p>Societal - housing adapted to local needs</p> <p>Senior serviced housing</p>	<p>Kaufman & Broad is respond to the societal challenge faced on a national level of keeping and supporting people with reduced autonomy in their homes, rather than in care facilities (by 2060, nearly a third of French people will be over 60 years of age, and there will be more than 5 million people over 85 years of age). To meet this demand, in 2017, Kaufman & Broad launched an innovative concept: "Cosy Diem," a group subsidiary dedicated to the development and operation of senior residences. This concept aims to meet this population's need for autonomy and independence, prolonging and increasing their autonomy, whilst giving them the benefits of a friendly environment and presence.</p> <p>Located in the heart of cities, the Cosy Diem residences have been designed to be genuinely social places. Each housing unit is built around a central space that features communal living areas (restaurant, library, bar, fitness area, etc.). Residents can live there without obligation, making use - or not - of shared spaces, entertainment and activities.</p> <p>Objective: To build a portfolio of approximately 10 projects managed by Cosy Diem within 5 years. To date, 9 residences are under construction, under development or under study (5 projects validated, representing 426 housing units for an investment of €68M).</p>	5.1.4.6. With regard to communities Contribution to the economic and social development of regions: Facilitating access to housing

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Challenge	group action - opportunity	Reference
<p>Societal - housing adapted to local needs</p> <p>Residences for students and young people</p>	<p>Kaufman & Broad aims to develop student residences in order to respond to the growing societal need for housing in this sector. This is particularly due to young people studying for longer periods of time, the metropolisation of regions, and the cohabitation of students and young professionals.</p> <p>Kaufman & Broad's objective is also to combine services for students, in addition to the housing offer. New buildings will also make it easier for residents to adopt everyday eco-habits, not only individually but also with the power of collective action by residents, maximising the impact of individual actions that benefit both the environment and society.</p> <p>In 2021, Kaufman acquired a 60% majority stake in student residences company NéoResid.</p> <p>Objective: To build a portfolio of nine new projects managed by NeoResid or Cosy Diem within 2028 years.</p>	<p>55.1.4.6. With regard to communities</p> <p>Contribution to the economic and social development of regions: Facilitating access to housing</p>

CSR performance assessment: Non-financial rating agencies

Since 2017, Kaufman & Broad has assessed its CSR performance by responding to recognised rating agencies which issue evaluations used by investors. The aim is both to recognise the group's performance and also to steer the improvement of indicators, with a view to sector comparison and enhanced integration of the expectations and requirements of external stakeholders.

In order to fully integrate the improvement of non-financial performance into the group's strategy, the results of these various ratings form part of the variable Compensation objectives set for the CEO, according to the methods described in Section 8.I.2 of the report. "Elements comprising the Compensation of the Chairman and Chief Executive Officer" of this Universal Registration Document.

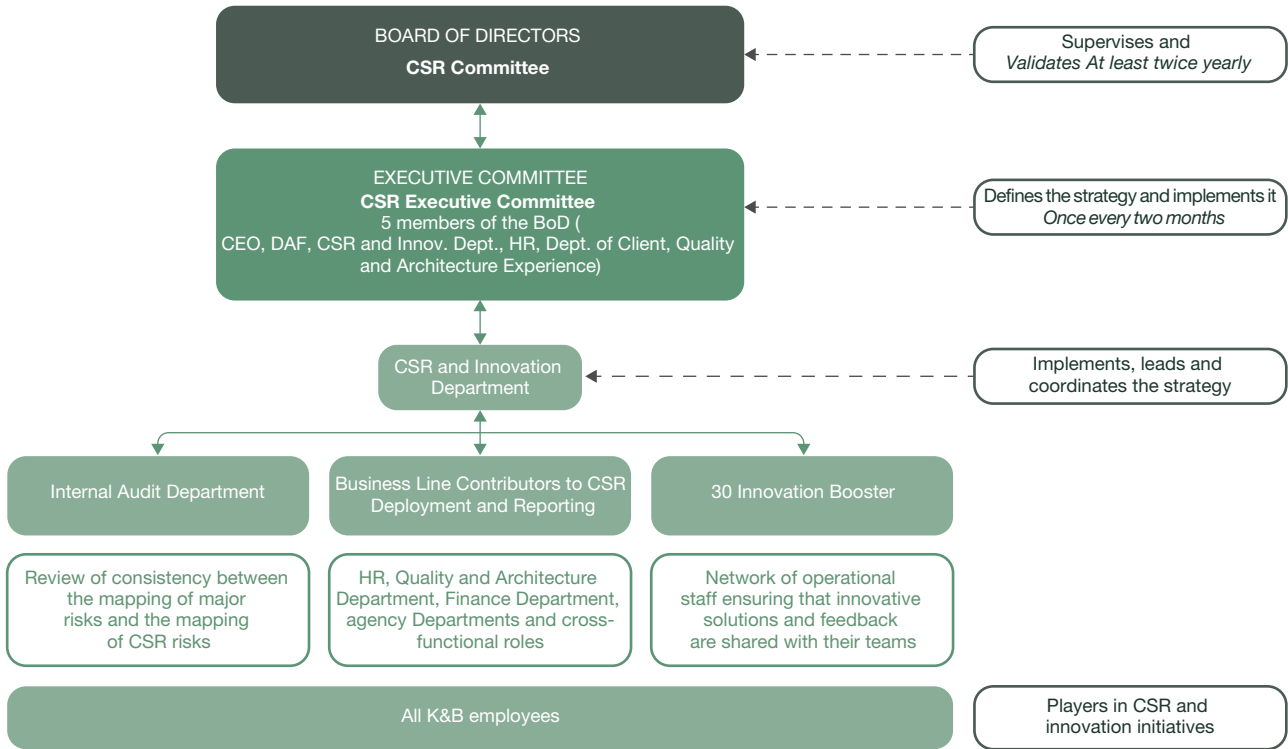
- Gaïa Rating, Ethifinance's ESG rating agency, conducts an annual data collection campaign which covers most of the SMEs and medium-sized companies registered in France. Based on this information, companies are then rated on their levels of transparency and performance.

- Carbon Disclosure Project is a non-financial rating agency specialising in environmental issues and climate change, contributing to the development of the group's environmental strategy.
- Moody's ESG assesses CSR and the integration of ESG criteria into the group's financial and strategic operations.
- MSCI evaluates more than 8,500 companies using environmental, social and governance criteria. Research has shown that these criteria have had an impact on the performance of many companies.

The non-financial information published in this Section is also verified by KPMG, which expresses an opinion on the compliance and fairness of the non-financial performance statement (in accordance with the Order of 14 September 2018) as an independent third party.

5.1.2. CSR and Innovation: Governance and organization

5.1.2.1. CSR governance: organization dedicated to Sustainable Development



The CSR Committee and the CSR Executive Committee

Within the Board of Directors, the CSR Committee meets at least twice a year to oversee and validate strategic orientations and the actions proposed by the CSR Executive Committee, which in turn meets at least once a quarter. The members and duties of the CSR Committee are described in Section 3.1.2.4 "CSR Committee" of this document.

The CSR Executive Committee meets at least once every quarter, composed of five members of the Management Committee: Executive Management and Chairman of the Board of Directors, Finance Department, Human Resources Department, Quality Architecture and Client Experience Department and CSR and Innovation Department.

The CSR and Innovation Department reports directly to Executive Management and is a member of the Management Committee and the CSR Executive Committee. It brings CSR issues to the attention of the Management Committee and reports on them in collaboration with the group's other departments, particularly the Finance and Investor Relations Department, the Internal Audit Department, the Human Resources Department, the Quality and Architecture Department, and the agencies and Cross-Functional Departments.

The CSR strategy is deployed across the various business lines and in conjunction with operational staff through the implementation of cross-functional projects on the company's priority issues, in particular improving the group's environmental impact and its products, quality, client satisfaction, skills and talent management, good governance practices and innovation.

The operational teams, tasked with managing property projects, are key players in implementing the group's CSR actions. This is why environmental and societal issues are integrated into the employee skill-building development plan. In 2022, the group held a training day dedicated to the challenges of transformation. This day, which is mandatory for all employees, allowed the group to present the internal transformations related to the process along with the social and environmental challenges of the business, including challenges related to climate change. In 2022, the group raised awareness amongst the majority of employees about climate issues and the group's ambitions in this field.

In addition, Kaufman & Broad follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in order to increase its transparency regarding its climate strategy (see Section 5.2.4. TCFD compliance).

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5.1.2.2. Innovation within the CSR and Innovation Department

The Kaufman & Broad Innovation and CSR Department (Bertrand Eyraud and the Innovation Steering Committee formed around Chrystèle Marchand, David Laurent and William Truchy, reporting to Executive Management) proposes, commissions and executes the innovation strategy, coordinates and monitors external partnerships, and organises and coordinates the sharing and dissemination of experiences and feedback, along with the formalisation of innovative ideas and internal and external best practices.

Deploying strategy through innovation

At Kaufman and Broad, everyone has a role to play in innovation. Our company has selected a highly operational Innovation organization. All those involved who spend time innovating perform an operational function. This allows us to gain an extremely pragmatic and operational reading of innovative topics, in order to be in a position to quickly and effectively integrate innovations into our processes and projects. Lastly, this shared and collective ambition, adopted by all employees, reinforces the entrepreneurial culture that has been at the heart of Kaufman & Broad's history for over 50 years.

For several years now, innovation has constituted a major challenge in terms of differentiation and competitiveness in property development. Indeed, the objectives of ecological transition, metropolisation of regions, changes in lifestyles and the world of work, changes in relationships to property, time and space, disintermediation, the "all-connected" era and the emergence of Housing as a Service... are all underlying trends that are restructuring demand and creating new expectations and needs, both in residential and commercial contexts. These changes in user behaviour and stakeholder expectations show that the real challenge faced in future will primarily be to offer new services to occupants and residents, to enrich the user experience whilst preserving natural resources and assuming an active role in ecological transition (the Innovation Strategy and the CSR Strategy are designed to be coherent with one another, being combined in the Innovation and CSR Department).

Our mission at Kaufman and Broad is to anticipate sustainable lifestyles by offering more than housing, work space or square meters.

The Innovation Booster network

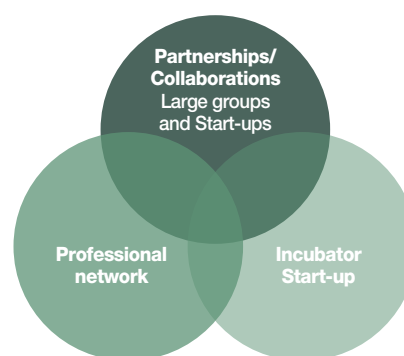
The Innovation and CSR Department relies on an Innovation Booster Network, composed of approximately 30 operational business line managers within each group agency and within the main cross-functional functions. The mission of this network is to implement the distribution of Innovations. The mission of these Innovation Boosters is to:

- Cultivate and promote an innovation-focused culture within their agency or department;
- Keep up-to-date with innovative solutions formalised by the Innovation Department and their content, and share the principles within their agencies/departments;
- Organise, monitor and implement innovative experiments in agencies and collect feedback;
- Assume an active role in pooling expertise, by participating and involving colleagues in the innovation formalisation process;

Every quarter, a video-conference brings together the Innovation Booster teams to share current experiences and experiments, share the innovative challenges and difficulties/solutions encountered in their implementation, disseminate the new "innovation bricks" qualified and validated by the Innovation Committees, and review the Quarterly Innovation Watch Bulletin (also distributed on the Intranet). At the end of the quarterly video-conference, the Innovation Boosters are given a presentation and feed the information shared back to their teams, directly affecting Kaufman & Broad employees, with an operational reading that's also close to the field for innovative issues.

External collaborations

Innovation also involves partnerships with thematic professional networks, incubators and collaborations with companies, from start-ups to large groups.



For example, Kaufman & Broad is a member and partner of:

• Incubators:



- **Paris & Co** (agency for innovation, economic development and the attractiveness of **Paris**), **Sustainable City Segment**: Incubation program (two annual calls for applications), activity to monitor and analyse innovation associated with the Sustainable City.



- **Catalyst for Innovation**, an incubator for the Paris Ouest La Défense area, promoting collaboration between start-ups and key accounts.

• Professional Networks:



- **The Re-employment Booster**, which is a structure bringing together public and private property developers and contractors to encourage, promote and facilitate the integration of reused materials into buildings.
- **Observatoire de l'Immobilier Durable (OID)** [Sustainable Property Observatory], an independent space for the property sector to discuss sustainable development. The OID brings together more than 80 members and partners across its entire value chain. The OID is an association that actively participates in the ramp-up of ESG matters, particularly in regard to accounting for biodiversity in new properties and adapting buildings to climate change.

- **Institut Français pour la Performance des Bâtiments** [French Institute of Building Performance] is an alliance of economic players committed to using operational knowledge to implement the means of an ambitious and efficient energy and environmental transition for property and construction compatible with the market.
- **Association Bâtiment Bas Carbone**; The French development association Bâtiment Bas Carbone [Low-Carbon Building Association] (BBCA) works to reduce the building's carbon footprint and highlight best practices and exemplary buildings. Its objectives are to: Raise awareness of the urgency of reducing the carbon footprint of buildings; Develop knowledge of low-carbon buildings; Promote best practices (BBCA label); Encourage low-carbon construction.
- **Companies, from start-ups to large groups, on innovative themes:** For example, a global partnership with a car manufacturer on the growing porosity between property and eco-mobility, having been produced in several concrete variations. Repeated collaborations with shared parking operators, energy companies, players in the circular economy, etc.
- **Palladio Foundation:** The purpose of the Palladio Foundation is to stimulate reflection and debate amongst all players and stakeholders in the cities of tomorrow and, in particular, to award scholarships for students and PhD students. The group sits on the Auditors Panel and the Palladio Future Segment.

Qualification of innovative solutions

The Innovation and CSR Department organises the formalisation of innovative practices. The innovative ideas proposed by employees, a start-up or an external entity are formalised in "innovation sheets," which centralise a benchmark, a technical, economic and legal analysis of innovation. A monthly Innovation Committee, bringing together four to six business line experts, monitors the production of the innovation sheets, questions the solutions in the economic, technical and legal aspects and then validates their relevance if necessary for distribution to the Innovation Booster network (below) and operational staff. This process then allows all employees, with the help of their Innovation Booster colleagues, to start with a high level of knowledge with a view to implementing innovation in a concrete project. This internal process therefore has a dual objective:

- To control innovative business models and the integration of partner innovations,
- To implement our stand-out innovations for our businesses or products by anticipating their legal, technical and economic challenges.

The 5 key areas of innovation

In order to ensure a common guiding thread, the Innovations that we create and implement within the group are divided into five strategic categories:

Innovation axis	Implication for the group	Reference or example of a program
Mobility	<p>Our ambition is to enrich the mobility solutions offered to the users of our programs through a renewed vision of travel management, focused on demand rather than supply, integrating a service-based approach.</p> <p>Our approach therefore is based in studying proposals for mobility services that are complementary or even alternative to the practice of "individual cars," in line with the transformation of the regions where we operate.</p> <p>Topics or solutions addressed (in particular): Carpooling in collective buildings, shared electric vehicles, shared parking, implementation of the MaaS [Mobility as a Service] approach in property projects (shared bicycles, carpooling incentives, etc.).</p>	<p>In collaboration with Renault, the buyers of the Feel Wood program in Villepreux were offered an electric ZOE for long-term rental with advantageous terms, as well as parking spaces and home garages equipped with charging stations.</p> <p>Several Kaufman & Broad operations offer a shared and extensive parking organization, such as the Symbios operation in Nantes, with ZenPark.</p> <p>See also the Section Reducing the group's carbon footprint: Mobility</p>
Circular Economy	<p>The resilient city that Kaufman & Broad contributes to developing is a city that manages its resources and that thrives, without mortgaging its future. The circular economy is the reflection that we focus on the entire life cycle of our production, aiming to improve its overall environmental performance and to minimise its carbon impact. In practice, the innovations developed are aimed at, on the one hand, to limit as much as possible the consumption of materials, space, water and the use of non-renewable energies during construction as in the use phases of buildings, while, on the other hand, promoting from the design stage the use of sustainable, bio-sourced, low-carbon and/or reused materials as well as the preservation of soil and the development of biodiversity.</p> <p>Topics or solutions addressed (in particular): Water management, Wood construction for offices, Selective decommissioning, beehives/urban pollination, green roofing, carbon offsetting, on-site reuse of land, low-carbon concrete, biodiversity, urban heat islands, etc.</p>	<p>The Green Oak project delivered to Arcueil offers false flooring made with reused materials, as part of a collaboration with the start-up Mobius.</p> <p>The Residence for Students developed in Gagny includes reused materials both in communal areas and in private areas</p> <p>The Harmonie Village Provençal d'Aix-en-Provence operation reuses land excavated during the site construction, as part of the landscaping project.</p> <p>The Silva Tower developed by Kaufman & Broad incorporates 66% of wooden primary structure.</p> <p>See also Section 5.1.3.3. Circular economy.</p>

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Innovation axis	Implication for the group	Reference or example of a program
Energy	<p>The challenges of environmentally-friendly and local consumption relate primarily to energy. The decentralisation of energy production to partially-producing and self-supporting buildings is a strong trend. In addition, housing energy is one of the main constraints for households, but also one of the main sources of the carbon impact of building use.</p> <p>Our ambition is to anticipate the regulatory, legal and economic challenges that favour the integration of renewable energy production solutions into our projects.</p> <p>Topics or solutions addressed (in particular): Individual and collective self-supporting energy consumption, third-party solar panel investor, third-party biomass heating investment, etc.</p>	<p>The ICONIC program in Cap D'Agde implements marine geothermal technology (energy exchange with the sea), as part of a collaboration with an energy operator.</p> <p>The Lagord operation includes a solar panel roof for self-supporting energy production.</p> <p>The Magasins Généraux development in Reims is set to develop an energy system dedicated to the district using geothermal energy.</p> <p>See also the Section Reducing the group's impact: The group's water and energy consumption and the occupants of our projects</p>
New Uses	<p>It has been heard many times before: "In property, it's all about the prime location." This notion of location refers to the aspect of regional connectivity (partially covered by the "mobility" axis), but also to the notion of the building and the urban landscape as a "source of potential for individual and shared experiences", conducive to the practice of new ways of living and residing, as well as new ways of working, growing, and enjoying culture and entertainment, etc.</p> <p>We are therefore involved in the integration of service, programmatic or innovative technical solutions aimed at promoting value in use in our developments.</p> <p>Topics or solutions addressed (in particular): Bail Réel Solidaire [French social leasehold arrangement scheme], Neighbourhood applications, neighbourhood concierge services, connected mailboxes, control of co-ownership charges, inclusive housing for people with disabilities, art in property projects, setting up a voluntary trustee, etc.</p>	<p>The Le Chailly operation in Chilly Mazarin offers a mixed program including home ownership as part of the Bail Réel Solidaire scheme, allowing for significant savings on purchase costs.</p> <p>The Les Jardins de la Jaunaie program in Nantes Saint Sébastien offers a connected concierge service and a communal DIY space for residents.</p> <p>The Bordeaux ITSELF operation offers legal innovation around homes that can be customised by buyers.</p>
Business lines	<p>The digital transformation has led us to rethink our business processes, review our workflow with a view to creating a more flexible, collaborative, qualitative and efficient organization.</p> <p>From land prospecting and marketing to contracting works and client experience... Digital technology impacts our entire value chain. Beyond simply "digitising" our usual processes, the challenge lies in us being able to transform our ways of working, to change our organization, and to adapt our skills in order to improve quality and productivity.</p> <p>Topics or solutions addressed (in particular): Process digitisation, electronic signatures, client experience, use of BIM, etc.</p>	<p>Electronic signatures were implemented for works contracts in order to optimise our processes and those of our partners.</p> <p>The digitisation of CSR data entry for operations through the K&B Committee business tool allows for improved input processes, an upstream evaluation of project performance, and consolidation at the agency and group-wide levels to feed into reporting and CSR strategies.</p>

This list of innovations is neither exhaustive or fixed. It adapts to the strategy, experience, stakeholder expectations, innovations and market opportunities.

5.1.2.3. Compliance and ethics at Kaufman & Broad

Adopting responsible behaviour towards all its stakeholders is one of the founding pillars of the Kaufman & Broad group's CSR strategy. The group prohibits any form of corruption, be it active or passive, in the conduct of its business. The group and its employees undertake to strictly comply with the law, and to prevent and combat corruption.

As indicated in Section 4.1.5., the group has a Legal Department that is in charge of regulatory and legislative matters, whether they're of *corporate* or operational natures. At an operational level, it provides assistance and advice, both to support departments and to operational departments, involved in the construction of property programs, particularly in the preparation of contracts and agreements. At a corporate level, it is responsible for all aspects of legal monitoring for all of the group's structures, as well as the internal monitoring of new standards and regulations and their interpretation, supported by external consulting firms specialising in legal matters.

Anti-corruption measures and the prevention of trading in influence

As part of the obligations related to the entry into force of the Law on Transparency, anti-corruption measures, and the Modernisation of Economic Life, (known as the Sapin 2 Law), the group has carried out mapping dedicated to corruption risks, in line with the approach used for the mapping of the group's major risks.

This mapping is based on an analysis of the various potential corruption scenarios in light of the group's business sector, after taking into account its organization and existing procedures for measuring the exposure of processes to the risk of corruption. The scenarios analysed, taking into account the group's business sector, include land prospecting and acquisition, obtaining administrative authorisation and selecting companies. Existing policies and procedures, and their possible reinforcement in this respect, are identified and monitored by the Internal Audit Department within the Audit Committee. The internal control system is described in Section 4.2.

The control of financial transactions is detailed in Section 4.2.1.4. Most of the financial transactions carried out by the group as part of its operations are concluded either through notaries for land acquisitions or the signature of authentic revenues documents (off-plan revenues), or with financial institutions that enable financial flows on the basis of calls for funds validated by clients. In addition, the group uses external solutions such as InduED, which makes it possible to consult external databases (international sanctions lists, politically-exposed persons (PEP), specialised press) containing possible practices related to corruption. The group also exercises strict control over these means of payment, all of which are centralised to the group's head offices.

Kaufman & Broad Code of Ethics:

The group also updated its Code of Ethics in 2022. Related procedures, including the Whistleblowing Procedure and the disciplinary sanctions procedure, have applied to all group employees since 1st January 2018. The Whistleblowing Procedure governs the processes used for enabling employees to report the identification of a risk of breach of the law, the Kaufman & Broad Code of Ethics, the Internal Rules and/or any other internal procedures enforced within K&B. The Whistleblowing Procedure ensures, in accordance with the law, strict confidentiality of the identity of the whistleblower, the persons covered by the

whistleblower and the information collected by all persons notified of the whistleblowing. This module also automates compliance with legal obligations in terms of processing times (3 months maximum) as well as the deletion of the file if the report is withdrawn.

The Code of Ethics sets out and formalises the principles to be applied by all group employees with regard to the following topics: Respect of fundamental rights, the responsibilities incumbent on employees, the conduct of business, relations with shareholders, suppliers, clients and elected representatives, in accordance with the group's corporate social responsibility approach. The Code of Ethics also refers to existing agreements, procedures and notes concerning these fields.

The Code of Ethics is submitted and signed by all new recruits and can be accessed by employees via the company's intranet. Out of the entire workforce at the end of 2022, 788 employees had completed an e-learning course entitled "Ethics at Kaufman & Broad".

In 2019, the group also joined a sector-wide initiative aimed at defining a standard for collecting the information needed to pre-qualify third parties, and particularly contractors, in terms of compliance.

In 2020, this approach led to the establishment of a collaborative portal which allows the third parties surveyed to respond to a single questionnaire, intended for all portal partners who would consider soliciting it. As part of calls for tenders for the allocation of technical lots, representing significant amounts, companies are asked to complete a questionnaire entitled "Ethical Business and Sustainable Development Pre-Qualification", ensuring that companies are compliant, particularly in terms of corruption issues.

This questionnaire, confidential for instructing parties, has been mandatory since 1st January 2021 and is presented to the validator(s) and/or signatories of the agreement when the contract is signed. This questionnaire has also been enhanced with other CSR criteria in order to supplement the assessment of their performance during the tendering phase, as part of a responsible purchasing approach (see paragraph "Selection of suppliers and responsible purchasing" in Section 5.1.4.3.1. Purchases and subcontracting).

Combating tax evasion, money laundering and the financing of terrorism

The Kaufman & Broad group's business is based in France. Kaufman & Broad SA, the group's holding company, holds only French companies, either directly or through intermediary companies, all of which are based and registered in France for the 2022 financial year. The group is committed to using its best efforts in its tax policy.

During the analysis of the group's CSR risks, tax evasion was not identified as a net risk. Kaufman & Broad SA is subject to regular tax audits conducted by the National and International Audit Department. The holding company's latest tax audit was carried out in 2017 and the results showed a total absence of recovery.

The group and its employees Kaufman and Broad and its employees are vigilant with regard to the payments envisaged or made in order to detect any irregularity, particularly in regard to partners, clients, or suppliers which present behaviour, nationality or business conduct that may arouse suspicions. Any element of a proposed transaction that appears inadequate or likely to violate applicable laws or regulations, or internal policies and procedures must be reported by the employee to their line manager, and also to the group's Legal Department and/or Finance Department.

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To this end, the group is also attentive to the information provided by notaries, officers with a delegation of public authority, who authenticate all property transactions carried out by the group, and one of their obligations is to ensure the legal origin of the funds used.

Not only legal entities, but also employees and managers may be held criminally liable in cases of money laundering. Attempted money laundering is punishable by the same penalties as the offence itself.

Acquisition policy

Over recent years, the group has made targeted acquisitions and equity investments with a view to increasing its market share, and in the same sense, it has also made revenues (see Sections 1.1.1. "History" and 1.1.1.3. "External growth policy").

As part of these transactions, the group systematically carries out accounting and operational audits and the verifications necessary for the formulation of a satisfactory offer and the identification of any expenses or contingent liabilities that need to be guaranteed under the acquisition agreement. The group is committed to responsible organization changes and to limiting social impacts, namely by focusing on:

- Identifying and individualising the monitoring of employee skills;
- Integrating key skills;
- Internal mobility programs;
- Systematic employee monitoring;
- Depending on individual situations, the study of early retirement projects.

Data protection and IT security

For the purposes of its business, the group collects and uses data provided by its prospects, clients, candidates and contractual partners.

In accordance with European Regulation 2016/679 on the protection of personal data (GDPR), the group has established a register of the various data processing activities that it carries out.

Within the framework set by the GDPR, specific processes corresponding to Personal Data allow prospects, clients and candidates to exercise their rights of access, rectification, limitation, portability, deletion and opposition.

A Steering Committee monitors issues related to personal data and the procedures in place.

Regular IT security information and awareness campaigns are also conducted for employees. New employees must read and sign the Code of Ethics, which includes a Section on the protection of confidential data. Out of the entire workforce at the end of 2022, 684 employees had received training in "GDPR at Kaufman & Broad".

The group's information system is secured by access restrictions, protection rules and security systems, which are regularly tested and reinforced. The IT Department conducts regular testing against cyber attacks. New entrants must sign the user guidelines for the use of computer resources and internet services. In addition, Kaufman & Broad has also integrated mandatory training in IT security into its induction program. Out of the entire workforce at the end of 2022, 653 employees had received training, equivalent to 83.32% of the group's employees.

5.1.3. Strategy and environmental indicators

group commitments/objectives	group policies and actions in 2022
Reducing Scopes 1 & 2 equivalent carbon emissions by 28% between 2019 and 2030	Development of the K&B Mobility Pack, Remote working agreement Development of a low-carbon company car network (electric vehicles and bioethanol vehicles (flex E85) Application of an internal energy sobriety plan within the company, focusing particularly on mobility and energy use by agencies. -5% between 2019 and 2022
Obtaining a 22% reduction in the equivalent carbon emissions per m ² delivered during the construction and use phase for the housing and office development business	-3.24% between 2019 and 2022 Launches in production of projects aligned with the achievement of the objective
100% of commercial business line projects launched (after the Commitment Committee) aim for dual quality, environmental and societal certification/labelling	100% in 2021 and 2022
Raise employee awareness of CSR and climate issues	Awareness-raising campaign 2022: • All employees attended a training day dedicated to the challenges of transformation, raising awareness on CSR and Innovation, as well as on the group's climate challenges
Obtaining the "Leadership" level in the "Climate Change" evaluation of the Carbon Disclosure Project by the end of 2024	Rating improvement from C to A- between 2020 and 2022
100% of housing programs launched with a green space	Integrated into the group's environmental management system in 2021.
100% of the wood materials used in the programs are eco-certified (PEFC - FSC -...) 5 programs incorporating reused materials	Included in 2021 in the K&B "Manual of Environmental Specifications and Procedures" Integration of 5 new programs in 2022, including 4 housing programs in the Re-employment Booster program. Delivery of Gagny, a student residence integrating re-employment.
Commitment to reducing the water consumption of our projects	Generalisation of water-saving equipment across new projects in 2021

5.1.3.1. Internal environmental standards, process for monitoring environmental indicators and performance

For property development projects

Measure to progress: Kaufman & Broad has deployed and is continually working to develop tools for evaluating, consolidating and reporting CSR indicators across its entire production, so that it can implement and monitor the company's CSR strategy. This methodology aims to be able to monitor the action plan with non-financial performance indicators linked to ambitious and coherent objectives and/or commitments.

Tool for entering and evaluating CSR indicators for operations: K&B Committee

In 2021, Kaufman & Broad integrated an evaluation module into the K&B Committees business tool in order to explain the environmental and social impacts of projects at decision-making committee meetings, on the same level as the technical, marketing and financial issues, intended to form an integral part of the selection/validation criteria. This tool evaluates each project on the basis of several themes:

- Mobility and density of accessible services on foot and by bicycle (public transport, food, healthcare, education, nature).

- Soil conservation and biodiversity,
- Carbon impact (construction methods and energy and environmental efficiency). An internal and fictitious "carbon tax" highlights the environmental performance of the project and encourages cost/carbon correlations during project development.
- Societal impact.
- In addition, the participation of the Director of CSR and Innovation in these committees allows for direct discussions with the teams on the CSR strategy for each project and the verification of the proper application of environmental procedures. The CSR data entered during committee meetings is updated upon project completion and verified upon delivery of the transaction. They contribute to the group's CSR dashboards, strategy and reporting.

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K&B Guidelines for Environmental Specifications and Procedures

The group's CSR Department and Technical Departments have also created and distributed the Kaufman & Broad Manual for Environmental Specifications and Procedures (K&B MESP). Since 2021, it has been applied to all projects initiated by the group and was updated, completed and validated by a group of Technical Directors in 2022 (V4.0). This standard is part of the group's environmental management system and generalises best environmental practices across 100% of production, in line with the group's policy on several themes:

Thematic	Example of application
Water preservation	Generalisation of water-saving equipment based on European taxonomy criteria
Soil preservation	Widespread use of land reuse on sites
Bio-sourced materials and forestry	Systematic use of PEFC/FSC-certified wood
Design of structures and works	Widespread application of the K&B Low-Disruption Building Guidelines
Comfort and awareness of buyers and users	Non-use of products with a VOC rating below A in interiors
Adaptation to climate change	Generalisation of coatings with clear shades

This document is part of the group's Responsible Management System and is subject to continual improvement measures.

In 2022, several good environmental practices were incorporated into the group's standards, such as:

- Equipment with a positive impact on the biodiversity issues identified on each project,
- Generalisation of a potential land survey, including buildings with more than 1,000 m² FA,
- Systematic study of a low-carbon energy vector for new projects.

Consolidation and control of CSR indicators

The CSR indicators for operations are consolidated on agency and group-wide levels. CSR indicators are also being integrated into the tools used to consolidate financial indicators. These dashboards contribute to the construction of the group's environmental and societal performance indicators and to the monitoring of the CSR strategy by the CSR Executive Committee. In 2022, the group also extended its actions relating to the improvement of the control, internal audit and the management of CSR data non-compliances, and application of environmental procedures, by adapting the existing processes.

For administrative activities

The carbon impact of administrative activities represents approximately 2% of the total CO₂ eq emissions associated with our activities. However, the impact is closely monitored due to the company's notably direct influence on these activities. An action plan to reduce impacts is a manifest representation of the group's commitment, and that of its employees, to reducing the company's carbon impact on a daily basis. These indicators namely include:

- The energy and water consumption of the office buildings we occupy,
- Energy types and consumption used for employee travel,
- Monitoring of the maintenance and upkeep of buildings, particularly in regard to their cooling systems,
- Waste production and actions to promote biodiversity in our buildings.

The group details its internal policy related to major environmental issues in each dedicated Section.

Sustainable Finance

European taxonomy

Following the adoption of EU Regulation 2020/852 on 18 June 2020 by the European Parliament and the Council, the European Commission has implemented a mechanism that will allow companies and investors to assess the environmental performance of companies, and to identify "green" economic activities, covering the business sectors with the highest greenhouse gas emissions.

Kaufman & Broad is one of the companies subject to this regulation, as a result of:

- Its workforce: More than 500 employees.
- The fact that the company is subject to the obligation to publish a Non-Financial Performance Statement.
- Classification of its Property Development and Construction activities as eligible for taxonomy, namely: The construction of new buildings (number 7.1), the renovation of existing buildings (number 7.2), the acquisition and exercising of property ownership (number 7.7).

The group is adapting its strategy, process and operational tools to comply with European Taxonomy. Now limited to aligning activities with the first two climate change mitigation and adaptation objectives, communication on financial indicators will gradually expand to ultimately assess the alignment of the company's activities with all taxonomy objectives.

- At 31/12/2022, the level of business alignment with the first two climate change mitigation and adaptation objectives has been incorporated.
- From 31/12/2023, the alignment communication will be extended to cover the rest of the taxonomy objectives.

The objectives of European Taxonomy are as follows:

1. Climate change mitigation.
2. Adaptation to climate change.
3. Sustainable use and protection of aquatic and marine resources.
4. The transition to a circular economy.
5. Prevention and reduction of pollution.
6. Protecting and restoring biodiversity and ecosystems.

Actuaries must also respect the human and social rights guaranteed by international law; namely:

- Labour standards according to the declaration of the International Labour organization.
- OECD Guidelines for Multi-national Enterprises.
- The United Nations Guiding Principles on Business and Human Rights.

All of the group's business is carried out in respect of fundamental human and social rights in the workplace. Kaufman & Broad ensures the respect of these rights through several elements:

- The presence of CSR, which monitors the health and safety of employees and third parties in the working environment (See Quality-of-life at work and employee relations),

- The HR and managerial policy that promotes the professional development and employee development.
- Verification of regulatory compliance with the labour rights of service providers used by the group as a property developer (See 5.1.4.7. With regard to partners).

The group constantly monitors regulatory changes, particularly by participating in the European Taxonomy working group under the Observatoire de l'Immobilier Durable. The objective is to monitor the indicators of the "Do Not Harm" technique and contribution criteria across all programs in order to calculate the proportion of revenue aligned with the progress at 2022.

Revenue eligible and aligned with European taxonomy

group business	Code(s)	Revenue in thousands of €*	Proportion of revenue	Revenue aligned with taxonomy	Percentage of revenue aligned with taxonomy
Housing (property development)	4110A	1,152,514	87.65%	32,257	2.47%
Commercial (property development)	4110B -4110C	150,172	11.42%	130,786	10.03%
Management of student residences	6820B	1,005	0.07%	438	0.03%
Total activities eligible for the ET		1,303,692	99.15%	163,481	12.54%
Management of student residences	7022Z	5,738	0.44%		
Showroom - other* *	4649Z	5,449	0.41%		
Total non-eligible activities for the ET		11,187	0.85%		
TOTAL (A + B)		1,314,878	100%		

*revenues excluding JVT

* *Other: Land, Contractor CDM and Distribution business and services representing less than 0.01%

Products aligned with EU taxonomy contribute to the goal of mitigating change. In addition, approximately 30% of revenue meets the contribution criterion for climate change mitigation. The majority of these programs cover more than 5,000 m² and must therefore carry out a life cycle analysis as part of the objective of climate change mitigation. Despite the completion of its business carbon assessment, the group considers that this criterion is linked to the completion of a life cycle analysis which is specific to the program carried out by a design office. The group believes that the proportion of its aligned revenues will increase rapidly from 2023 onwards.

In order to adapt its strategy accordingly, in the first quarter of 2022, the group integrated the technical criteria of taxonomy into the decision-making committees through the KB Committee tool. The compliance of each development project with European taxonomy criteria for "new buildings" will be assessed from the upstream phases of the operation, which will be marked as "aligned" or "non-aligned." These changes make it possible to monitor property development programs aligned with taxonomy and also encourage the achievement of one or more European taxonomy contribution objectives. Furthermore, the CSR department and the technical departments have incorporated criteria into the Manual for Environmental Specifications and Procedures that comply with European taxonomy, meaning that all new projects are aligned with certain points of the regulations, such as:

- The inclusion of a waste recovery target for worksites,
- Widespread use of water-saving equipment,
- Anti-pollutant measures, namely the use of products graded A and A + in interiors.

Capex: Investment expenditure eligible for Taxonomy:

Kaufman & Broad's property development business generates investment and operating expenses which are eligible for European taxonomy in view of their link to the business of constructing new buildings, renovating existing buildings, and acquiring and exercising ownership of property.

Kaufman & Broad intervenes in its projects as Property Developer, and the group therefore uses the services of various companies according to the stage of the program life cycle in question:

- Project design: Architects, contractors, design offices.
- Project production: Construction firms with various areas of expertise.

The participating companies hold their own production capital (cranes, concrete mixing plants, wooden construction plants, computers, etc.), for the group, and the cost of these investments corresponds to purchases, 72.5% of which are eligible for European Taxonomy.

Our Capex corresponds to structural costs, as well as, for the 2021 financial year, the purchase of the walls of a serviced student residence, identified in the eligible Capex. This indicator will ultimately identify the pathway for Taxonomy alignment.

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Classification	Global Capex in thousands of euros	Capex eligible in thousands of euros	Eligible Capex share	Aligned Capex in thousands of euros	Share of aligned Capex in thousands of euros
Intangible Assets	3,482	-	-	-	-
Property, Plant And Equipment	16,045	7,297	13%	1,047	3%
Right of use - land	34,323	32,924	61%	24,909	61%
Right of use - Boutiks	6	6	0%	-	-
Right of use - vehicles	560	560	1%	-	-
TOTAL	54,416	40,813	75%	25,956	64%

OPEX: Operating expenses eligible for Taxonomy:

Our Opex eligible for European taxonomy correspond to R&D costs, short-term uncapitalised rents, and maintenance and operating expenses for the buildings and assets we use. The group has not recorded any R&D costs; the remaining eligible Opex linked to the maintenance and repair of agencies (including head offices) accounted for 1.8% of the Opex in 2022. As such, the group considers it to be non-material and applies the principle of exemption.

Green Bond

In 2019, Kaufman & Broad established a Green Loan or Green Bond. This is a Bond Loan dedicated to financing projects which contribute to ecological transition. The difference when compared with conventional bonds lies in the commitments made by the borrower. Indeed, Kaufman & Broad has reached an agreement with an issuer and must maintain commitments across four criteria:

- The rating of the non-financial agency Carbon Disclosure Project;
- The rating of the non-financial agency Vigeo;
- Number of commercial m² certified with BREEAM under construction;
- The proportion of housing units (excluding Managed Residences) delivered with NF Habitat certification for all housing units.

These criteria evolve over a given period to form part of a continuous improvement process and, each year, the group must demonstrate that it meets the commitments across the four impact indicators.

5.1.3.2. Mitigating climate change

Alignment of Kaufman & Broad's approach with the national low-carbon strategy

Adopted for the first time in 2015, the first French low-carbon national strategy (SNBC) was revised in 2018-2019 with ambitions revised upwards, the objective being for France to reach carbon neutrality by 2050 (a factor of 6 reduction in national emissions). The construction and use of residential and commercial business line buildings sector is responsible for almost 25% of French emissions: Intervention in energy-intensive buildings and the construction of new low-carbon buildings therefore have a major role to play in the combating climate change.

The French State, supported by industry players, has launched a new project to take into account not only energy consumption, but also carbon emissions, including those related to the construction phase of buildings, in the regulation applicable to new buildings: Environmental Regulation 2020 (RE2020). This new regulation supersedes RT2012. It has been drafted based on the State's clear expression of its aims and the dialogue opened with the relevant players, who have decided to take collective action to reduce building emissions.

Reducing the carbon impact of buildings, continuing to improve their energy performance and guaranteeing summer comfort: These are the main objectives of the RE2020 regulation, which has been applicable to new housing constructions from 1st January 2022 then to office buildings at 1st July 2022, and lastly to other commercial business line structures in 2023.

RE2020 is the first French regulation, and one of the first regulations in the world, to introduce environmental performance into new building construction via a life cycle analysis.

Within this context, the priorities of the 2020 Environmental Regulation integrated into Kaufman & Broad operations are:

- To reduce the climate impact of new buildings by taking into account all of the building's emissions over its life cycle, from the construction phase. The Life Cycle Analysis - which Kaufman & Broad applies to all its production (housing, offices, logistics) within its environmental standards - helps to encourage construction methods that emit low levels of greenhouse gases or that allow these gases to be stored, such as the use of bio-sourced materials. In another aspect, the consumption of low-carbon energy sources, and particularly renewable energy sources, is encouraged.
- To continue to improve energy performances and to reduce the energy consumption of new buildings. The stipulations of the RE2020 regulation exceed the requirements of previous regulations (RT 2012), with particular emphasis on the performance of insulation, regardless of the heating method installed, through the reinforcement of the bioclimatic need indicator (referred to as "Bbio").
- Provide a guarantee for residents that their housing is adapted to future climate conditions by introducing a summer comfort objective. Buildings must be more resilient to heat waves, which will be more frequent and intense due to climate change.

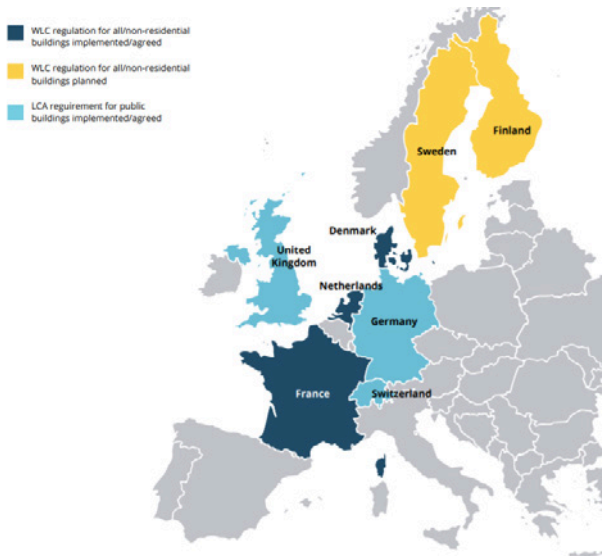


Figure 2 - Map of the leading whole-life carbon regulations in Europe. Map design: Showeet. Source: BPIE, 2021.

Source: <https://www.bpie.eu/wp-content/uploads/2022/01/SPIPA-LCA-2022FINAL.pdf>

Kaufman & Broad integrates environmental issues into its business model, processes and quality and management standards throughout all phases of its projects:

- The land development phase: The quality of the location of buildings is taken into account in the group's environmental strategy. Indeed, carbon emissions related to the forced travel of occupants (mainly commuting) represent a significant impact. Whilst this is not included within the scope of the Bilan Carbone [Carbon Audit], the group may have an indirect impact by taking into account the location of projects and the proximity of public transport and main facilities and services. This parameter is taken into account for the development of a sustainable mobility component in the design phase (see Section 5.1.2.4.2 "Promoting sustainable mobility and raising occupants' awareness of responsible behaviour").
- The construction phase: Building production accounts for approximately half of the carbon emissions of our production, mainly associated with building materials and their implementation during construction. The group's action levers focus on reducing the impact of inputs, particularly by:
 - Optimising the quantity of materials used and applying frugal design principles,
 - Using low-carbon, bio-sourced and reused materials,

- Reducing the impact of work in progress with our service providers (see Section 5.1.2.3.1. "Controlling the environmental impact of worksites").
- The use phase of buildings: The use of delivered buildings accounts for approximately half of the GHG emissions associated with other property activities. This is due to the duration taken into account for use: 50 years. Anticipating the use of buildings from the design phase, in order to ensure that the structures incorporate efficient and low-carbon technical systems, is therefore an important vector of environmental performance for Kaufman & Broad. This includes:
 - Optimising the building envelope and reducing primary energy requirements,
 - Prioritising the use of renewable, low-carbon and economical energies for our clients in the use phase.

A policy of raising buyers' awareness (see this section "Raising clients' awareness of the impact of their acquisition") supplements this strategic CSR priority (despite a lower level of control over the behavioural dimension once the projects have been delivered).

For each of its operations, the group also commissions an external environmental research office to integrate the energy and carbon optimisation criteria for all production from the design phase.

Kaufman & Broad applies the principles of sobriety and low-carbon methodology implemented in the design of its property production within its administrative scope, with the aim of implementing the most efficient actions in terms of reducing carbon emissions, particularly in regard to business travel and occupied buildings.

Measurement of the group's carbon impact and reduction objectives

The group carried out a greenhouse gas emissions assessment in 2022 for all of its activities, using the Carbon Audit methodology created by ADEME and supported by the Carbon Audit Association. The method has been constructed in full compliance with ISO 14064-1. The tool also allows exports in the ISO, GHG Protocol, French regulatory review and CDP formats to meet the other, most closely monitored standards. The Bilan Carbone® method and the associated tools make it possible to meet these standards. Each year, the group measures its carbon impact in order to assess and monitor its environmental performance in regard to the main emission sources.

The analysis of greenhouse gas emissions for Kaufman & Broad's activities was carried out across the regulatory scope (Scopes 1 and 2), and across the majority of Scope 3 emission items. The group's greenhouse gas (GHG) emissions report, produced in 2022, indicated that the group emitted 710,684 tonnes of CO₂ equivalent.

2022 and 2021 carbon footprint

Type of emissions (Teq CO ₂)	Emission item (Carbon Audit)	Items taken into account	2022	2021
Scope 1	1	Business travel in company vehicles (company fleet and TOTAL fuel cards)	1,270	1,201
	2	Direct emissions from stationary combustion sources (agency gas consumption)	7	9
	4	Direct fugitive emissions (air conditioning of agencies)	36	62
Scope 2	6	Energy consumption on administrative sites (combustion)	64	66
Scope 3	8	Energy consumption on administrative sites (upstream)	34	33
	8	Energy consumption on worksites	9,101	10,647
	9	Construction phase of different product types	381,372	436,477
	9	Purchases of goods and services for administrative activities	11,170	12,169
	10	Fixed assets (agency, IT equipment and company cars)	606	1,370
	13	Business travel by personal vehicle, train or plane	309	315
	13	Business travel in company vehicles (company fleet and upstream TOTAL cards)	303	289
	14	Rental of agencies	194	204
	18	Use phase of different product types (over 50 years)	306,218	357,768
TOTAL			710,747	838,602

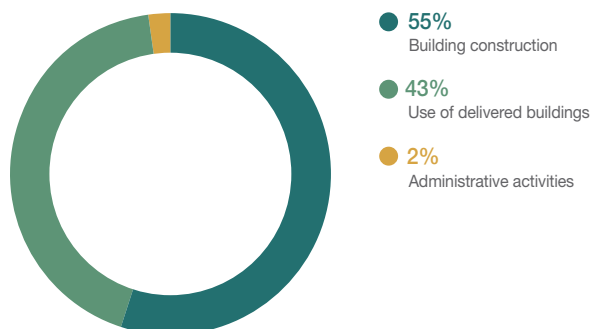
The overall decrease in carbon emissions between 2021 and 2022, in absolute terms, can be explained namely by a reduction in square metres delivered, and also by a change in methodology, incorporating the real impact on the construction phase of the offices delivered and the integration of the reduction actions implemented on these buildings into the carbon calculation.

The group uses the program life cycle analysis method to calculate the carbon impact of its business. The impact of housing programs is estimated on the basis of the square metres delivered and emission factors calculated by a collaborative tool provided by the Institut Français pour la Performance des Bâtiments [French

Institute for Building Performance]. The impact of commercial programs is calculated by a consulting firm for each program delivered.

The methodology is detailed in the methodology note to the non-financial performance statement

These regular analyses are used to highlight the main sources of emissions associated with our activities, and to define the priority action leverage points to be implemented in the aim of minimising their impact. It highlights the distribution between the impacts of operational activity and those of administrative activities.



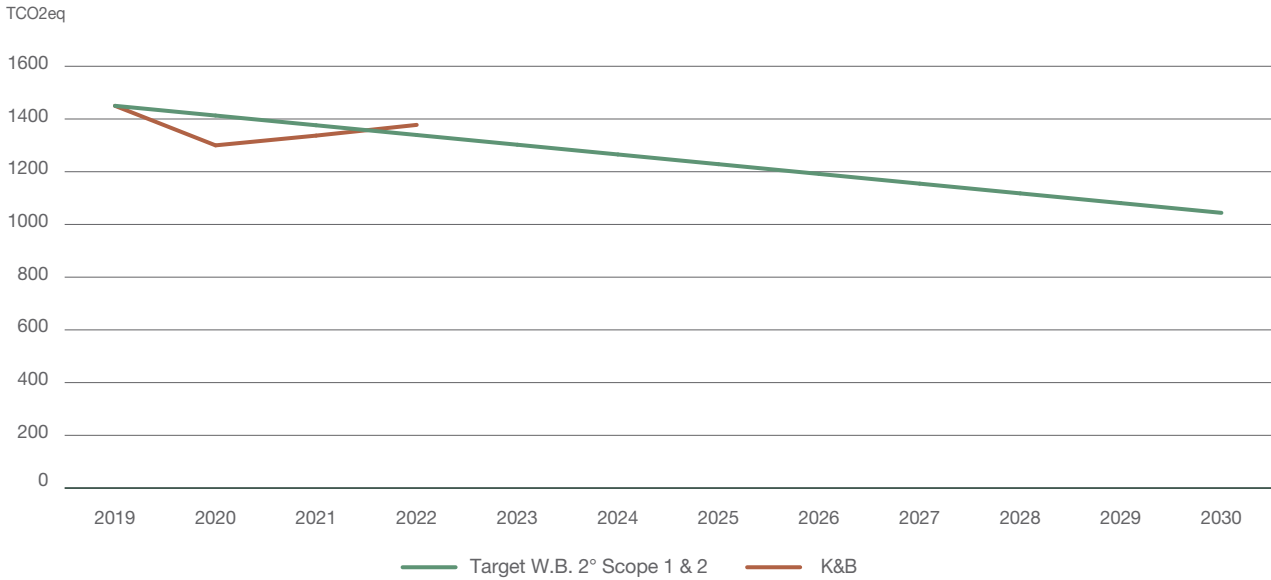
The results of this annual summary overlap with those obtained within the framework of the Regulatory BEGES [greenhouse gas emission assessments], and particularly the balance of the impacts of operating activities: In 2022, 98% of carbon emissions were attributable to the construction phase of buildings and their uses. Despite this, Kaufman & Broad considers it important to take into account the environmental impact of its administrative activities in order to raise awareness and mobilise its employees around objectives for reducing consumption and carbon emissions.

In order to monitor its objectives and to establish and implement a carbon reduction action plan, the group has completed a transition

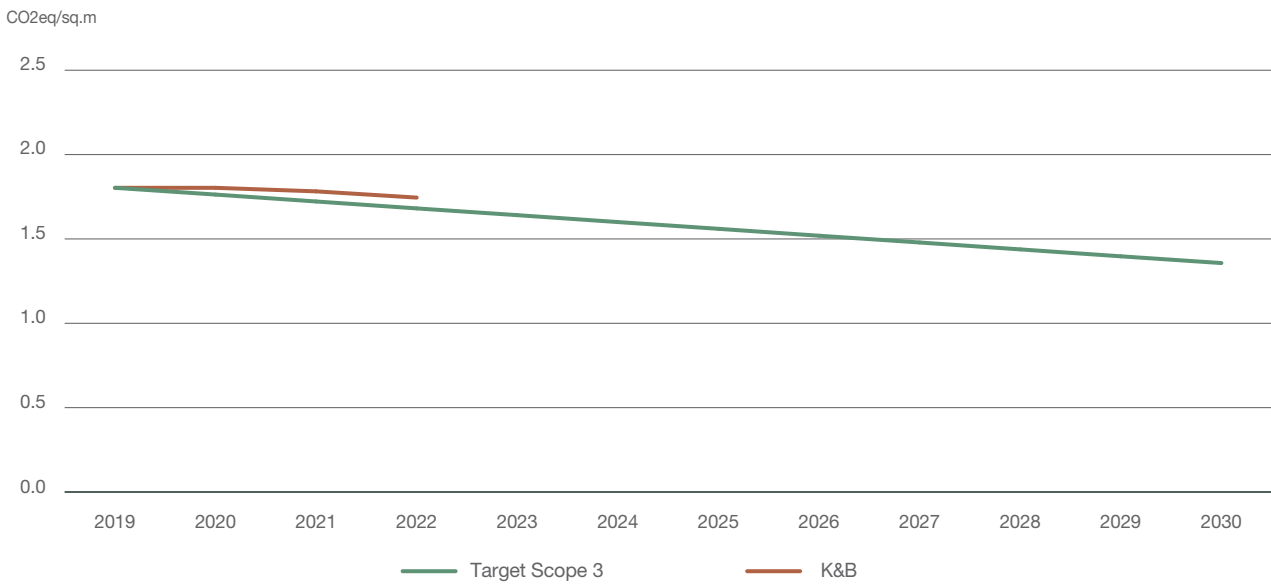
plan for different IPCC scenarios for the mitigation aspect, scenario SSP1-1.9 and scenario SSP1-2.6. This transition plan allows the group to measure the actions implemented to achieve these objectives. The group complies with the recommendations of the T.C.F.D. (See Section 5.2.4. TCFD compliance).

Kaufman & Broad has also made a commitment to the Science-Based Targets initiative (SBTi) to implement these carbon reduction objectives. The Kaufman & Broad methodology and objective for reducing greenhouse gas emissions was validated by the Science-Based Targets initiative (SBTi) in 2022.

Kaufman & Broad commitment validated by SBTi: To reduce GHG emissions from Scopes 1 and 2 by 28% by 2030 compared to the base year 2019.



Kaufman & Broad commitment validated by SBTi: To reduce Scope 3 GHG emissions per square metre built and delivered for residential and office buildings by 22% by 2030, compared to the 2019 baseline year.



In addition, Concerto, a logistics subsidiary of Kaufman & Broad, has also committed to ensuring that all of its new property projects will tend towards carbon neutrality by 2040, through the Charter of Reciprocal Commitments between the State and the members of the Afilog association (players in logistics property for the environmental and economic performance of French logistics property). In order to improve the carbon measurement of this specific asset class, members who have signed the charter have also committed to defining a reference framework for calculating and assessing greenhouse gas emissions from warehouses based on the life cycle analysis methodology.

In order to achieve these greenhouse gas emission reduction objectives, the group is developing a strategy based on multiple actions and solutions: Controlling the impact of the construction phase and use of materials; Efficient and low-carbon energy selections for future buildings. The actions implemented on all production projects and sites to reduce carbon emissions during the product design and use phase are detailed in Sections "Reducing the group's impact: The group's water and energy consumption and the occupants of our projects" and "Reducing the group's carbon impact: Eco-design of buildings and use of low-carbon materials"

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With regard to the direct impact and administrative activities, in each section, the group details the actions put in place for all its agencies which have, in particular:

- Implementation of an energy-saving plan
- Implementation of sorting-at-source solutions in all agencies
- Specific action plans for each agency.

The 5% reduction in total carbon emissions between 2019 and 2022 across Scope 1 & 2 is explained by the action plans implemented on all sites in the aim of reducing carbon emissions. This decrease is mainly due to the group's mobility policy (see Section "Reducing the group's carbon impact: Mobility").

Reducing the group's impact: The group's water and energy consumption and that of the occupants of our projects

Kaufman & Broad supports the national low-carbon strategy by offering buildings that incorporate climate change issues from the design phase through the selection of materials used, the optimisation of energy performance and the reduction of greenhouse gas emissions from its products.

Energy efficiency of buildings

For several years now, many laws have addressed environmental issues in the field of new construction (Grenelle Law, the Energy Transition for Green Growth Law, the ELAN law) and have set ambitious objectives. In 2020, these objectives are reflected in the new environmental regulation for new buildings (RE 2020), which replaces TR 2012.

The 2012 thermal regulation (TR 2012) is still similar to the requirements of low-energy buildings (BBC), i.e. approximately 50 kWh/sq.m/year of energy consumption. As the reporting is based on the programs delivered over the 2022 financial year, the regulations applied when obtaining the building permit are those of TR 2012. The number of projects delivered exceeding the regulatory threshold increased significantly between 2021 and 2022, rising from 27% to 42%, respectively. This change demonstrates the increasing consideration of energy efficiency in buildings at Kaufman & Broad, along with the reduction of the energy impact during the building use phase. Indeed, the concept of the energy performance of buildings in use is being progressively included in the overall carbon balance logic, over the entire life cycle, as presented above. In addition to energy performance, selections are also made regarding the choices of energy vector and building materials, in order to aim for a more global carbon performance

Rate of housing units certified in line with TR 2012 ⁽¹⁾	2022	2021	2020
TR 2012	58%	73%	66%
TR 2012 - 10%	29%	17%	29%
TR 2012 - 20%	13%	10%	5%
Total	100%	100%	100%

(1) Of all housing units delivered in 2022.

Aware of the wider role that the sector can play in the combating climate change, the group is also continuing with its actions regarding design actions on all projects that reduce greenhouse gas emissions from delivered products in the use phase by its clients.

The group therefore adapts its strategy to the National Low-Carbon Strategy (SNBC), which namely consists of improving energy performance, reducing the need for carbon energy vectors and developing the use of renewable energies. The evolution of internal tools and processes makes it possible to identify the best energy solution for reducing the impact of the use of buildings (see Section 5.1.2.1. Business tools, standards and environmental processes).

In 2022, the group included the systematic study of a non-fossil and low-carbon energy vector for new projects in its Manual for Environmental Specifications and Procedures (a standard created by the group that applies to all design programs).

Through the Charter of Reciprocal Commitments between the State and the members of the Afilog association, Concerto - a logistics subsidiary of Kaufman & Broad - has undertaken to dedicate on average, across all of the permits filed between 1st January 2022 and 1st January 2025, 50% of usable roofing surfaces to photovoltaic solar power generation.

Use of low-carbon and renewable energies

Kaufman & Broad is also working on the energy mix, in the aim of improving the performance of its facilities and reducing their environmental impact by in turn decreasing the use of fossil fuels. Energy production can be achieved with photovoltaic solar panels, thermal solar panels, geothermal energy and the use of biomass. Some projects promote individual or collective self-supporting energy production.

A7A8 Austerlitz	Plateforme Montbartier	Quartier Iconic
The group was thus selected for the A7A8 project, covering a total of 128,500 sq.m of floor area in the Austerlitz district of Paris. This project will include the largest private photovoltaic roof in Paris, with 3,400 sq.m of solar panels.	The potential of logistics platforms in this area is also enhanced, particularly with the Plateforme Montbartier, which is LEED-certified at Silver level, and which has a photovoltaic roof covering 6,600 sq.m, generating annual production that will be relayed back into the grid network.	Moreover, the 25,000 sq.m of housing and shops in the Iconic district in the town of Agde are supplied by a marine geothermal power plant.

Raising client awareness of the impact of their acquisition

The energy performance diagnostic (EPD) makes it possible to identify the energy performance and carbon performance of housing in the use phase, and thus allows for the classification of housing from an ecological point of view. This constitutes added value for the buyer, as low-energy housing is also less expensive in terms of maintenance. The group systematically promotes this information to all clients.

Beyond compliance with the applicable regulations, the real energy performance of buildings depends on their occupants. Depending on their lifestyle and the choices they make, they may or may not be able to optimise their housing in terms of energy savings. For example, blocked ventilation outlets or a pierced exterior wall can partially cancel out the good energy performance of buildings. This behavioural factor becomes more significant if housing is technically designed to be more economical. Kaufman & Broad provides clients with an owner's guide upon delivery. This guide gives them information on the environmental and technical particularities of the building and the housing, as well as the best practices to adopt on a daily basis in order to raise their awareness of the "good use" of their housing.

Logistics platforms and offices are delivered with a building management system, (BMS), namely allowing for the monitoring of consumptions and the optimisation of potential losses.

Agencies' water and electricity consumption

Kaufman & Broad has implemented an energy-saving plan applied across all group sites in order to reduce the group's energy consumption. The majority of the group's energy consumption is linked to the consumption of company vehicles, and the following section provides details on the action plan to reduce this consumption.

With regard to agency consumption, the group has implemented an energy efficiency plan across all its sites and agencies, with the following principles in particular:

- Do not heat offices to more than 19 °C
- Do not set air conditioning to less than 26 °C
- Switch off all lighting from 8.30 p.m. (this also applies to the Boutiks and Showroom premises).
- Sharing the best environmental practices within and between agencies.

The group has set itself the objective of reducing energy consumption by 10% over 2023. The 5% increase between 2021 and 2022 (detailed in the table below) can be attributed to the increasing consumption of head offices. The head offices' electricity consumption effectively represents 48% of overall consumption, and its increase in 2022 is due to double consumption in September 2022: Despite its move in early September to new, more energy-efficient head offices, the group also took into account September's consumption at the former head offices until the end of their lease.

The water and electricity consumption of the agencies is also monitored.

	Average workforce*	Water consumption (m ³)	Electricity consumption (kWh)	Gas consumption (kWh LHV)
2022	857	5,379	1,692,082	37,229
2021	820	6,386	1,614,893	44,923
2020	822	11,881	1,488,815	70,661

*Average headcount for the year, permanent, fixed-term and work-study contracts

Summary table of energy consumption:

	Consumption (kWh)	Renewable energy consumption (in kWh) (m ²)	Renewable energy portion
2022			
Gas consumption	37,229	-	0%
Electricity consumption	1,692,082	476,594	28%
Fuel consumption	4,993,085	385,390	8%
TOTAL	6,722,396	861,984	13%

Energy optimisation of IT resources

Kaufman & Broad is committed to working towards responsible IT management by signing a sector position note on digital restraint.

To date, digital sector emissions account for approximately 4% of global emissions and are rising at a significant rate (~ 8%/year) due to a steady increase in the use of digital products and services. Aware of the environmental impact of this sector, the group has established a roadmap for all its sites, aiming for reduced digital content and healthier IT asset management in conjunction with our IT suppliers and employees.

In response to the increase in the data volumes stored and processed, Kaufman and Broad made the decision to outsource its head offices' data centre in 2019. This project is part of a Green IT approach, with the aim of reducing energy expenditure and environmental impacts. It also boosts the security of the group's IT system and helps to streamline costs. This project was completed in

August 2020 and resulted in the distribution of the group's data to two data centres located in France, one of which is a latest-generation modular data centre with an energy efficiency index (PUE - Power Usage Effectiveness) of 1.23 which has been achieved by, amongst other factors, the "free-cooling" technique. This technique means that the data centre aisles are cooled using air from outside at temperatures of up to 23° C, and it also uses the heat emitted by equipment to raise the temperature of the room, if necessary. This performance clearly exceeds the standard PUE of 2 for traditional data centres.

The group also intends to manage its data storage units by minimising energy consumption whilst improving processing performance. Its selection has therefore focused on scalable and eco-energy technology based on full-flash technology that makes it possible to use more data whilst simultaneously reducing the complexity and cost of managing the underlying infrastructure.

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In addition, in order to cope with the health situation and to adapt to new uses and ways of working, and in order to optimise remote working and to improve its energy performance, the group has completed the replacement of its fixed computer fleet with latest-generation portable equipment for all employees, making it possible to adapt load thresholds and to automatically adjust energy parameters in line with daily use (adaptation of automatic brightness, extended monitoring, etc.).

In addition to its impacts, digital technology also plays a major role in accelerating the environmental transition, constituting one of the main leverage points for controlling energy consumption and greenhouse gas emissions. This rings particularly true for heavily consumer-centric sectors, such as the property sector, namely in regard to topics supported by the Smart Building Alliance such as BIM for design-build-deconstruction activities, and such as Smart Building technologies for the building operation business. Therefore, the company's stakeholders must be made aware of the new role of the Information Systems Departments as a key partner of the various property businesses as part of a holistic and effective CSR approach.

This logic of IT resource energy efficiency across all of the company's sites aligns with a broader logic of environmental performance, which also deals with the extension of the duration of the use of the equipment, with a view to reducing the consumption of resources, as described in Section 5.1.3.4. Circular Economy.

Reducing the group's carbon footprint: Eco-designing buildings and using low-carbon materials

Within a French market that is subject to some of the strictest regulations in Europe and worldwide, Kaufman & Broad designs environmentally and technically demanding programs with the aim of ensuring the sustainability of its clients' investments, including resale. This requires a quality of design and construction that reflects the group's commitment to contributing to the fight against climate change, whilst also ensuring comfort and peace of mind for its clients.

Considering that a significant portion of the group's emissions are associated with the construction phase, Kaufman & Broad chooses to evaluate them on an annual basis, going above and beyond the regulatory obligation of the BEGES [greenhouse gas emission assessments], which require evaluations to be carried out every four years. In the absence of actual data, the group estimates its emissions based on industry benchmarks from the Institut Français pour la Performance des Bâtiments [French Institute for Building Performance]. They use values corresponding to the contributing "products and equipment" implemented during the construction of a building.

Today, some construction materials have a high carbon intensity, particularly during the production phase, such as traditional cement. In order to reduce its carbon impact on the construction phase, the group is taking an interest in finding and implementing lower-carbon materials, such as bio-sourced materials, low-carbon concrete and reuse (see Section 5.1.2.3) Circular economy). The use of low-carbon materials is also a lever for obtaining ambitious environmental labels (E + C-, Effinergie, etc.).

Aware of the scarcity of certain resources, the group is developing its skills in frugal buildings. Avoiding or reducing the use of materials constitutes an essential ecological and economic response.

Frugal housing

The group has been awarded for its Bordeaux program - Rue Malbec - which will develop 62 housing units. In this project, the group is committed to using a sustainable approach, promoting biodiversity and reducing the carbon impact of buildings, as well as relying on organic climate control via the Bâtiment Frugal bordelais [Bordeaux Frugal Building] label.

In addition, in 2015, Kaufman & Broad became a member of the Association Bâtiment Bas Carbone [Low-Carbon Building Association] (BBCA), with the aim of reducing the carbon footprint of buildings, developing its knowledge in the field of low-carbon construction, and participating in the training effort within the sector. The association contributed to the development of Life Cycle Analysis methodologies for new buildings, and has also launched a label for buildings in operation with a reduced carbon footprint. This participation in improving knowledge of carbon methodology and raising the sector's collective awareness of the need for greater energy and material efficiency allows Kaufman & Broad to gradually integrate sector advances in the overall reduction of the carbon footprint of buildings.



For surface areas built in 2022, estimates for each product type are presented below, with historical data for 2021. In 2022, the product construction phase, which reached 100% technical completion, represented 380,350 TCO₂eq. for 399,275 sq.m delivered.

sq.m FA delivered ^(A)	Emissions from products delivered in 2022 during their construction phase (TeqCO ₂)		Emissions from products delivered in 2021 during their construction phase (TeqCO ₂)	
	2022 (sq.m FA)		2021 (sq.m FA)	
Housing	304,647	283,294	415,955	383,496
Offices	52,532	50,750	10,592	13,992
Logistics	42,096	46,306	35,445	38,990
TOTAL ^(C)	399,275	380,350	461,992	436,477

(A) Calculation upon completion.

(C) Excluding land/building lots.

Low-carbon materials (including low-carbon concrete)

The low-carbon Kaufman & Broad strategy combined with the regulatory changes introduced made it necessary to take the carbon dimension into account for our design selections. Kaufman & Broad teams were made aware of and trained in carbon issues, the Life Cycle Analysis methodology and carbon cost correlations (Roadshow training day on the group's Transformation and CSR challenges for all employees, K&B Low-Carbon Bootcamp, bringing together technical teams: 120 employees, RE2020 training, Green Soluce training module "Designing Low-Carbon New Buildings, etc.). The carbon weight of each building component is now assessed on the basis of emission factors (greenhouse gas, in kgCO₂eq.), on the basis of an Environmental and Health Declaration Datasheet (FDES) prepared by the supplier, or in their absence, by Generic Environmental Data (DED). For the Use aspect, a hypothesis is put together for a fixed period of use (50 years in the E +/C- label; 40 years equivalent in RE 2020).

This carbon methodology, which aims to find the most efficient configuration for our buildings through the selection of materials, was notably subject to an innovation brick distributed internally (Low-Carbon Construction), a "K&B Carbon Info" sheet dedicated to facade materials, workshops bringing together technical and purchasing departments, the promotion of good carbon practices and the prohibition of non-effective selections through the Kaufman & Broad Manual for Environmental Specifications (e.g., the "Limitation of the use of metal cladding").

This low-carbon strategy for building materials also involves the use of low-carbon concrete. The carbon impact in a concrete formula is essentially based on the clinker/cement ratio used. The aim is to minimise the clinker ratio in the cement formulation and to replace it with substitutes (such as blast furnace slags, waste from the steel industry, etc.). This is commonly known as "low-carbon concrete."

Tour Silva

Kaufman & Broad was won the competition for the development of the Silva residential tower with a wooden primary structure in Bordeaux, which was scheduled for delivery at the end of 2020. This project covers 17,700 sq.m, divided between 14,200 sq.m of homes certified in compliance with NF Habitat HQE, 3,000 sq.m of office spaces certified in line with BREEAM Very Good, and 500 sq.m of shops and an underground car park. This tower features 17 floors and rises to an impressive 50 metres in height, and is constructed with more than 80% wood, with a primary structure with giant timber columns.

In order to facilitate the use of wood-based bio-sourced materials in Kaufman & Broad projects, in 2021, the group:

- Produced and internally distributed a Bio-sourced Materials innovation brick, describing the solutions and the technical and economic challenges posed by its implementation (detailed in Section 5.1.2.2. "Innovation within the CSR and Innovation Department"),
- Accompanied by the creation and hosting of the Woodrise Congress (the first world congress dedicated to medium- and high-rise wood buildings, aiming to establish a benchmark and international feedback on wooden construction), the latest edition of which was held in October 2021, in Bordeaux. The aim is to contribute to the structuring and enhancement of our ecosystem of suppliers and partners, centred around the supply and implementation of bio-sourced materials. The on-site teams presented the group's references in wooden construction. The group marked Kaufman & Broad's commitment in this field by signing the "Woodrise Paper."

For example, the group has included in the K&B Manual for Environmental Specifications (MESP) the non-use of cement with a carbon weight greater than 220 kgCO₂eq/cubic meters in superstructures for all new projects. In addition, a "low-carbon concrete" innovation brick has been produced and distributed internally, and some programs go above and beyond simply using low-carbon concrete:

Lagord

Kaufman & Broad is rolling out the Lagord program close to the city centre of La Rochelle. This program covers 2500 sq.m DA and provides for 36 homes. This residence, in the heart of an island, is designed to be a low-carbon neighbourhood, aiming for an E3C2 environmental performance, namely made possible thanks to the use of low-carbon concrete.

Active monitoring is maintained over the low-carbon materials sector, particularly through Kaufman & Broad's support for the low-carbon Prescripator Hub of the French Institute for Building Performance (IFPEB). In 2021, the Institute was able to produce sector and prospective analyses, particularly regarding the "Material Carbon-Cost Equation" and "Low-Carbon Concrete."

Bio-sourced materials and the use of wood

The group is integrating a growing proportion of bio-sourced materials into its production, in the aim of both honouring and anticipating regulatory changes and to drive forward with its carbon trajectory.

- On 100% of production, the proportion of bio-sourced materials integrated from the baseline is estimated at approximately 4.5 kg/sq.m FA,
- Many operations include a greater proportion of bio-sourced materials, both for the structure of the building and for finishings.

EDF regional head offices

The group also developed and built EDF's regional head offices, with 4,500 sq.m of wood and concrete, delivered in Bordeaux in early 2019, and also built wooden-frame housing in Bussy Saint Georges.

Kaufman & Broad promotes the sustainable use of bio-sourced materials in construction. For example, Kaufman & Broad requires that all bio-sourced materials used are subject to environmental certification (particularly PEFC or FSC), and that there is monitoring in place for the quantities used.

Active monitoring is maintained in the field of bio-sourced materials, particularly through Kaufman & Broad's support for the Low-Carbon Prescribers' Hub of the French Institute for Building Performance (IFPEB). In 2021, the Institute was able to produce sector and prospective analyses, particularly on "Bio-sourced materials."

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Reducing the group's carbon footprint: Mobility

On the one hand, travel represents a significant proportion of the emissions of our Scopes 1 and 2, and on the other hand, the main source of CO₂_{eq} emissions was the occupants of the buildings we develop and build (average individual Carbon Audit of a person in France), although this latter point does not include part of the scope of the Carbon Audit. Kaufman & Broad wants to take action on this source of emissions, which presents significant potential for reducing individuals' carbon impact.

In our projects

Indeed, the location of a project directly influences the emissions related to daily transport (particularly in regard to home-working). Connectivity is a key factor in decision-making process for launching an operation, incorporating analysis criteria such as the size of the agglomeration or the location. Since 2021, the CSR indicators deployed cover the issue of mobility through the evaluation of the pedestrian and cycling potential indicators around the land used for all our projects. The distance of our projects from public transport and main services (education, healthcare, access to nature, food).

For projects located further from public transport and services, the group is experimenting with complementary - or alternative - solutions to the automotive industry, such as: A carpooling service, a partnership including a soft mobility offer (electric cars or electric bikes).



100% of EI programs within 1 km of public transport
97% of housing programs launched* in an urban unit**

* programs which have been subject to a technical progress change in 2022.
 ** Classification via INSEE 2020 referencing.

Kaufman & Broad mainly develops its business in urban and suburban areas. This strategy makes it possible to limit urban sprawl and indirectly reduce the group's impact on the soil and biodiversity and, in certain cases, to participate in the renewal of the existing fleet (see Section 5.1.3.4. "Integrating biodiversity conservation into the group's strategy").

Kaufman & Broad's mission requires us to play a key role in urban change and in new practices of individual mobility. In fact, carbon emissions from forced travel (mainly commuting) have a significant impact. The group is aware that its innovation strategy may have an indirect impact by taking into account the location of projects and the proximity of public transport, but also through offering sustainable mobility solutions.

The ambition is to enrich the mobility solutions offered to program users through a renewed vision of travel management, focused on demand rather than supply, and through the implementation of MaaS: The Mobility as a Service approach. This approach consists of offering mobility services that complement the practice of "individual cars", in line with the transformation of the regions in which Kaufman & Broad operates.

To this end, Kaufman & Broad is developing a strategy on the location of projects, and the group implements partnerships to offer innovative mobility solutions to occupants.

Implementation of the Mobility as a Service approach

Facilitating access to public transport	The location of programs in urban or suburban areas with access to public transport for users.
Shared parking with plenty of spaces	Offering buyers/users parking spaces in the form of a right of use, so as to move from an ownership economy to a sharing economy between different users.
Short-term carpooling incentive	Short-term carpooling is carpooling used for daily commutes, reducing the use of individual cars. The partner (service - application) addresses users directly and may be communicated by the union.
High-quality parking for bikes, e-bikes. Shared electric bikes	Offering an alternative, environmentally-friendly solution by including parking for bikes and e-bikes for users. Offering a self-service, shared e-bike service for users.
Shared electric cars	Kaufman & Broad, in collaboration with Renault, has offered a shared electric car solution to buyers (details below).

Kaufman & Broad and the Renault group have signed a collaboration agreement on mobility and energy. This collaboration enables:

- Continued reflection on carpooling and shared mobility in private spaces within the programs developed by Kaufman & Broad;
- The use and exchange of energy between energy-producing buildings and electric vehicles or second life batteries (after use in an electric vehicle); The study and implementation of property offers and innovative mobility with, for example, the marketing of packs including housing and electric vehicles leasing.

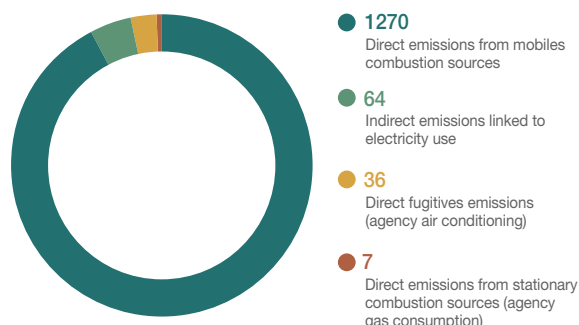
On the "Feel Good" project in Villepreux, a first application of the collaboration between Kaufman & Broad and the Renault group was implemented with a special offer of long-term leasing of an electric vehicle under exceptional conditions for all future buyers under the operation.

There has been a boom in the cycling trend since 2018, driven particularly by the development of electric bikes. The challenge is to reinvent modes of transport, particularly with ecological objectives in mind, and also to find an alternative solution for the problems posed by increasing traffic volumes, especially in cities.

Developers and then joint-ownership companies can contribute to these efforts by implementing the appropriate means to allow residents to use bikes and scooters. At the Residence Côté Village in Saint Jean de Vedas, and as part of a competition, Kaufman & Broad has implemented an alternative solution: Offering 5 self-service electric bikes to residential users, who can book to use these bikes via a mobile app.

These solutions can complement or even replace the use of the car, depending on the travel required by each individual. This solution also facilitates and promotes physical exercise and activity amongst occupants.

In employees' daily lives



As a service company, the group pays particular attention to Scope 1 & 2 carbon emissions (the breakdown of which is shown in the graph above). This analysis shows the significance of carbon emissions from company vehicles and remains the group's priority in regard to achieving the carbon reduction objectives set. The group expands its carbon analysis scope by taking into account all business trips taken with company vehicles and also those taken with personal vehicles, by train and by air (breakdown in the table below).

The emission factors used are derived from data in the ADEME Carbon Base.

Type of transport	2022		2021	
	TeqCO2	Breakdown	TeqCO2	Breakdown
Car	1820	94.2%	1,715	95.10%
Train	2	0.1%	1	0.06%
Aircraft	110	5.7%	87	4.83%
TOTAL	1933	100%	1,803	100%

Fuel consumption in litres ⁽¹⁾	2022	2021
Diesel	320,771	401,146
Petrol	214,686	91,377
TOTAL	535,457	492,523

(1) Across all company vehicles

In total, approximately 1,933 tonnes of CO₂ equivalent were emitted in 2022 for business travel. Company vehicles are the main sources of CO_{2eq} emissions, representing up to 94%.

Aware of the significant proportion represented by transport in its greenhouse gas emissions, the group has drawn up an action plan to reduce CO₂ emissions related to employee mobility. It has several areas:

- **Developing new ways of communicating and working**, focusing particularly on digital tools. Kaufman & Broad introduced video-conference systems in 2009. To also respond to health contexts, the group encourages its employees to prioritise video-conferences whenever possible in order to limit their travel. The use of tablets is gradually becoming widespread, contributing to the de-materialisation of certain business processes. The group has also deployed an Electronic Document Management (EDM) system. In 2021, the group updated a remote working agreement (see Section 5.1.4.3. Quality of life at work and labour relations - Health, Safety and Quality of Life at Work).
- **The roll out of a low-carbon company car policy**, with the integration of 100% electric cars and vehicles compatible with the E85 bio-fuel systematically for renewals and combined with an approach to energy efficiency and vehicle weight limitation.

- **The alternative mobility package for employees:** In 2018, the group conducted a survey with all employees on their commuting in order to measure the impact of commuting, in order to better understand employees' habits and expectations and to implement an action plan that would reduce the group's environmental impact. Following this questionnaire, the group set up two mobility packs in 2020 (presented below) to offer alternatives to individual vehicles, these packs being made accessible to all employees. This offer was built around four cumulative solutions for green and sustainable mobility, and it is based on partnerships with organizations.

- **For all employees (Green Pack):**

- The annual reimbursement of 60% of the costs of public transport subscriptions
- The 70% reimbursement of a company electric bike for employees taking public transport may be combined with the annual reimbursement of public transport subscriptions over the winter period.

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- **For employees eligible for company vehicles, in addition to the above benefits:**
 - Allocation of an SNCF discount card paid for by Kaufman & Broad
 - Free access to one of the carpooling vehicles during the week and the possibility of weekend rentals on a personal and punctual basis at a preferential rate. The shared vehicle fleet includes electric vehicles.
 - The annual reimbursement of 60% of public transport subscription costs
 - 70% reimbursement of a company electric bike for employees taking public transport.
- In 2022, 38 head office employees, of which 13 had waived their entitlement to company vehicles, used shared vehicles that were more suited to their business and personal travel.

5.1.3.3. Adapting to climate change

Risk management regarding the group's ability to adapt and anticipate the impacts of climate change

Kaufman & Broad adapts its business and meets the requirements and expectations of stakeholders to take into account the challenges presented by climate change. The risks associated with climate change are multiple, and they may be related to: The group's ability to anticipate environmental regulations, the additional costs associated with the scarcity of materials, climatic hazards during the construction phase, along with the group's ability to adapt its products to various scenarios and to advance its employees in order to integrate its challenges into their professional practice.

The increase in energy prices and the scarcity of certain resources could lead to additional costs for the group, particularly due to an increase in environmental taxes and higher corporate expenses (increase in the cost of materials and increasingly strict regulatory standards, particularly in terms of safety and the environment). Significant changes in the prices of raw materials (principally cement, steel and wood) used in building construction could have a significant impact on the group's construction costs, see also Section 4.1.2.2. "Risks related to construction costs" and 4.1.2.5. "Risks related to program management." The group is also developing the integration of bio-sourced materials and second life materials into the group's property projects, see also Section 5.1.2.2. "Circular Economy."

The risk associated with the reinforcement of regulatory requirements calls for the group's ability to stay up-to-date and informed, and to integrate regulation changes into its processes and best practices in terms of the environmental performance of buildings (e.g., labels, life cycle analysis), and it also creates a need to have the skills and innovative solutions that will allow it to anticipate these requirements in-house and incorporated into projects. Kaufman & Broad has set up internal and external monitoring systems on these topics, along with an innovation process.

5.1.3.4. Circular Economy

Waste management on worksites

Kaufman & Broad acts as a "Property Developer", which means that it assumes the development risk of property projects. It initiates operations with a view to their sale, assesses the appropriateness and feasibility, steers the operation and is responsible for its financing.

Kaufman & Broad builds its structures according to two operating methods: Either by a general company, with a global contract awarded to a single company, or in separate building trades, with contracts awarded to several companies according to their construction activities. A general company has more standardised

With the increase in exceptional climatic phenomena, the group could face additional costs related to unexpected technical constraints. For example, particularly harsh winter conditions or periods of summer heat waves that would cause site outages for several days (or even weeks) could lead to delivery delays, affecting the recognition of the group's revenue and margin, see also Section 4.1.2.10. "Risks related to climatic conditions."

The group strives to design bioclimatic projects, which involves projects with designs based on the climate and the local environment in order to be effective. A bioclimatic building is partly naturally heated and ventilated thanks to solar radiation, the thermal inertia of materials and soil, and the natural circulation of air. The group therefore pays close attention to the location and orientation of buildings, the composition of walls and the selection of materials, the consideration of the surrounding vegetation and the type of energy available locally. All projects are also subject to reflection on the adaptation of surface areas to needs, in order to optimise plans.

In addition, the group has integrated the consideration of product adaptability to climate change into its processes. This involves an analysis of the risks related to climate change for the site of each property project, allowing for solutions to be integrated into the design phase to limit this risk. For this purpose, the group is a member of the Observatoire de l'Immobilier Durable and uses the BAT ADAPT tool in the project design phase. Potential vulnerabilities of project sites are assessed based on exposure to several long-term risks: Heat waves, droughts, clay shrinkage and swelling, floods, coastal flooding, and floods.

environmental processes, namely in light of its size and therefore its structure. Kaufman & Broad favours this single point of contact in the case of operations carried out in complex environments, such as in the centre of Paris or in designated development areas (DDA). In both cases, the group has a positive influence on its service providers through criteria integrated upstream in the selection process for partners and service providers, when awarding works contracts. The requirement to comply with all applicable environmental and social regulations, as well as the Kaufman & Broad standards reinforcing various environmental issues, is reiterated in the contractual clauses and in the specifications, or the specifications of specific administrative clauses.

Environmental requirements are combined in the market dossier, and compliance with environmental procedures and objectives is verified by the Director of Production.

In order to specify its requirements in the construction phase, the group has drafted the Kaufman & Broad Low-Disturbance Building Guidelines. These guidelines were already being systematically applied to all NF Habitat HQE-certified projects and were systematically applied to all Kaufman & Broad projects in 2021.

The environmental objectives covered in the Low-Disturbance Building Guidelines include:

- Reducing disturbances (noise, dust, pollutants) caused to local residents by the project;
- Non-use of pollutants covered by regulations;
- Limiting the risk of water and soil pollution during construction;
- Reduction, sorting, recovery and traceability of site waste, particularly through an objective of 80% (by mass) recycling or material recovery of site waste across all projects;
- Protecting nature and biodiversity;
- Monitoring and controlling water and energy resources.

To ensure compliance with environmental requirements, the group is assisted by an PDEA (project development environmental adviser). During the first site meeting, the PDEA is present to raise awareness in regard to the main lots in terms of compliance with the Low-Disturbance Building Guidelines. At the end of the project, it prepares a site review. Through the Kaufman & Broad Low-Disturbance Building Guidelines, updated in 2021 and extended to all our projects, the group and its partners also set an objective of recovering 80% of the site's waste (by mass). In 2021, the "Controlling the challenges and processes of a clean worksite" training was offered to employees.

On all of our worksites, waste sorting is mandatory and is carried out on-site, if the size of the worksite allows. On average, the group

produces 57 kilograms of non-hazardous waste per sq.m of FA. Kaufman & Broad thus produced approximately 22,758 metric tons of waste on worksites delivered over the 2022 financial year (399,275 sq.m FA). This data is provided by the companies in charge of waste management or construction. A majority of this site waste is recovered. For example, the Clos des Etoiles operation delivered in 2020 saw 92% of site waste recovered.

Building renovations

In line with the logic of reducing urban sprawl and reducing soil sealing, most Kaufman & Broad operations develop on land which has already been built on. The Kaufman & Broad teams primarily study the technical and economic viability of building renovation and/or urban intensification scenarios from existing buildings (e.g., raising, elevation, extension) with regard to deconstruction scenarios and development. The aim is to promote the most cost-effective approaches in terms of CO₂ emissions and to implement the best energy performance scenarios within the existing property portfolio.

For example, this global approach is manifested in commercial property by the "Revivalis®" offer, developed by Kaufman & Broad in partnership with Elithis, in order to benefit from combined expertise with the aim of entering the market for the restructuring of commercial buildings governed by the BBC Effinergie Rénovation label. Revivalis® is aimed at property developers who wish to avoid reductions in the value of their property holdings due to obsolescence, and who thus benefit from both a revaluation of their property holdings, significant reductions in energy consumption, updating in line with standards and customised building restructuring.

With this in mind, the group carries out renovation projects that allow for evolutions in the use of buildings whilst retaining the carcass and structure. This approach saves some of the carbon emissions related to materials compared to new construction:

Baud Chardonnet in Rennes

Initially characterised by urban fringes, which were juxtaposed by industrial sites and warehouses, which were subsequently left undeveloped. This site, isolated between the Vilaine River and railways, was the subject of a designated development area (DDA) project, aiming to structure the urban space by linking it between the district of the stations, certain metropolitan functions (commercial, research, training) and the technopolitan site of Beaulieu Atalante. The DDA project enables the construction of a dense housing sector which combines collective, commercial and public housing.

At the heart of this urban operation, the Kaufman & Broad project, located on Island F, consists of four buildings, a chapel and a base which contains a vast commercial space, with double-height glazing.

Green Village in Montpellier

Kaufman & Broad also carries out renovation projects, with the aim of converting building uses. For example, housing was built on a former postal sorting site for the "Green Village" operation in Montpellier, retaining the intermediate floors and the cover slab.

To further highlight this approach and its expertise in the renovation/restructuring of existing assets, in 2022, Kaufman & Broad decided to establish its head offices in the Highlight operation which it developed. The "Highlight" project consists of the heavy renovation of a set of existing buildings. The structure of the 14-storey building was retained. With the addition of a new extension, Kaufman & Broad rehabilitated 17,600 sq.m of collaborative workspace. The project is part of a process involving multiple certifications and labels, and the rehabilitated building is:

- Certified in line with NF BT HQE "Renovation," according to the HQE framework
- Certified with the BBC Effinergie Rénovation label
- Certified with the Well label

Responsible deconstruction

Before launching an operation on an existing building, the program manager appoints, after signing the agreement and prior to any operation on the site, an organization responsible for diagnosing hazardous materials, including asbestos. The asbestos diagnosis makes it possible to locate and analyse any asbestos present in building components and equipment so that companies can be consulted with a view to submitting the withdrawal plan to the Regional Directorate for Enterprise, Competition, Consumption, Labour and Employment (DIRECCTE). Kaufman & Broad's purchasing department uses a deconstruction firm. It asks a company specialising in asbestos removal, whose role is to submit a plan to remove hazardous materials (including asbestos and lead) to the Labour Inspectorate and the Regional Health Insurance Fund. When buildings are retained, a lead diagnosis is carried out to determine whether there is any lead in paints or piping, and the risks incurred.

5 Corporate Social Responsibility CSR

Non-financial performance statement: Kaufman & Broad's corporate social responsibility

When the restructuring of existing buildings is not relevant, the deconstruction process is initiated. Kaufman & Broad promotes the vision of circularity that the building is to be considered as a bank of materials that can be reused, at least partially. The group has thus formalised the selective deconstruction process as part of an innovation brick which is produced and distributed internally. The K&B Manual for Environmental Specifications and Procedures makes it mandatory to carry out a Product, Equipment, Material and Waste Diagnostic (PEMD) prior to any intervention on a project of more than 1,000 sq.m FA, in addition to the group's involvement in re-use ecosystems, as described below.

The traceability of all waste from deconstruction and earthworks to its final destination through the de-materialised management of waste tracking forms, particularly for hazardous waste using the Trackdechets tool.

Delivered in 2020, the group reused existing raw materials to build a 430-bedroom hotel in Roissy. Originally, the land was occupied by a two-storey building that was demolished. The concrete of the foundations of this building has been ground down for reuse. In total, 5,000 tonnes of concrete were reused to build the roads, pedestrian pathways and various road system networks for the project.

Integrating the reuse of materials into the design and production of new buildings

According to ADEME and OPTIGEDE Centre for Circular Economic Resources and Waste, the construction industry produces 42 million tonnes of waste and debris from demolition or deconstruction every year, three times more than household waste. Although a growing proportion of this waste is recycled, little is "reused," i.e., reused without transformation or without any major transformation. However, a very large number of materials can be reused after deconstruction, for all types of work.

The use of materials from deconstructed buildings, without transforming them (or after a very minor transformation process), has a very clear impact on the environmental balance of buildings. According to an impact calculation carried out by the reuse booster based on data from the Environmental and Health Declaration Datasheets (FDES) for 1,000 sq.m of surface area, reuse saves 44 tonnes of waste and 67 tonnes of CO₂ equivalent (and more than 1 million litres of water). Performance that falls within the objectives of the National Low-Carbon Strategy and the emission reduction commitments made by Kaufman & Broad.

In terms of supply, many suppliers and demolition/deconstruction firms already offer materials on reuse platforms. It is on the demand side of things that the system is less developed: The possibility of using reused materials is seldom integrated upstream. Contractors often don't have the flexibility or resources to replace new materials with reused materials, and insurance companies do not always know how to account for them. Although the new circular economy law (February 2020) requires the public order to "ensure the use of reused materials", this injunction still has a limited impact and no obligation is yet foreseen for actors in the private sector.

In order to be more environmentally friendly, Kaufman & Broad has already implemented reused material solutions in its Innovation

policy, detailed in Section 5.1.1.1.2 Innovation within the CSR and Innovation Department. Indeed, for the 10,000 sq.m Green Oak office project located in Arcueil and delivered in 2021, the 8,500 sq.m FA of flooring implements reused materials. Kaufman & Broad continuously seeks to limit the impact of its activity through its innovation policy. It has therefore been a natural move for Kaufman & Broad to be a founding member and partner of the "Reuse Booster" program since autumn 2020. This 3-year commitment aims to transform the framework for the use of reused materials in construction contracts. This involves working with site team members and developers: Architects, designers, design offices, inspection offices, technical managers, contractor companies and industrial companies.

- The "Reuse Booster" brings together more than 30 major project developers: An unprecedented alliance promoting the reuse of materials in the building industry. The initiative, which is set to count a rapidly rising number of members in its network, brings together investors (Agrica, Colliers, Covéa Immobilier, Gecina, groupama Immobilier, Icade, etc.), developers (Adim, Altarea, BNP Paribas property, Bouygues Immobilier, Ceetrus, Crédit Agricole Immobilier, Kaufman & Broad, Spie Batignolles Immobilier, etc.), and key users, who order many projects (Engie, Orange, etc.). Advanced contacts are also under way with public authorities (City of Paris, regions).
- The signatories have committed 150 projects (5 each per year) to obtaining reused materials from former deconstructed buildings. In early 2022, Kaufman & Broad embarked on this process of reusing materials across five projects, including three in the Paris region, one in Marseille, and one in the Hauts-de-France region.

An online platform designed by Fabernovel centralises, consolidates and standardises the requirements reused materials, which are now difficult to identify for suppliers: False floors, false ceilings, doors, lighting, carpets, locksmithing elements, partitions, furniture, joinery and plumbing elements, etc. The purpose of this platform is to facilitate the reuse of materials on the market and to meet supply and demand, particularly between projects that generate materials for reuse (demolition) and recipient projects (construction).

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- The Reuse Booster will accompany each project to facilitate the processes, particularly by engaging stakeholders with the use of reuse materials (PDA, contractors, architects, companies, consultants, control offices, engineering consultants, etc.).
- By structuring demand, which is now shy and fragmented, the "Reuse Booster" is certain that it is able to hugely advance the reuse of materials, which today represents less than 1% of the materials used in construction. This demand will be necessary to achieve the various objectives of the national low-carbon strategy.

- The "Booster" method involves engaging a pilot group of pioneering companies that commit to take action directly within their own projects, supporting them through the creation of tools and standards and by encouraging the market to join them, in a virtuous circle. It is managed by A4MT (Action pour la Transformation du Marché) and the IFPEB, which has been applying this method successfully for 5 years to - amongst other aims - help commercial property to achieve the energy savings stipulated in the ELAN law (-40% by 2030).

Kaufman & Broad has also chosen to implement reused materials for the ongoing construction of a student residence that the group will retain in its portfolio. The involvement of Kaufman & Broad as a developer, investor and operator makes it possible to showcase this positive approach to the entire life cycle of the building and to introduce new practices for the implementation of reused materials, in communal and private spaces alike in housing. This residence will be delivered in summer 2022.

In 2022, Kaufman & Broad once again committed to integrating five new programs in 2022, including four housing programs incorporated into the Reuse Booster program.

The circularity logic also applies to excavated land. The K&B Manual for Environmental Specifications and Procedures requires excavated land to be considered as a resource and, as a result, to seek maximum reuse on all projects before any disposal.

Kaufman & Broad's commitment to promoting the circulation of materials is reflected in its Aménagement & Territoires structure. Circularity is already at the heart of this entity's strategy regarding land recycling (see Section 5.1.2.4. "Integrating biodiversity conservation into the group's strategy") also applies to building production. Aménagement & Territoires was named winner of the DEMOCLES call for projects for the Magasins Généraux in Reims. It is a collaborative platform of stakeholders (co-financed by ADEME and Ecosystem) that aims to improve practices in terms of prevention and management of finishing waste resulting from heavy renovation and demolition projects. Kaufman & Broad will thus benefit from the support of DEMOCLES as part of the objectives set on the reuse of materials, namely relating to the conducting of a waste diagnosis, the integration of reuse into the drafting of market documents, and the traceability of reused materials

In order to drive forwards with its ambition to use reused materials, Kaufman & Broad has focused on the perception of the materials reused in new buildings by its clients. A survey was conducted in 2021 by an external service provider, covering 527 intentionists, representative of our Retail areas residential clients - one of our strategic stakeholders. Various examples of the implementation of

reused materials have been subject to their qualitative perception, both in communal areas and private areas.

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Operation of the La Vallée DDA located in Châtenay Malabry

A large-scale project addressing energy challenges (this section "Use of low-carbon labels and demanding energy efficiency standards") and circular economy. Following the closure of the École Centrale, the new eco-neighbourhood was designed to be exemplary and innovative in terms of design. For example, for the DDA, the RéaVie association was commissioned to manage the reuse of materials and furniture from the old, deconstructed school via a platform that also raises public awareness of waste management issues through participatory workshops.

Waste recycling across Kaufman & Broad premises

As a service company, the waste generated directly by Kaufman & Broad is mainly office waste. The group is developing a similar strategy to that used for site waste management, which is systematically applied to all of the company's sites: Reduce waste, and then develop recycling for the various flows. Kaufman & Broad reduces waste at the source, for example, by removing single-use coffee cups from head offices and reducing paper printing. The group is also committed to its group policy for sorting and recycling across all its agencies, with a common service provider. This service provider creates long-term jobs for people who are isolated from the job market and people with disabilities.

In 2022, approximately 57 tonnes of waste were collected for recycling. The total tonnage of cardboard paper collected and sorted by this service provider was recycled in paper mills located in France.

Actions to reduce and control office waste also concern waste that may represent a form of danger. Ink cartridges are specifically collected at all Kaufman & Broad sites by a professional service provider, for specific processing and recycling. Since 2020, the Neuilly sur Seine head offices have been equipped with collection points for used batteries, face masks related used within the context of the Covid-19 pandemic, and cigarette butts.

	Weight of waste collected (kg)	Water saved (L)	Avoided emissions (KgCO ₂ eq.)	Energy saved (kWh)
2022	57,903	5,374,024	98,524	716,536
2021	57,339	5,321,679	97,564	709,557

Data provided by service providers.

Circularity of IT equipment

Kaufman & Broad is committed to working towards responsible IT management by signing a sector position note on digital restraint. The manufacturing of computer hardware is its main source of carbon emissions, therefore reducing equipment consumption and making equipment last is the most effective action to be taken.

- In order to avoid multiplying the equipment used by each employee, the group has systematically offered professional phones since July 2021 which have the option of inserting two SIM cards. The employee therefore only needs to own a single phone.
- The group has also initiated a process to extend the lifespan of IT equipment, in agreement with Builders or partners, extending the lifespan of computers from 1 to 2 years to an average of 3 to 5 years (or more). In addition, hardware release conditions are also included, mainly for the Data Centre.

- Where possible, Kaufman & Broad sells its end-of-life equipment to employees or partner associations for a symbolic euro. For cases whereby the equipment is no longer usable, the group has set up partnerships with companies to recover this equipment (reconditioning, recycling, etc.).

The figures to note



Kaufman initiated 5 projects to boost reuse in 2022
An objective of recovering 80% of construction waste across new projects.

5.1.3.5. Integrating biodiversity conservation into the group's strategy

In order to reduce the environmental impact of buildings and to also make housing and commercial buildings more pleasant for occupants, measures are implemented during the design and subsequent implementation phases of the program.

Town planning rules govern the property development business. Since the SRU [Solidarity and Urban Renewal] Act of 13 December 2000 and the earthquake-resistance regulation of the Risk Prevention Plan (RPP), municipalities have defined local town planning plans (PLUs), the RPP, which defines land that can be built on taking natural risks into account (floods, avalanches, landslides, forest fires, etc.), and have drawn up the regional coherence plans (SCOT) that are required in several municipalities.

In order to achieve the objectives of the Paris Agreement and the Green Pact for Europe, the Climate and Resilience Act of 22 August 2021 incorporates, through Article L.101-2, the economical use of natural spaces and the protection of sites, environments and natural landscapes into the general objectives of the Town Planning Code. This article thus specifies that the achievement of this objective results from obtaining a balance between: Control of urban sprawl; urban renewal; optimisation of the urban area density; urban quality; preservation and restoration of biodiversity and nature in cities; protection of the soil of natural, agricultural and forest areas; and lastly, restoration of artificial soils.

This law also applies numerous provisions to the property sector, aimed at adapting town planning rules in order to combat urban sprawl and protect ecosystems. These provisions include the goal of zero net soil artificialisation on a national level by 2050. To do this, the rate of soil artificialisation in the 10 years following the enactment of the law must reflect a national consumption of space which is less than half of that observed over the previous decade.

To take these issues into account, the group is developing its strategy to combat soil artificialisation, particularly by actively monitoring regulations related to biodiversity and the application of best practices in its production, particularly through its membership of the Observatoire de l'Immobilier Durable [French Sustainable Property Observatory]. The group measures and analyses its impact in terms of soil consumption/regeneration and its actions in terms of biodiversity. The challenge of reducing soil sealing and seeking to create a positive impact on biodiversity has also affected the group's business model, embodied by the creation of the subsidiary Aménagement et Territoires in 2020. The main area of this subsidiary's intervention is the conversion of industrial wasteland into urban projects, promoting nature in the city with a view to serving the health and well-being of occupants.

In 2021, the integration of the measurement and monitoring of our production indicators into the K&B Committee tool devotes a section to assessing the impact of its projects on the preservation of soil and biodiversity. Consideration of the natural and landscape context in the development of the property project is also addressed in these decision-making phases. Data consolidation makes it possible to monitor the group's action for biodiversity and the reduction of soil sealing over time. This tool also makes it possible to evaluate the project with regard to the "Do Not Harm" criteria and the contribution of European taxonomy, particularly those related to the objective of protecting and restoring biodiversity and European taxonomy ecosystems.

Soil and subsoil quality and pollution

Prior to any acquisition of land, the group uses the services of specialist firms to conduct a study on the quality and pollution of soils and subsoils, and on the site's land history.

Kaufman & Broad first appoints an engineering consultancy firm to carry out an additional field pollution diagnosis. A company is then responsible for decontaminating the site, should the diagnosis return an unfavourable result. The group is particularly vigilant in analysing the context and implementing the decontamination project, particularly if it is located on high-risk soil, such as clay soil, or if the land is located on industrial wasteland (see Section 4.1.2.9 "Risks related to pollution").

Kaufman & Broad's Human Resources Department offers employees a series of training courses on environmental issues related to the property development business.

Taking biodiversity into account

Aware that any intervention in the region can have effects on the natural environment and biodiversity, Kaufman & Broad carries out impact studies in accordance with Article R. 122 of the French Environmental Code or, in cases whereby this is not mandatory, at the request of the local city council, in the context of a land-clearing operation or for an operation located close to an area of ecological interest (e.g., Natura 2000 site or coastal areas). Phytosanitary diagnostics are occasionally developed by landscapers to identify plants to be conserved and to verify their state of health. When a risk of damage to biodiversity is identified, the group may amend the mass layout to preserve biodiversity, or may plan for compensatory measures examined by the DREAL.

In addition to regulations, the group is aware that the full consideration of biodiversity constitutes an element of the quality and sustainability of its production. The environmental process relating to the company's biodiversity is divided into four phases:

1) Using soil responsibly and optimising the building:

The group measures and assesses its impact on soil and biodiversity for each of its projects. In 2022, most projects were developed on land that had already been urbanised and which had been previously built on. Several operations have even reduced the artificialisation of soil, particularly those initiated by the subsidiary Aménagement et Territoires, which was created in 2020, and specialised in the conversion of industrial wasteland (see below).

With this in mind, Kaufman & Broad requires in its Manual for Environmental Specifications and Procedures that 100% of the projects carried out include a green space, primarily in natural earth.

2) Reducing soil sealing:

The conduct of our projects includes measures to reduce the sealing of soils in order to restore the soils. For example, the K&B Manual for Environmental Specifications and Procedures requires the use of porous systems for all outdoor parking spaces. The Biotope coefficient is simulated for each of our projects during the design phases, and compensatory actions may be implemented (e.g., green roofs and terraces).

3) Designing with nature:

For each project, the group takes care with the integration into green, blue and brown structures. A landscaper and/or ecologist is regularly involved in program design phase to study landscape integration. The integration of the project is reviewed with particular attention in the event of recommendations issued by the Architectes des Bâtiments de France (ABF).

Beyond its aesthetic and pleasure functions, nature is seen as a system, which the project must integrate into and interact with. The design of building landscape systems also incorporates their resilience to climate change:

- **Resilience to drought:** We apply the principles of water-saving design to all our projects. The K&B Manual for Environmental Specifications and Procedures aims to reduce water requirements by 50% through the hydro-economical design of outdoor spaces, the selection and disposition of species, the use of non-drinking water networks, or the implementation of a rainwater collection solution (this system is commonly used in individual homes). The reduction in project water requirements concerns outdoor areas as well as water-consuming equipment in buildings. The K&B Manual for Environmental Specifications and Procedures imposes maximum speeds for all equipment, these limits being set in line with best practices.
- **Resilience to heat waves:** The design of the building landscape system takes into account the challenges of combating the urban heat island, summer comfort and the optimisation of natural light sources in winter, as well as hygrometric regulation scaled to the plot.

4) Preserving and improving existent qualities:

Our approach is to identify, preserve and improve the site's biodiversity qualities. Our operations therefore seek to preserve any trees existing on the site as much as possible. The K&B Manual for Environmental Specifications and Procedures requires the identification of trees and specifies the protective measures required to ensure that the trees are preserved during construction (including their root systems).

The K&B environmental standard also specifies that all our operations must achieve a "zero net felling" objective for trees (taller than 5 m at maturity). In fact, our projects have a positive impact on the density of plant subjects.

Improving also means anticipating interactions between humans and nature. The K&B Manual for Environmental Specifications and Procedures particularly specifies that the plant species introduced must be:

- Non-invasive;
- Non-allergenic (highly hazardous allergenic species are banned; the introduction of moderate allergenic risk species is limited to 25%);
- Adapted to the climate and the terrain;
- Make it possible to create a diversified plant strata.

Finally, our guidelines anticipate the principles of the sustainable management of outdoor spaces in the awareness brochures provided to buyers.



679 trees planted across projects delivered in 2022

In particular, Concerto, a logistics subsidiary of Kaufman & Broad, has specified, through the Charter of reciprocal commitments between the State and the members of the Afilog association, several actions relating to biodiversity:

- For all warehouse projects exceeding 20,000 sq.m of ground area and for which building permits were filed on 1st January 2022, the submission of an ecological study of the initial site and a project carried out by an ecologist who will propose recommendations with a view to maximising the site's biodiversity potential,
- For all warehouse projects, for which building permits were filed at 1st January 2022, to preserve and protect existing vegetation when it is not included in the area of the building and roads.
- For all warehouses, signatory members undertake to plant hedgerows composed of trees and shrubs in two rows, on a linear basis, at least equivalent to 50% of the property limit, and in line with the local green framework. Under Axis 3 of the government's pollinator insects and pollination plan, at least 50% of hedges are composed of pollinator-friendly species.
- For all warehouses, signatory members undertake to systematically implement measures to welcome biodiversity in buildings: Integration of wildlife shelters (nests, cottages, etc.), following the recommendations of the systematic ecological study.

- For Multi-occupancy housing:

YOU in the Île Seguin DDA - "Rives de Seine" in Boulogne Billancourt

In a designated development area (DDA), the environmental component bears particular importance and thus an environmental design office is selected through the invitation to tenders and the design phase. The YOU building in the Île Seguin DDA - Rives de Seine district of Boulogne Billancourt, certified in compliance with NF Commercial Buildings, HQE® and BREEAM®, and certified Effinergie + (Cep. TR 2012 - 46%), thus incorporates actions promoting biodiversity into its program (working with an ecologist, selection of endogenous plants, addition of hives, nests, and insect shelters, etc.).

"L'enclos de Granis" in Grans

The "L'enclos de Granis" program is classified as Natura 2000 for its exceptional habitats and is located on former farmland. Objectives have therefore been set to take into account the life cycle of the species found on the site, to protect habitats of community interest, such as green oaks and irrigation canals, to recreate remarkable spaces, and to promote the development of biodiversity. To meet these objectives, more than 300 trees have been planted, a 250 sq.m retention and infiltration basin has been designed to create an eco-complex, the canal network from the Grans estate has been restored to allow for the water supply of 94 hectares of grasslands, and, 4 hectares of land have been rehabilitated into hay meadows in collaboration with a local farmer. This program was delivered in 2021.

"La Forêt Verte" in Perray en Yvelines

A "Water Law" dossier was thus created for the "La Forêt Verte" program, which is based on land including a wetland identified by a pedology study conducted by Kaufman & Broad. The group has taken compensatory measures to restore another wetland on the same watershed as the project, on the edges of the Perray lake. In this area, a reed bed creates natural water filtration and is home to many plant and animal species. It is a spawning area for pike and is a nesting and breeding spot for birds, which stop there during their migration. This wetland and its ecosystem were gradually colonised and threatened by willow growth. Work has therefore been planned, outside the migration and reproduction period, to restore, maintain and monitor the environment over a 10-year period.

- For the Commercial business line:

New'R in Nantes

The green spaces of the group's projects can also be used as shared spaces and production spaces, such as the shared greenhouses erected on the roof of the New'R tower in Nantes, or the 4,000 sq.m dedicated to urban agriculture in the A7A8 project, which will be located in the Austerlitz district of Paris.

Amédée in Bordeaux

The Amédée project in Bordeaux also aims to obtain the Biodiversity Label, which is the first international label to take biodiversity into account for property construction and renovation projects. This operation is part of an eco-neighbourhood.

- In our premises:

Kaufman & Broad promotes the implementation of biodiversity actions at each of the major sites that we occupy, in accordance with the principles applied to our production, as described above.

Toulouse agency in the Church of Notre-Dame-des-Grâces (desacralised in 2011)

Kaufman & Broad has established its regional head offices in the Church of Notre-Dame-des-Grâces (desacralised in 2011), in the heart of Toulouse. The facade of this emblematic building is protected under communal heritage. Any modification or extension must therefore be compatible with the architectural character of the "building to be preserved", and must enhance the original architecture. Kaufman & Broad restored and redeveloped it into office spaces, working in close collaboration with the Architectes des Bâtiments de France, the city of Toulouse, and architect Pierre Louis Taillandier.

group head offices in Courbevoie

The Highlight project is certified as compliant with the Biodiversity label, attesting to the inclusion of biodiversity as a component from design to operation.

Industrial wasteland renovation operations: Projects to de-artificialise soil.

In 2020, Kaufman & Broad created the company Aménagement & Territoires, which is the manifestation of 50 years of expertise in property and the group's desire to intervene upstream in large-scale development projects and to provide local authorities with sound and diverse property expertise: Residential, student or senior housing, offices, shops, hotels, public facilities, etc. The creation of this subsidiary demonstrates the group's commitment to responding to the dual challenge faced by cities: "Combating climate change and strengthening social connections." The mission of A&T is to support cities in their evolution, to make profound changes on neighbourhood level, demonstrating total commitment to our responsibility as developer. The challenge is to create low-carbon, resilient neighbourhoods and ecological urban landscapes that thrive, meet the expectations and requirements of all, make sense, and bring people together.

Kaufman & Broad has launched major industrial wasteland renovation projects, generating value, overcoming environmental challenges, and reducing the pressure on urban sprawl.

These projects generally include upstream soil decontamination and soil unsealing. The site's sealed spaces and plant restoration have resulted in the creating of positive biodiversities.

In addition to the direct environmental impact, the renovation of these wastelands has a "carbon sink" effect, particularly thanks to the vegetation of the soil. The reduction of wasteland to accommodate mixed urban projects offering high-quality nature, shops, services and buildings create benefits for the entire surrounding area, generating value for stakeholders and for K&B.

A&T's Magasins Généraux renovation program aims to become the region's first centre for creative and entrepreneurial industries, with 4,000 sq.m. dedicated to creativity and innovation; creating new appeal with a qualitative and inclusive space, bringing together

1,300 new inhabitants and 4,500 students. This program also aims to create an exemplary neighbourhood in terms of restraint and biodiversity.

Reims program - Magasins Généraux	Before renovation	Planned after renovation	Overall impact
Artificialised surface area	39,000 sq.m	27,000 sq.m	(-) 30%
Number of trees	4	1,700	1 tree/9 sq.m of green surface

The site's layout enables a 132% increase in permeable surfaces (20,332 m²) with 30% green roofs planned.

5.1.4. The group's social challenges

group commitments/objectives	group policies and actions in 2022
Obtaining the Great Place To Work certification by 2023	The group obtained the GPTW certification.
Developing an employee social commitment policy	Participation rate in the solidarity on the rise
Completion rate of professional reviews > 90%	The group achieved its objective, with 97% of professional reviews conducted in 2022
Training more than 75% of employees each year	85% of the workforce received training in 2022
Maintaining a job retention and return-to-work policy for individuals over 55 years old	At 31 December 2022, employees aged at least 55 represented 16.96% of the total workforce
Recruiting 4% young people through work-study contracts in the group's workforce	The group exceeded its commitment, with 9.6% of its workforce under work-study contracts at 31 December
Obtaining 90/100 in the Gender Equality Index in 2022	Signing of the Quality of Life at Work and Gender Equality Agreement in 2019 Gender Equality Index: 89/100 in 2021
Maintaining employee shareholding at a minimum of 10%	Employee shareholders collectively hold 16.56% of the share capital held, at November 30, 2022
Delivery of 1,500 affordable homes with Kalilog by 2026	Creation of Kalilog in 2021, a subsidiary dedicated to promoting affordable housing
Developing the responsible purchasing policy	Integration of a questionnaire on the CSR policy of our main suppliers via the Viaco platform.
100% of the wood materials used in the programs are eco-certified (PEFC-, FSC-, etc.)	Incorporated into the K&B "Manual for Environmental Specifications and Procedures" in 2021
Continuous improvement of the group's client experience policy	Roll-out of an update to the Klient360 tool in order to better monitor performance indicators related to client satisfaction (client request resolution rate). Inclusion of performance indicators related to client satisfaction in the variable Compensation of the Management Board and the Extended Management Board

5.1.4.1. Building with employees: group human resources policy

Editorial by the Executive Director of Human Resources

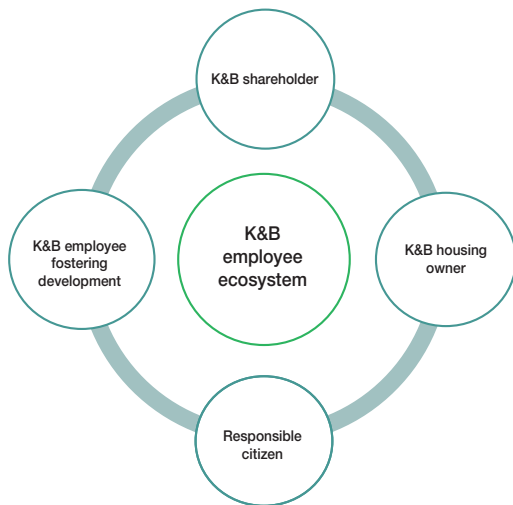
2022 was devoted to the performance of the social model promoted and developed by Kaufman & Broad, in which our employees thrive and engage.

Kaufman & Broad allows each employee to:

- Become a shareholder in the company by which they are employed;
- Work in a positive environment that strives to develop their potential and promote new ways of organising work;
- Acquire KB housing to which they contribute, directly or indirectly, under favoured conditions;
- Contribute, through the group's business, to the environmental and societal challenges which we face and must now respond to, both as citizens and as a company.

5 Corporate Social Responsibility CSR

Non-financial performance statement: Kaufman & Broad's corporate social responsibility



This social model is a stand-out asset for attracting candidates during the recruitment phase and also for retaining our talents. The pandemic has greatly increased the candidates' and employees' reflection on the experience offered by the company, the purpose and utility of employees' work, and those of the business.

Kaufman & Broad allows its employees to participate and engage in a strong, collective adventure.

Our employees expressed their sense of pride in belonging and their commitment, reflected by the obtaining of the following two labels:

With a 91% response rate, more than 8 out of 10 employees say they are proud to work at Kaufman & Broad, and 8 out of 10 employees said that premises and equipment contribute to their well-being at work.

The certification recognises the group's ongoing transformation aiming to improve the trust and inclusion of all employees, and also acknowledges the well-being provided by the new HIGHLIGHT head offices, a showcase for Kaufman & Broad's property expertise.



Kaufman & Broad received the HappyIndex® Trainees and HappyIndex® Trainees Work-Study 2022 labels

This award honours the commitment of all our employees and tutors to the integration and training of young people.

The group obtained a score of 3.98/5 on the Happy Trainees index, and a score of 4.01/5 on the Happy Trainees Work-Study index.

90.6% of our students also say they would readily recommend the Kaufman & Broad work-study experience to a friend.

In addition to the award, the label allows teams to gain a better understanding of expectations and requirements, so that they continually strive to better support future generations.



Kaufman & Broad is a learning-focused company that evolves and adapts. In 2022, this notably resulted in the 3 following events:

- A Roadshow: A multi-disciplinary team met with all employees to present the challenges of transformation encountered at Kaufman & Broad

The pitch for this transformation?

"In a changing world, we are pursuing the ambition that our group, through all our brands and expertise, contributes to creating virtuous cities. By constantly rejuvenating a pioneering mindset, we are working to create a world of opportunities and to become the first choice for cities, our clients and our employees. We are transforming in order to make this ambition a reality.. "

- The selection and deployment of a new internal communication tool that promotes cooperation to serve business and employees' ability to express themselves. The effectiveness of this new tool, which is called Kolibri, was measured through the Great Place to Work survey.
- Highlight: In September 2022, Kaufman & Broad moved into new head offices in Courbevoie. These new head offices illustrates the expertise of the teams and the modernity of our facilities, which have proven to be popular with employees. In the Great Place to Work survey, 83% of them considered that "our premises and equipment contribute to creating a pleasant working environment."

Focus on the 4 dimensions of Kaufman & Broad's corporate social model

Kaufman & Broad employees are company shareholders

Almost 100% of our employees are shareholders of Kaufman & Broad thanks to a particularly proactive policy which is open to all employees, regardless of their income level. In fact, the group offers a comprehensive and accessible range of schemes, regular offers, including all risk profiles, an incentive contribution, and length-of-service benefits to reward their loyalty:

- Creation of a holding company in 2016, through which 125 managers chose to borrow to invest;
- Allocation of Bonus shares once a year to all employees;
- In January 2022, 141,553 shares were granted;
- Capital increases reserved for employees, every two years;
- In 2022, a new KB ACTIONS 2022 scheme was offered to employees and was highly successful (see Section 3.3.2.3. KB Actions 2022).
- Shareholding ESP employer contribution.

Through the KB Actionnariat du Plan Epargne Entreprise ESP, each employee has the opportunity to acquire company shares with an employer's contribution. The employer's contribution is increased according to the length of service accumulated at 1st January of the current year.

For example, an employee who pays €1,500:

Length of service	Employer's contribution
Less than 2 years	€875
More than 2 years but less than 5 years	€1,750
More than 5 years	€3,000

On 25 June 2020, Kaufman & Broad negotiated and signed a participation agreement and a profit-sharing agreement. These agreements provide for the possibility for employees to invest the sums earned through the KB Actionnariat du PEE ESP.

At November 30, 2022, employees collectively held 16.56% and constitute the determining shareholder. This makes it possible to create a strong alignment between the vision and the challenges of shareholding and employees.

It should be recalled (see Section 8.9) that employee shareholding is included amongst the four criteria established for Nordine Hachemi's long-term Compensation. The objective is to maintain employee shareholding above 10%.

In 2022, the Fédération Française des Associations d'Actionnaires Salariés et Anciens Salariés awarded the Kaufman & Broad group the 2022 Grand Prix de l'Actionnariat Salarié in the SME and Start-up category. This award, the highest granted by FAS, rewards a long-term policy of employee loyalty and engagement in the group's governance.



Nordine Hachemi, Chief Executive Officer of Kaufman & Broad, said:

"Kaufman & Broad's teams are both proud and grateful to receive this FAS Grand Prix, which recognises the company's commitment over the past several years to developing a strong and significant employee share ownership that is reflected in the governance of the company."

Kaufman & Broad works in a development-conducive environment:

Each employee is made aware of their utility and daily impact through the role and responsibilities entrusted to them.

These missions are carried out in an environment which is:

- Positive, dynamic and open to new ways of organising work that promote both a good work/life balance and gender equality,
- and which includes remote working. To respond to the challenges set out by the collective agreement of 31 July 2019 on quality of life at work and professional equality between men and women, which, in its Chapter 2 "Working in a company where it is good to live," Kaufman & Broad's desire "to encourage new forms of work organization to promote professional equality and quality of life at work", an amendment to the remote working agreement was concluded on 17 September 2021, establishing that "remote working now forms an integral part of the working organization implemented within the group."

The principle is that all employees benefit from at least one remote working day per week.

The "Guidelines for work/life balance - personal life and working conditions at home" were also drafted.

- An environment demonstrating agility, so as to constantly adapt to the challenges faced by the company
- Driven by learning, with 17,157 hours of training taken by our employees, representing an increase of 41% compared to 2021

The Great Place to Work survey revealed that 7 out of 10 employees consider that the company offers them development opportunities which are useful for their professional development

Upon arrival, the employee, regardless of their status (permanent contract, trainee, work-study, etc.), benefits from a full on-boarding course called Welcome On Broad.

The aim of this course is to share the group's culture with them, to help them adopt the group's processes and operations, and to start developing their internal network.

In 2022, 100% of employees benefited from this on-boarding process.

We have created an on-boarding process with multiple phases:

- The monthly induction meeting for new employees, led by a HR liaison point. Employees will be given a digital media presentation on KB Factory: organization charts, key figures, business lines, 50 year history video, KB glossary, etc.
- Thematic training: The presentation of our business model, the presentation of our innovation and CSR policy, the challenges supported by the Department of Architecture, Processes & Continuous Improvement and Client Experience.
- Training to help employees become group ambassadors: How to optimise their presence on LinkedIn.

Throughout their career, the new employee completes their "On Broading" passport. At the end of their on-boarding period, they will present their passport and the discovery report to their manager and a Human Resources Manager.

In addition to the Welcome On Broad program, all our work-study trainees (newly recruited and already employed) were invited to the first "Work-study Trainee Day" in Highlight (K&B head offices). During this day, work-study trainees took part in the Climate fresco workshop, which aimed to raise awareness of environmental issues and the impact of our business sector. They were coached by facilitators, who helped them with their communication, particularly through improvisation exercises.

Kaufman & Broad is a responsible citizen, contributing to the company's environmental and societal challenges

The Great Place to Work survey reported that almost 8 employees out of 10 said that "My professional activity has a particular meaning for me: I do not consider it to be 'just a job'", and moreover, almost 8 out of 10 employees said that they "appreciate the corporate citizenship contribution of their company."

Kaufman & Broad also prides itself on concretely supporting the concept of citizen employees. In a world where social, societal and environmental impacts are becoming increasingly acute, it is fundamental that Kaufman & Broad's management aligns the group's commitments with employee values. In this regard, 78% of employees say they are proud to work for the Kaufman & Broad group.

As a developer of property projects, Kaufman & Broad allows each employee, within the framework of their expertise, to suggest and provide appropriate responses to climate and social emergencies, working alongside local authorities.

5 Corporate Social Responsibility CSR

Non-financial performance statement: Kaufman & Broad's corporate social responsibility

In 2022, several training courses and systems were set up to with a view to strengthening the concept of "responsible employees". It should be noted that:

- More than 95% of our work-study students took part in the climate fresco;
- 100% of HR recruiters completed the "Recruitment without discrimination" training; Recruitment thus becomes a driver for diversity within the company;
- 100% of employees benefiting from a company car had access to the "Eco-driving" training module;
- 100% of employees in the land development and program business lines were invited to take part in the "Anchoring KB in its region" training module, which was created through our partnership with the Empreintes Cityoennes association.

Furthermore, all employees eligible for a company car can choose the Green Mobility Pack (see Section 5.1.3.2. Mitigating climate change - Reducing the group's impact: Mobility) in place of their company car, and can thus promote responsible and multi-modal mobility that responds and adapts better to their lives.

Kaufman & Broad employees are encouraged to own a KB home

Every day, employees give substance to the property projects that they design and build around France. The key to successfully completing this mission lies in the creation of competent and committed teams.

Encouraging employees to become a Kaufman & Broad client by becoming owners, whether it's for their main residence or as an investment, is an additional leverage point for employee pride and commitment.

In the 2021 mandatory annual negotiation report of 10 September 2021, the discounts granted to an employee in the event of a purchase of a home were revalued:

- In the event of length-of-service of less than or equal to 3 years, the discount is 5%
- If the length of service exceeds 3 years, the discount is 7%.

The employee also benefits from any commercial offers available at the time of purchase.

In addition, the acquisition of a property also allows employees to build savings that are a result of their work, either directly or indirectly.

Employees are also offered financial incentives for commercial sponsorship.

All of these actions help to hedge the risks related to Human Resources, as described in paragraph 5. Non-financial performance statement 2021.

The mission of Human Resources

Kaufman & Broad's project is based on both individual development and collective strength. The mission of Human Resources is to develop an ecosystem that attracts and retains talent, offers motivating career paths, encourages and recognises the performances and commitment of our employees, whilst supporting the development of business lines and the business as a whole.

The group is convinced that everyone's individual talent makes a difference, and that training and development play a central role throughout the career of employees within our group.

The actions of the Human Resources team are structured around the following focuses:

- Constantly ensuring that the group's ambition, its organization and our ability to recruit top talent to achieve this ambition are all aligned;
- Promoting the on-boarding of new employees as soon as they arrive, and helping them to integrate and embrace the group's culture;
- Revealing and developing employee potential and promoting skill transfers;
- Conducting a Compensation policy that combines external competitiveness with internal equity, whilst also ensuring pay equity between men and women in equivalent positions and with equivalent profiles.

Human Resources supports all changes within the company, its organization, and its business lines.

Human Resources and all managers strive to support the commitment of each and every individual, whilst also being attentive to expectations and areas for improvement. We all share the same objective: Improving and ensuring the group's economic, societal and environmental performance in the long term.

In addition, these actions are directly linked to the risk mapping carried out by the group. This risk analysis highlighted the importance of these issues addressed by Human Resources (see also Section 4.1.3.1. "Risks related to dependence on executives") for the group's organization, development and performance.

Social Report: Workforce data

Total workforce at 31 December 2022 ⁽¹⁾	2022	2021
Men	378	378
Women	406	400
TOTAL	784	778

(1) Through the economic interest grouping comprising all group entities in France since January 2008.

Management	2022	2021
% of managers	73.6	71.5
% of female managers	40.9	40.5

Employees are made available to each group company according to their requirements. These employees are divided into several teams, tasked with land prospecting, program design, tenders, engineering, construction management and supervision, marketing, revenues, customer services, financing and group administration. Staff costs are allocated to each legal entity according to the volume of business generated by each legal entity within the group.

Breakdown of workforce by business line

Since 2017, the data published concerns GIE and also Serge Mas Promotion and Seri Ouest, which were acquired on 22 December 2015 and 23 June 2016, respectively. At 1st January 2019, Seri Ouest employees were integrated into the GIE workforce. At 1st May 2019, we integrated data for CITEC employees.

2022 was characterised by the continued optimisation of the organization, aiming to further boost its efficiency.

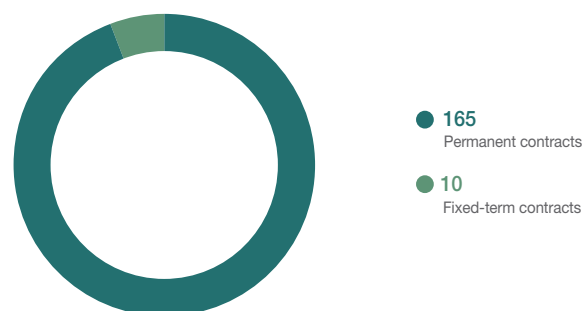
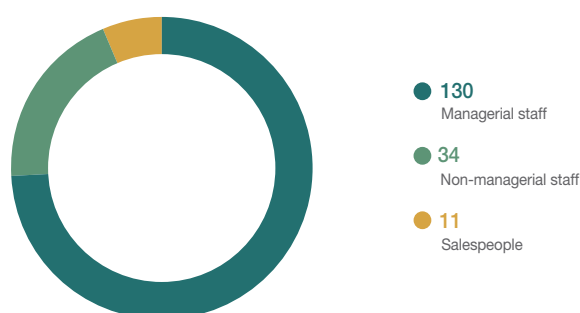
Breakdown of registered employees by role at 31 December 2022	2022	2021
Land development program	127	125
Technical & After-revenues	91	88
Marketing/revenues	204	221
Regional support functions	132	125
Central support functions	110	106
TOTAL	784	778

Inputs and outputs

The group's turnover rate has increased steadily over the past several years, reaching 21.91% versus 17.83% in 2021.

Arrivals

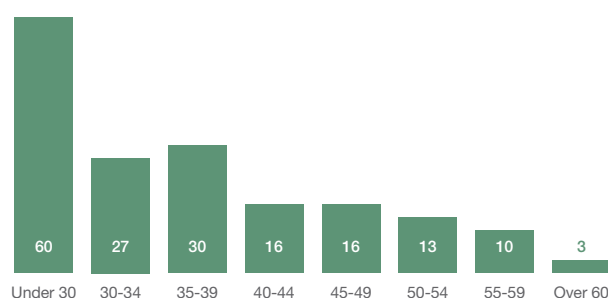
In 2022, Kaufman & Broad hired 175 employees, including 165 employees on permanent contracts (155 new hires, including 130 on permanent contracts in 2021).



These hires represent 130 managers, 34 employees and 11 revenues consultants.

Of the 175 employees hired on fixed-term and permanent contracts in 2022, 60 were under the age of 30 at the time they joined the group, representing 34.3% of new hires.

In 2022, the group signed 55 new apprenticeship or professional development contracts. At 31 December 2022, the group counted 83 work-study students, thus constituting a pool of young people prepared to join the teams according to the opportunities presented.

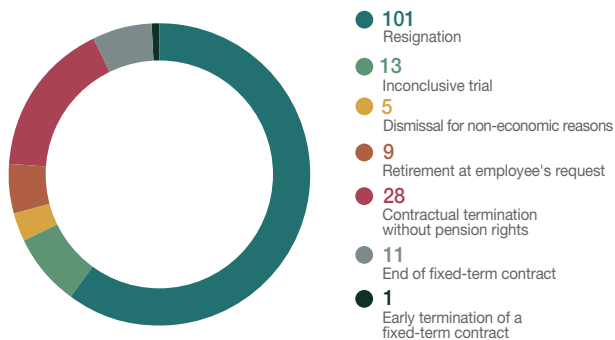


Departures

Departures	2022	2021
Number of departures (resignations, contract terminations, dismissals, TP terminations, and retirements) (permanent - fixed-term contracts)	169	155
Of which number of resignations (permanent - fixed-term contracts)	102	75
Of which number of dismissals (permanent contract - CD)	5	21

5 Corporate Social Responsibility CSR

Non-financial performance statement: Kaufman & Broad's corporate social responsibility



The resignation rate increased slightly in 2022, reaching 13.1% as compared with 9.73% in 2021. For employees under the age of 30, the resignation rate was reported at 26.1% in 2022 (29 resignations), representing a decrease of 13.7 points compared to 2021.

Exit reviews are systematically conducted in the event of resignations, aiming to analyse the causes of departures and to implement the appropriate action plans in order to strengthen our ability to retain talent, particularly in regard to young professionals under the age of 30.

In 2022, the organizations were stabilised, and the promotion and transfer rate is now 12.11%.

Temporary workers

In 2022, the use of temporary workers remained very low: Temporary work contracts accounted for 0.76% of the workforce (0.65% in 2021) for an equivalent of 5.97 employees (5.02 in 2021). The average duration of temp missions was 15.06 days (13.28 days in 2021).

Talent management

Recruitment and on-boarding

School relations, recruitment and the employer brand

Aware of the challenge of attracting talent and forging attractive career paths, Kaufman & Broad is constantly seeking to enrich its employment pool.

For this purpose, the group has created a diversified recruitment policy, focused primarily on the following areas:

- The role of employee ambassadors (Employee Advocacy), who recommend and recruit.

LinkedIn is an important recruitment channel and is a platform that we can use to showcase our employer brand. We provide all employees with LinkedIn training (creating their account, optimising their use of LinkedIn features).

100% of new arrivals receive LinkedIn training

- Close ties and partnerships with certain schools.

The group has thus established privileged partnerships with the ESTP and the University of Dauphine (Master 246 Finance - Property Management course), and has developed a significant presence in forums (ESPI, Mines d'Alès, Property Business Forum, Hautes Écoles Ingénieurs in Lille).

- Kaufman & Broad, focusing on the transfer of skills between different generations, and convinced that the success of our new hires also depends on their on-boarding and our ability to welcome and integrate them into a dynamic and demanding environment.

In 2022, the group had approximately 9.5% (7.5% in 2021) of its workforce on work-study contracts, and the group exceeded its commitment to train 4% of its workforce through work-study programs, a commitment made in the collective agreement on intergenerational employment. In addition, this percentage reflects the positive outlook and development of relationships with schools. These students constitute a privileged recruitment pool for the group, which in 2022 hired one student on fixed-term contracts and five students on permanent contracts.

Kaufman & Broad is continuing its commitment to the Espérance Banlieues Foundation by sponsoring students throughout their entire school cycle.

Figures to note



175 employees were recruited on fixed-term or permanent contracts in 2022

34.3% of employees hired on fixed-term or permanent contracts in 2022 are under 30 years of age

Welcome On Broad: Ensuring that each employee is properly integrated, both in terms of knowledge of the group, its processes and the links developed with other employees, and welcoming them into teams.

The Great Place to Work survey showed that 9 out of 10 employees said that "new employees are receive a good welcome."

On-boarding with the development of remote working poses a major challenge.

- A 6-month course;
- A course that responds to remote working, the nomadism of our teams and digital challenges;
- A career path that gives the new employee an active role in their on-boarding;
- A career path that generates synergies through meetings between employees, regardless of their business lines, and throughout our agencies in France.

Our aim is to give new recruits all of the tools that they need to:

- Understand the business lines of the operational chain;
- Develop their own knowledge network;
- Familiarise themselves with the group's history and culture;
- Take on an active role in their on-boarding.

Kaufman & Broad is committed to maintaining a lasting relationship with each new employee.

Promoting internal mobility

The trust built in human relations and the development of talent, thanks to individualised monitoring and personalised training cycles, now allows us to ensure team growth and the assumption of responsibilities internally.

Internal mobility is used to support changes within the group, to share expertise, and to create a relational network across the group's various agencies and entities. It is the result of several combined actions: The development of employees' skills through training and assignments entrusted to them, professional reviews, real-time access to all of the group's opportunities via the intranet, and support measures for geographical mobility, encouraged by the establishment of Kaufman & Broad throughout France.



Number of geographic transfers: 21
Number of promotions: 72

In order to strengthen internal mobility, the following process is deployed:

Step 1: Issuing mobility requests during the annual review or over the course of the year to their manager. This may be a geographical and/or business transfer request:

- In the case of geographical mobility, the employee is granted financial support
- In the case of job mobility, employees can be supported through training and an on-boarding program in their new position

Step 2: Review held with the employee and the HR department to set the framework for mobility: Timing, existing or future opportunities.

Step 3: If there is an opportunity for it, the employee meets local teams and integrates through the traditional recruitment process.

To promote mobility, several actions have been implemented:

- Communication of 100% of vacancies internally via Kolibri
- Systematic review of all internal applications
- Each internal candidate is accepted
- 100% of candidates are debriefed and get a response.

Compensation policy

Principles

Kaufman & Broad's Compensation policy is designed to help achieve the group's objectives. It must also be a leverage point for recognising the performance and commitment of our employees. Social and economic performance are closely linked.

Kaufman & Broad offers each of its employees a Compensation policy that combines external competitiveness with internal equity, and which rewards both individual and collective performances. We ensure fair pay that prohibits discrimination in order to ensure equal pay levels for equivalent positions and profiles.

The salary policy is adapted during annual salary reviews, which are carried out as part of a structured and homogeneous process based on a factual and objective assessment of contributions and performance. This review is carried out with all managers and the Human Resources Department.

In 2022, the Human Resources Department collaboratively put together tailored training to help upper management better understand the subject of Compensation for their teams: Building the Compensation of your employees. In addition to training, the team reflected on the ongoing process of "professionalising HR reviews" and thus strengthening the managerial position.

During this one-day training session, the following objectives are set:

- Understand and adopt an objective analysis model for employees. The ambition is for this model to be shared by all employees and HR representatives, in order for it to become a decision-making aid when preparing HR reviews
- Training, through practical cases, by generating feedback from reviews for employees. Providing feedback to your employees is a key moment that requires special attention.

Information to remember



In 2022, a pilot group of managers and HR took part in the training "Building the Compensation of your employees"

In 2023, training was rolled out to 100% of managers participating in HR reviews, during which salary decisions are made

Individual social assessment

Kaufman & Broad provides each employee with a document detailing the evolution of their Compensation and its various components, with a view to ensuring clarity and transparency. This Individual Social Report highlights all the measures put in place around employees, such as training, group savings plan, employee shareholding, and co-option bonuses paid to associations referenced by Kaufman & Broad as part of its sponsorship policy.

In 2022, each employee received an individual social assessment.

Compensation structure

The Compensation structure is identical for all employees: Fixed Compensation, variable Compensation and long-term incentive Compensation consisting of Bonus shares.

Each employee is interested in the company's performance through both their variable Compensation and the allocation of Bonus shares. The culture of variable Compensation is thus firmly anchored within the group.

Focus on the different types of Compensation:

- Fixed Compensation is subject to an external benchmark with an external firm for executives and an internal analysis of the consistency of Compensation according to business lines and experience in the position;
- Variable Compensation is awarded according to the level of responsibility and the business line.
- Senior executives and business executives receive annual variable Compensation. Based on objective targets, this variable Compensation is composed of quantitative criteria for 70% of its value and qualitative criteria for 30% of its value, except in specific situations. A performance calculation scale is established, and is capped at 120%.
- Employees working in development, program and revenues business lines receive quantitative variable Compensation based on annual objectives. Other employees are eligible for an end-of-year bonus, the amount of which is negotiated with union representatives during mandatory annual negotiations.
- The long-term incentive Compensation consists of Bonus shares, in accordance with a plan approved by the Shareholders' Meeting. Kaufman & Broad has opted for a universal plan, which allows all employees to benefit from it. Individual allocation is based on distribution according to employee category and level of responsibility.

5 Corporate Social Responsibility CSR

Non-financial performance statement: Kaufman & Broad's corporate social responsibility

"Macron Bonus" value-sharing bonus

In 2022, in order to take into account the current economic situation in the daily lives of employees, management and trade unions signed an agreement on 9 September 2022 under which an exceptional bonus was set up to support purchasing power: The VSB.

This bonus is separate from the usual policy of rewarding employee performance and is awarded on an exceptional basis.

In order to take into account the loyalty of employees within the group, the amount awarded with this bonus is correlated with the employee's length-of-service.

Average annual Compensation ⁽¹⁾ and social security charges

(in euros)	2022			2021		
	Men	Women	Total	Men	Women	Total
Employees	67,905	44,055	48,497	66,885	40,105	45,539
• Of which base salary	33,869	32,033	32,375	29,475	29,830	29,758
Managers	89,401	66,248	79,944	86,244	62,336	76,600
• Of which base salary	66,516	51,862	60,530	64,908	49,780	58,806

(1) Total gross annual Compensation as a proportion of the average annual workforce.

This Compensation is presented excluding the Compensation of corporate officers, which is presented in Section 3.2. "Management interests".

The group's total average gross annual Compensation (excluding employer contributions) was €71,644, presenting a sharp increase compared to 2021 (€67,629). The gross base salary for both male and female employees and managers increased in comparison to 2021: +8.7% for women (+4.3% in 2021) and +4% for men (+1% in 2021), whether they are managers or employees.

The diversity of the group's business lines results in a dispersion of Compensation, depending on the business line. These averages are therefore indicative and should be interpreted with caution.

The amounts of social security contributions recognised, in respect of Compensation for 2021 and 2022, are accordingly 26.5 million euros and 26.98 million euros

Employee shareholding

Main shareholder: Employees

At November 30, 2022, Kaufman & Broad employees represented 16.56% of the capital held (Artimus Participations, Kaufman & Broad ESP and KB Actions 2017 and 2019 and 2022) 21.76% of the voting rights.

Based on the conviction that the group's economic growth must be based on its employees, this employee shareholding allows everyone to be associated with the future evolution of the group's results and to strengthen the feeling of belonging to the group.

As explained in Section 3.3 of this Universal Registration Document, Kaufman & Broad has created long-term plans for its employees and corporate officers. For a portion of employees receiving variable Compensation, the performance criteria used for the definitive

allocation of their shares are the objectives of their variable Compensation in cash.

The purpose of these allocations is twofold:

- Motivating and involving all employees in the future development of the group's revenue;
- Strengthen the sense of belonging amongst managers and employees by seeking to retain them over the long-term, within a context of sharply increased competition for talent.

Depending on the level of responsibility and the business lines, the allocation of shares is conditional according to the achievement of performances and/or attendance objectives.

Company Savings Plan

To encourage the accumulation of savings under advantageous financial and tax conditions, Kaufman & Broad has set up a company savings plan which is open to all employees (see Section 3.3.2. of this Universal Registration Document). It comprises five mutual funds ("ESP"), including the "Kaufman & Broad Actionnariat" plan, invested in Kaufman & Broad shares, the which the company makes a matching contribution, and the "KB Actions" fund with its three Segments: "KB Actions 2017"; "KB Actions 2019"; and "KB Actions 2022". These funds were initiated as part of the 2017, 2019 and 2022 shareholding offers carried out through the capital increase of Kaufman & Broad SA and are closed to new payments.

At November 30, 2022, employees held 938,425 company shares, mainly through the various company savings plans and mutual funds, representing 4.34% of the capital of Kaufman & Broad SA.

Incentives and profit-sharing

Through the agreements established 25 June 2020, Kaufman & Broad introduced profit-sharing and incentive schemes.

5.1.4.2. KB Factory: Developing potential and learning at the heart of our priorities

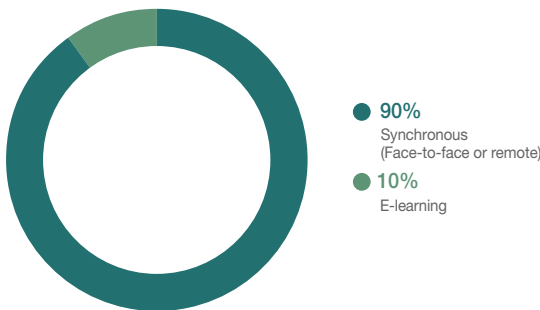
The development of employee skills and potential throughout their career is one of the key points of Kaufman and Broad's performance. Every employee is encouraged to play an active role in their own development.

5.1.4.2.1. The KB Factory structure

"The creation of the KB Factory training school is an expression of our conviction that professional training contributes to the efficiency and development of employees, and to the strengthening of their employability. Amendment No. 1 - Agreement on the management of jobs and career paths ("GEPP") of 16 February 2021

KB Factory is the training and skills development academy for Kaufman & Broad employees. In 2022, our employees completed 17,157 hours of training.

This training is split into two categories:



- 15,340 hours of training represent hours taken through face-to-face sessions or in teams, in synchronous mode. Each employee is invited to attend, depending on their job.

- 1,717 hours of training represent the hours of training taken on the digital platform. Employees can sign in and take training at times when it suits them.

We've seen an increase of nearly 41% compared to 2021 (12,181 hours split between 10,854 and 1,327).

Continuing education presents a real leverage point for strengthening technical skills (hard skills) and developing other skills and behavioural skills (soft skills) amongst our employees. Training also allows our employees to create an internal network of peers with whom they can exchange and develop alongside.

In accordance with our GEPP agreement (Chapter 1 - Skills framework by business line), Kaufman & Broad has a skills framework for each business line that is regularly updated and presented to employee representatives. As a result, several programs have been developed through KB Factory to meet the challenges of changing the skills of the business lines.

KB Factory's training courses are tailored in collaboration with internal expert committees. The training modules are led by:

- Internal employees, so as to pass on expertise, skills and to harmonise processes
- External training bodies, close to the field and offering high-quality contributions

As part of the training quality process, for each module, a pilot session is conducted before deployment.

Over the past three years, we have seen a positive change in the number of training hours, employees trained and employee satisfaction.

	Training hours	Proportion of average workforce trained	Proportion of the payroll
2020	5,446	68%	0.64%
2021	10,854	88%	1.29%
2022	15,340	85%	1.16%
Change 2022/2021	+41%	-3%*	-10%

*We've noted a 3% decrease in the training rate of the average workforce, although there has been an increase from 724 to 733 in employees trained. The 3% drop is due to an increase in the average workforce headcount in 2022, rising from 820 to 857 employees.

Today, KB Factory represents:

- 10 mandatory training courses focusing on business expertise:

Operational functions	Cross-functional functions
Land development programs	Legal
Design and Technical Purchasing revenues	Client Relations
Production	Showroom
	Accounting, Consolidation and Accounting Management

- A Soft Skills training course: Management, leadership, assertiveness, public speaking, time management
- Pathway linked to Map Talent: During the annual HR reviews, a significant challenge is presented by the detection of talents, high potentials and experts. Specific training programs have been developed for these populations.
- Support for the digitalisation of our business with training in IT tools

5 Corporate Social Responsibility CSR

Non-financial performance statement: Kaufman & Broad's corporate social responsibility

2022 performance and key training indicators

At the CSE meeting held on 17 September 2021, the Skills Development Plan for 2021 was presented, including the following strategic priorities:

1. Business expertise to create in-house experts: Creation and deployment of business expertise modules
2. Management & Leadership to sustain our strong managerial culture and soft skills so that employees are able to interact effectively to further contribute to our projects

3. CSR to place our environmental and social challenges at the heart of our business
4. Client Experience to improve client satisfaction

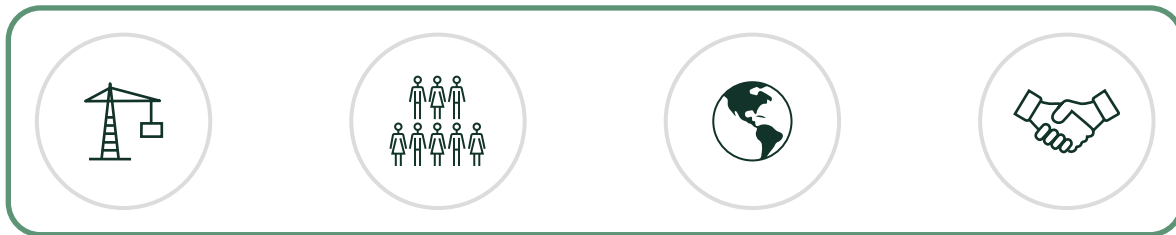
The figures in detail



These areas represent 81% of training hours

These areas represent 79% of trainees

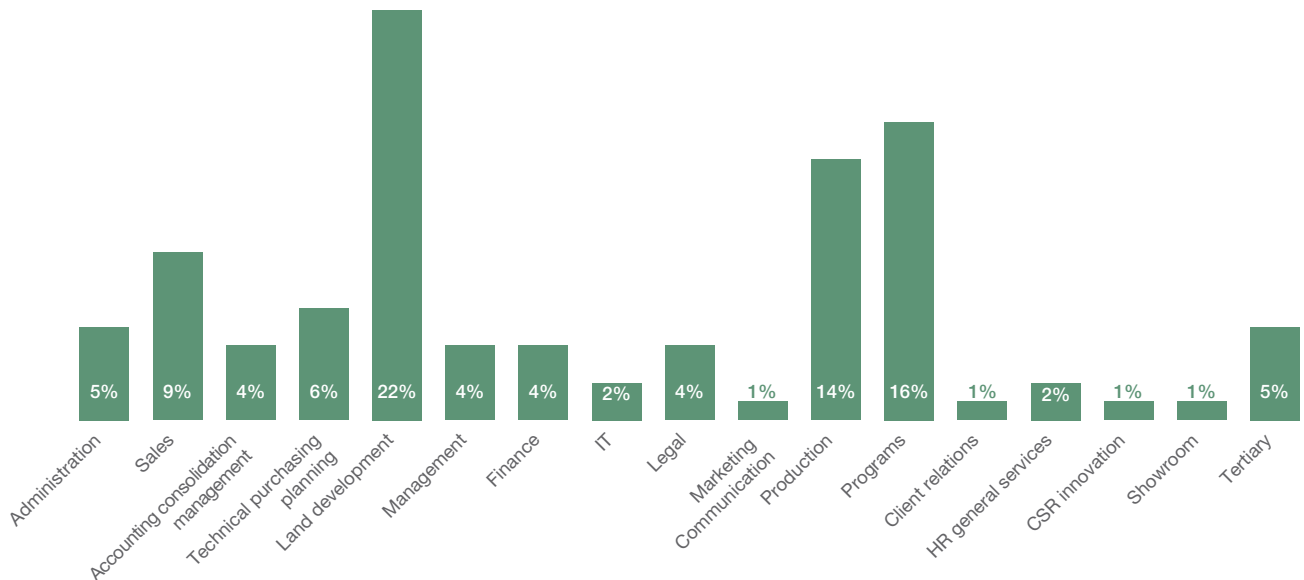
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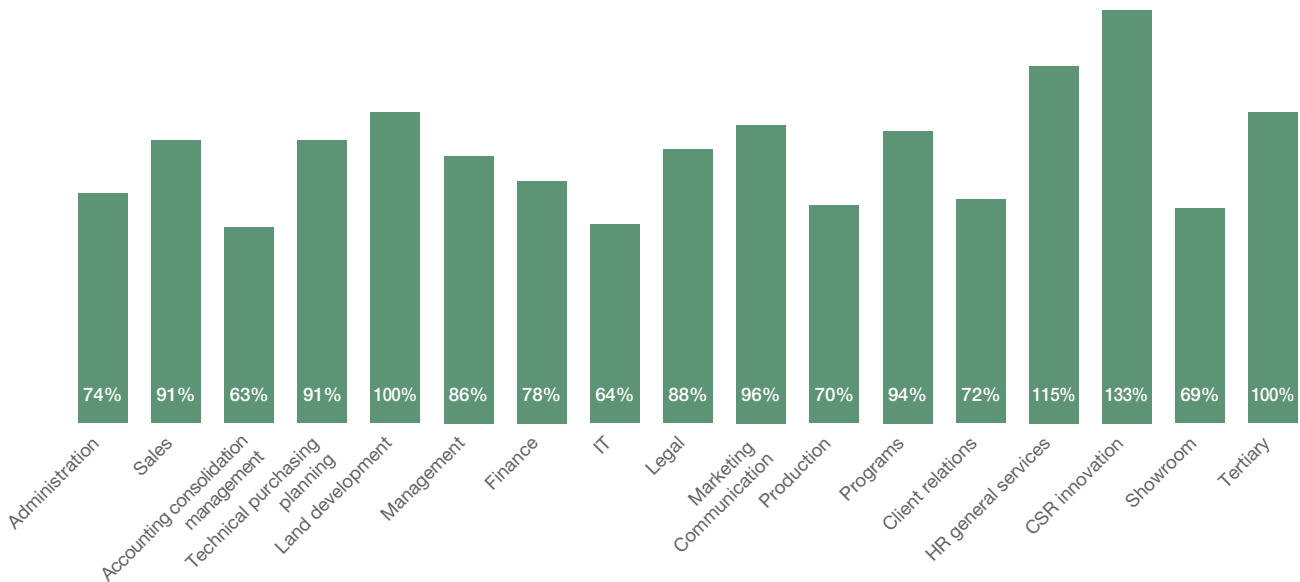
Business expertise	Soft Skills	CSR	Client Experience
41% of hours	30% of hours	8.6% of hours*	1% of hours
35% of trainees	16% of trainees	27% of trainees	1% of trainees

* CSR training is short-duration (two-hour digital modules)

These figures highlight that employees in the operational business lines receive more training. The following chart presents the breakdown of training hours by business line, showing that 72% of training hours concern revenues, design and technical purchasing, land development, production, program and service teams.



In line with the previous chart, we can also analyse the proportion of employees trained within a business line. The training rates in this case take into account employees who have left the workforce and are based on the number of employees trained at the end of the period (31/12/2022), so some sectors have a training rate of more than 100%, namely due to team turnover and training integrated into the on-boarding process.



Focus on mandatory training and group protection

Kaufman & Broad continues its efforts to encourage employees to carry out mandatory training. An automated recovery system has been set up on a monthly basis for managers to incite their employees to complete the four training courses:

- GDPR at Kaufman & Broad
- Ethics at Kaufman & Broad
- IT security
- Introduction to CSR

We are now reporting an overall increase in the completion rate of these training courses of 87%.

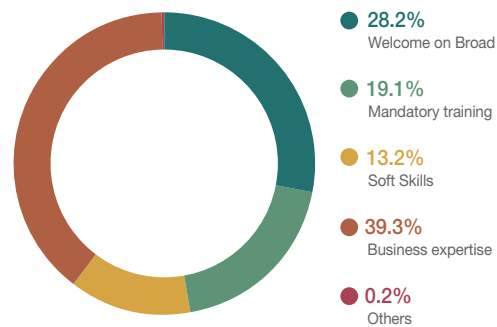
Focus on using the KB Factory e-learning platform

In addition, our employees are invited to take training modules on our KB Factory training platform.

In 2022, employees received 1,817 hours of training, representing a 37% increase compared to 2021. The workforce training rate also increased from 75% to 87%. This increase in the number of hours spent on the platform can be explained by a major communication issued to the teams, aiming to encourage them to complete the soft skill modules and the mandatory training.

This platform is accessible to all, on a constant basis, and provides content of various types:

- The Welcome On Broad on-boarding process
- Business expertise training courses
- Use of our internal tools
- The 3 mandatory training courses
- Training modules on soft skills, management, remote working and leadership



5.1.4.3. Quality of life at work and social relations

Kaufman & Broad aims to provide every employee with a calm and protective working environment that enables them to thrive, both professionally and personally. Sustainable growth is combined with high levels of social performance.

The health crisis presented by the Covid-19 pandemic has placed particular emphasis on the importance of quality of life at work.

5.1.4.3.1. Dialogue with employees

Dialogue with employees and their implications in corporate governance, particularly through the employee shareholding model, is a leverage point for employee engagement.

5 Corporate Social Responsibility CSR

Non-financial performance statement: Kaufman & Broad's corporate social responsibility

Annual professional reviews

As indicated in the "Agreement on Quality of Life at Work and Gender Equality in the Workplace" signed with employee representatives, the group has set up a system of annual reviews and undertakes to monitor their completion in order to best build the careers for employees. Each employee receives an annual review from the first year of their career, enabling them to express their short- and long-term career goals.

Creating an opportunity for sharing and communicating, the professional review allows for:

- The evaluation of skills and performance over the past year, and for new objectives to be set;
- The definition of training courses that may not already be offered amongst KB Factory courses;
- Reflections on career development;
- The determining of objectives.

The completion rate of professional reviews for 2022 remains very positive at 97%.

The training report is presented annually to the business partners, and is monitored during the year of implementation of the skills plan.



The Great Place To Work survey

Kaufman & Broad, which is part of an employee satisfaction initiative, has conducted satisfaction surveys since 2019, aiming to open and develop dialogue with employees.

In 2022, Kaufman & Broad was awarded the Great Place to Work and Happy Trainees labels (see Editorial by the Executive Director of Human Resources), which recognise the constant improvement of this dialogue with employees, including those on both permanent and work-study contracts, and the consideration of their needs.

With regard to mutual insurance, the breakdown of the contribution is as follows:

	Total rate	Breakdown	2022 interest rate	2022 totals
Employer share	4.35%	57.70%	2.51%	86.04
Employee share		42.30%	1.84%	63.08

Monitoring the absenteeism rate due to illness contributes to the assessment of quality of life at work.

Absenteeism by reason	2022	2021
Illness	3.15%	3.16%
Commuting accidents	0.04%	0.08%
Maternity	1.09%	1.08%
Family events	0.28%	0.21%
Total	4.55%	4.52%

The absenteeism rate due to illness between 2021 and 2022 remained stable. The same is true for the overall rate, reported at 4.55% and 4.52%, respectively.

Long-term sick leave (i.e., employees who have more than 100 working days of illness over the year) accounts for 44.68% of sick leave.

Safety is at the heart of Kaufman & Broad's concerns. As part of the Great Place to Work survey, 96% of employees said that "the safety conditions are satisfied".

This survey provides a snapshot of employee satisfaction and thus enables the drafting of specific progress plans, both locally within agencies and on a national level. This certification and approach to improving quality of life at work and working conditions does not stop there. Kaufman & Broad is committed to continuing its efforts.

5.1.4.3.2. Health, Safety and Quality of Life at Work

Occupational health and social protection

Occupational health & safety

Beyond the health crisis, Kaufman & Broad's objectives are to provide employees and their families with high-quality health insurance and, in terms of personal risk, financial protection to help them through difficult times of their life.

With regard to personal risk, death benefits, education annuities, accidental death and permanent disability have been introduced for all employees. As for healthcare costs, employees benefit from very broad coverage, meeting high market standards.

Since 1st January 2020, healthcare and welfare plans have been governed by two collective company agreements (agreements dated 16 December 2019). It should be noted that the Healthcare Expense Plan meets the obligations of a 100% Responsible Plan.

We ensure compliance with safety regulations, both for third parties and for our own employees. To this end,

- the SEC (Social and Economic Committee) includes a Health, Safety and Working Conditions Commission (CSSCT), which is responsible for addressing issues in this area;
- We have prepared a single document for each institution that defines physical and psychosocial risks and then determines an annual action plan to tackle them. This document is submitted to the members of this committee for their opinion.

Working premises are adapted to guarantee the health and safety of our employees.

Technical and security facilities and systems are maintained and checked periodically. Our premises comply with specific standards, including: Ventilation and sanitation of premises, lighting, heating, noise protection, installation of computer stations, smoking protection, sanitary facilities, staff catering, signalling of danger areas in case of intervention, and first aid equipment. All agencies are regularly subject to an evacuation exercise (fire risk).

On our worksites, employees act as visitors, property developers or work coordinators for partners, service providers and clients.

100% of employees who go to our worksites have personal protective equipment and a procedure, circulated every year to the employees concerned and posted on the intranet, recalls the mandatory rules to be followed on a worksite.

In 2022, 7 workplace accidents were recorded, with an accident severity rate of 7.70% and a frequency rate of 3.99, including one accident which entailed lost working time, and 8 which were categorised as commuting accidents, including three of these which entailed lost working time. One calendar day of absences related to workplace accidents and 95 calendar days related to commuting accidents. In 2022, there were no occupational illnesses recorded. In 2022, no site accidents were recorded involving group employees.

Regarding construction sites, Kaufman & Broad, within its capacity as Property Developer, uses service providers such as architects or contractor firms, who constitute the project management team and SPS coordinators. This team monitors the work and checks that safety measures, in compliance with legal and regulatory obligations have been applied (see Section 5.1.4.7. with regard to partners and suppliers).

Ergonomic studies of workstations are carried out in order to tailor the workstations of the employees concerned, and to train them in actions and postures.

Quality of life at work

Kaufman & Broad aims to offer its employees high standards of quality of life at work, contributing to the professional and personal development of everyone.

The Great Place to Work and Happy Trainees labels confirm the exceptional quality of life at work at Kaufman & Broad.

Focus on Highlight, new head offices:

The main features of the new head offices that have proven to be popular with employees are as follows:

- A modern layout that promotes collaboration and facilitates interactions between teams
- Excellent acoustic quality that allows teams to work in a calm, non-noisy environment
- Sports facilities that allow employees to exercise in the workplace
- A company concierge service that helps improve employees' work/life balance
- A company restaurant operated with our partner SERENEST to guarantee for employees:
- Almost 100% of prepared products are fresh;
- Short-circuit supply chains are used, prioritising local producers in the Ile-de-France region;
- Combating food waste by offering employees the chance to purchase meal kits for the evening at 50% of their value;
- The ability to sell fresh produce at good prices.

Working hours of part-time employees

At 31 December 2022, 23 people were employed on a part-time basis, including 15 employees, 5 managers and 3 revenues consultants. Of these, 87% were women. 65.2% of these employees work between 20 and 30 hours a week (at 4/5th), mostly on parental leave. All situations of part-time work correspond to the employee requesting to work on a part-time basis.

In addition, 4 employees have benefited from work/life balance adjustments to date.

Working hours and quality of life

Pursuant to an agreement dated 16 June 2022 pertaining to the organization of work within GIE Kaufman & Broad, trade unions and management concluded a collective company agreement which "reinforced the existing guarantees in favour of employees holding an annual fixed number of days, particularly with regard to the right to rest and workload monitoring".

Remote working agreement

On 16 March 2020, the group's management and representative trade unions signed an agreement on remote working in the aim of improving the Quality of Life at Work approach, formalised in the agreement of 31 July 2019 on the Quality of Life at Work and professional equality between men and women.

A new amendment to the remote working agreement was signed on 17 September 2021, stipulating that "remote working *now forms an integral part of the organization of work within the group.*"

Maternity leave

From 1st March 2020 onwards, maternity pay is maintained by Kaufman & Broad without any length-of-service conditions. Before going on leave, or at least before returning to work, an appointment is organised with the employee's manager and HR. If the employee so wishes, the affiliation of the child on the mutual insurance contract can be arranged from birth, at no additional cost. In addition, in 2022, 100% of women returning from maternity leave received an individual increase.

Employee catering

In terms of restaurants, the group's contributions (restaurant vouchers, employer contribution to staff restaurants, and meal allowances) amounted to €612,827 in 2022.

Work/life balance: Right to sign off

The collective agreement of 31 July 2019 on quality of life at work and professional gender equality sets out the principles for guaranteeing a healthy balance between employees' personal and professional lives.

The agreement formalises the behaviour and guidelines for work/life balance that aim to respect the balance between personal life and the effectiveness of working relations, particularly on the following topics:

1) Application of the right to sign off outside of working hours.

Particularly, with regard to the use of professional e-mail addresses, employees are never required to read e-mails sent to them or to respond to them outside of their working hours, except in cases of emergency and exceptional situations that require such attention.

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Non-financial performance statement: Kaufman & Broad's corporate social responsibility

- 2) Within the context of working organization, particular attention is paid to over-solicitation depending on the person involved in the accrued use of working hours.

Training and awareness-raising actions are organised for managers and all employees to inform them about risks, challenges and best practices related to the use of digital tools. To this end, a specific course is deployed and accessible via the digital platform.

When employees are able to effectively use the tools, it is possible to optimise their usage, facilitate their conditions of use, and improve working conditions in this aspect.

- 3) Raising awareness of information volume management (good practices in the use of e-mails and remote tools).

The agreement of 16 June 2022 on the organization of work within GIE Kaufman & Broad includes a full article dedicated to the "modalities for exercising the right to connect". The following is thus stipulated:

"In order to ensure effective rest periods for employees and to maintain a good work/life balance, an obligation to sign off during legal rest periods (daily and weekly rest) is anticipated.

Employees are not required to read or respond to professional e-mails, messages or phone calls outside their working hours, during their holidays, rest periods and absences, regardless of their nature.

It is recommended that employees do not contact other employees, by telephone or e-mail, outside of the usual working hours, during weekends, holidays and paid leave, or during periods of employment contract suspension.

Each employee is reminded that they should:

- Consider when they send an email, message or contact an employee by phone;
- Not seek an immediate response if it is not absolutely necessary;
- For any absence, set up the office absence manager on their e-mail account, and indicate the terms of contact for a member of the company in case of emergency. "

Each employee is asked about their work/life balance during their annual individual professional review.

Procedure for employee purchases of Kaufman & Broad housing

Kaufman & Broad has always wanted to facilitate the sale of housing to its employees whilst preserving the interests of the company and its shareholders. To this end, the group allows employees to benefit from specific discounts.

This procedure applies to all companies within the Kaufman & Broad group, and to all employees therein. The purchase by an employee of housing which is part of a group property program is considered to constitute an exceptional transaction and, whilst benefiting from specific conditions, this transaction must comply with certain rules (defined in a document that can be accessed by employees on the group's intranet site) and must be subject to the necessary approvals.

5.1.4.3.3. Corporate affairs

The group respects the collective representation of employees and freedom of association. The corporate climate within the Kaufman & Broad group is based on a principle of mutual construction between management, employees and their representatives, with a neutral attitude towards the various trade unions.

The group encourages individual employee expression, particularly through the coordination of employee representative bodies, the establishment of a local HR organization, and the promotion of tools and systems such as engagement surveys. The group adopts a listening-focused attitude, and more specifically, listening to

employees feedback and observations during the appraisal reviews conducted annually by managers. In accordance with the law, the group provides employee representatives with the resources necessary to carry out their duties. This includes:

- A dedicated space
- Delegation hours
- The possibility to communicate to all employees and a dedicated e-mail address.

The Social and Economic Committee (hereinafter referred to as the "SEC") was set up in March 2019.

Following these elections, employees are now represented in the SEC by 15 elected representatives (9 executives, 6 employees), which is 5 more than in 2018.

The SEC has set up 3 commissions:

- The Health, Safety and Working Conditions Commission (hereinafter referred to as the "CSSCT");
- The composed Social and Cultural Activities Commission;
- And, since September 2020, a Mutual Commission.

The trade unions are represented by two trade union representatives, one from the Syndicat National des Gardiens Concierges et la Force Ouvrière (FO), and the other from the Syndicat national de l'urbanisme de l'habitat et des Administrateurs de biens de la Confédération Française de l'Encadrement (CGC).

The management and representatives of the SEC meet monthly, as part of regular meetings. The management and members of the CSSCT meet every three months.

Trade unions and management meet for the Mandatory Annual Negotiations each year and as often as necessary, in accordance with the legal obligations and negotiation priorities defined by the group.

Summary of collective agreements

In 2022, the trade unions and management unanimously signed 5 collective agreements on the following topics:

- Salary negotiations (agreement dated 9 September 2022);
- Agreement of 16 June 2022 on the organization of work within GIE Kaufman & Broad
- Amendment No. 2 dated 1 February 2022 to the collective agreement of 16 December 2019, regarding the collective and compulsory healthcare reimbursement scheme, through which Kaufman & Broad has improved the coverage of the employer's share of the health contribution.

Over the years, the Kaufman & Broad group has concluded agreements mainly concerning the organization of work, Compensation and working conditions that contribute to the smooth functioning of the company and its performance.

The main agreements are:

- Employee profit-sharing agreement of 25 June 2020
- Company agreement relating to the 25 June 2020 shareholding
- Company agreement on remote working dated 16 March 2020 and its amendment No. 1, dated 17 September 2021
- Collective agreements of 16 December 2019 relating to the Healthcare and Personal Protection plans and its amendment No. 1 dated 18 January 2021
- Collective Agreement of 4 September 2019 on the Management of Jobs and Vocational Training
- Agreement of 31 July 2019 on quality of life at work and professional gender equality
- Collective agreement of 19 September 2017 on the right to sign off

Focus on the company agreement on the management of jobs and career paths (GEPP)

The collective agreement, signed unanimously on 4 September 2019 by the business partners, aligns with the three-year agreement of 3 October 2016.

In an employment market that is renewing and in which there is some form of skill scarcity, management and the trade unions wanted to find a pragmatic response to these challenges and requirements in order, on the one hand, to tackle the challenges of attractiveness, loyalty and the development of talented employees and, on the other hand, to retain and share expertise internally.

To confront these challenges, this agreement addresses the following key issues:

- Knowledge and skills transfer: By relying on the business reference framework, the development of a group-specific training and professional development school, called KB Factory;

- The three-year guidelines for vocational training and the objectives of the development and skills plan, incorporating the regulatory changes provided for in the "Law on freedom to choose professional occupation" of 5 September 2018;
- Supporting the group's transformation, both in terms of digitalisation and innovation, and preventing changes in our businesses;
- Specific measures for targeted populations: Supporting "young" employees, "older" populations, and employees exercising union functions.

5.1.4.4. Equal opportunities and treatment: Diversity and inclusion

In order for the various property development and construction/urbanisation projects carried out by Kaufman & Broad to correspond to the needs and developments of society, it is essential that the teams embrace this diversity and promote inclusion. Promoting diversity and inclusion in all forms is a source of social cohesion and innovation.

Kaufman & Broad encourages work environments where differences, both visible and invisible, such as age, gender, sexual orientation, nationality, career path, religion, education and disability, are welcomed. By creating an atmosphere conducive to the development and fulfilment of all employees, the entire company reaps the benefits. It ensures equity in employment and development for all employees by guaranteeing equal opportunities.

With the objective of continuous improvement, Kaufman & Broad pursues the following objectives:

- Guarantee gender equality at all levels of the company;
- Recruit more individuals with disabilities;
- Reinforce cultural and social diversity.

The group's policy on professional equality, the employment of older workers, and the employment and integration of workers with disabilities is detailed in the points above. The group is committed to recruiting and promoting employees based on the suitability of their profile in regard to the requirements of the positions proposed, without any other discriminatory criteria. In addition, the group is committed to working and communicating with the aim of raising employees' awareness of the need to share common corporate rules that enable everyone to thrive and excel, and to combat any possible situations of discrimination and harassment. Any failure to comply with the Code of Ethics and applicable laws and regulations exposes the responsible employee to disciplinary sanctions stipulated by the group.

Kaufman & Broad is based exclusively in France, a country that has ratified and transposed the eight fundamental conventions of the International Labor organization into its labour laws. As a result, the group complies with all the provisions set out in these agreements in terms of freedom of association and the right to collective bargaining, non-discrimination in terms of employment and occupation, the elimination of forced or compulsory labour, and the effective abolition of child labour. In addition, and in accordance with the law, all employees and candidates for employment, internships or company training periods are protected against discrimination in the workplace. Moreover, employees who witness or report discriminatory acts may not be punished, dismissed or discriminated against. Making a distinction between employees (or between candidates for employment or access to an internship or a period of training within a company) constitutes discrimination when it is based on any of the 23 criteria stipulated in the French Labour Code.

5.1.4.4.1. Gender equality

Each year, the group presents the action plan implemented in the aim of honouring its commitments to the business partners. 51.79% of group employees are female.

In 2022, the following areas were notably covered in terms of gender equality:

- Classification: At 31 December 2022, the proportion of women in management positions was recorded at 40.9%, up slightly by +0.4 points compared with the 2021 figures. Since 2014, reviews of all employees have been held with their line managers to allow for both individual and collective monitoring. Within this framework, female talent is identified and their ability to take on roles of responsibility is recognised;
- In terms of professional training, the implementation of the digital training platform offers women, regardless of their profession and particularly non-managers, located locally and/or facing family constraints, the opportunity to access numerous training courses;
- In terms of work/life balance: The group provides positive responses to 100% of requests for flexible working hours submitted by men and women alike;
- With regard to the recruitment of women into key positions, it should be noted that 36.67% of recruitments are women;
- In terms of Compensation: During salary reviews, following the signing of the annual agreement on mandatory negotiations, an analysis of the Compensation of men and women makes it possible to determine the specific actions that must be carried out to progressively eliminate any significant differences in Compensation for equivalent positions between men and women.

In this respect, in accordance with the provisions of Law No. 2078-771 of 5 September 2018 on the freedom to choose a professional occupation, which invites companies to measure their performance in terms of professional equality in terms of Compensation (the "Gender Equality Index"), the group obtained a score of 89/100, the minimum score required being set by the legislator at 75 points.

The group is continuing with its efforts and action plans to promote professional equality, as demonstrated by the aforementioned agreement signed on 31 July 2019 with all trade unions regarding quality of life at work and equality between men and women.

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Focus on the agreement on quality of life at work and professional gender equality

On 31 July 2019, in line with previous agreements, management and trade unions signed a new collective agreement which incorporates the themes of quality of life at work and professional equality into a single agreement.

The agreement covers three key areas:

- **Equal opportunities:** The group's renewed determination to respect and, moreover, to promote the principle of equality between men and women by implementing concrete measures;

This professional equality must be demonstrated in particular in recruitment, taking into account the reconciliation of professional and personal lives, career management, Compensation and the prevention and fight against sexual violence, harassment and sexist behaviour;

- **Well-being and quality of life at work:** Adapting to the new world of work whilst retaining the sense and pride we have for working within our group;

Quality of life at work is assessed namely through respect for the right to sign off, working methods compatible with maintaining a work/life balance, anti-discrimination measures and the possibility of donating leave days (so employees who so wish can donate days to colleagues who are caregivers for seriously ill children, relatives or partners);

- A company that affirms its role as a responsible player in respecting and promoting environmental and societal issues.

This concerns employee protection, the CSR approach and the group's commitment to partner companies.

The agreement covers the following topics: Conditions of access to employment, work/life balance and family responsibilities and, lastly, career paths (professional promotion, qualification, classification, training) and Compensation. It also addresses the reinforcement of measures aimed at the prevention and fight against sexual violence, harassment and gender-based behaviour.

5.1.4.4.2. Generational diversity

Under an agreement dated 4 September 2019 on the management of jobs and vocational training courses, Kaufman & Broad drove forward with its policy supporting young people and seniors.

This agreement is based on three priorities:

- 1) Commitments to promote the sustainable integration of young professionals under the age of 30, specifying the methods of integration, training and support for this population.

The group believes that the youth policy is a key leverage point for integrating emerging skills that will be needed for the future of business. This concerns young graduates entering the employment market, and also work-study trainees and interns. Over the 2019-2022 period, the group has undertaken to guarantee an annual minimum of 15% of employees under the age of 30 on permanent or fixed-term contracts (excluding work-study contracts), and to have a proportion of work-study contracts (apprenticeship and/or professionalisation) of 4%.

At 31 December 2022, the group employed 133 young people under the age of 30, including three on fixed-term contracts. 41 of these employees were hired in 2022. At 31 December 2022, this population represented 16.7% of the permanent workforce.

In 2022, the group hired 83 young people on apprenticeship or vocational training contracts. With approximately 9.6% of its workforce on work-study contracts, the group has exceeded its commitment to train a number of young people on work-study contracts equal to 4% of its workforce, a commitment set out in the collective agreement on intergenerational employment within GIE.

- 2) Commitments to support employment retention and return-to-employment for employees aged at least 57, or at least 55 in the event of recognition of the status of disabled worker.

At 31 December 2022, employees aged at least 55 represented 16.96% of the total workforce (15.42% in 2021).

- 3) Procedures for transferring knowledge and skills through KB Factory.

This agreement also reaffirms that employees exercising trade union functions benefit from specific measures: HR reviews, assessment of work/life balance, and union mandates. Particular attention is paid to these employees, as the exercise of their mission of representing employees contributes to the development of social dialogue within the company.

Breakdown of registered employees by age at 31 December 2022

	2022	2021
Less than 24 years	25	25
25 to 29 years	108	118
30 to 34 years	123	117
35 to 39 years	100	95
40 to 44 years	122	128
45 to 49 years	87	88
50 to 54 years	86	79
55 to 59 years	93	93
Aged over 60	40	35
Total	784	778

5.1.4.4.3. Policy to promote the employment and integration of individuals with disabilities

At 31 December 2022, the group employed 13 disabled workers within its various entities.

Following the efforts made since 2010, the group has seen an increase in the number of employees with disabilities, rising from 4 to 13 over 2022.

This policy is based on the following key aspects: Recruitment, job retention, physical accessibility of premises, digital improvement, and employee awareness.

Employees are also encouraged, as part of their duties, to seek employment assistance establishments and services (ESAT), particularly as part of its waste management policy at Kaufman & Broad.

5.1.4.4.4. Commitment through sponsorship

In 2022, Kaufman & Broad continued its commitment to the Arsenal Pavilion and the Palladio Foundation, the group sitting on the Auditors Panel and the Palladio Avenir Segment. The purpose of the Palladio Foundation is to stimulate reflection and debate amongst all players and stakeholders in the city of tomorrow and, in particular, to award scholarships for students and PhD students.

Employees have the opportunity, through the donation fund, to invest their time and skills in the activities and associations

supported by this fund. They can also support these associations through round-ups. In 2022, 62 employees were registered on the platform to engage with partner associations.

Kaufman & Broad has also joined forces with the Fondation Espérance banlieues. Espérance banlieues schools aim to expand the school offering in neighbourhoods suffering from an educational crisis. These are non-religious schools, which carry out an extremely engaging educational project involving both parents and children. Kaufman & Broad's commitment to this cause is linked to a historic presence in the suburbs where the group implements its projects and contributes, alongside the municipalities, to the diversity and evolution of the urban model. For the group, education plays a role in citizen training and social elevation, in order to guarantee equal opportunities for all, with responsibility in combating human, financial and social costs, represented by "school drop-outs". As part of this commitment, Kaufman & Broad supports a school year group throughout their education, allowing them to discover the group's professions and visit the group's sites.

This policy is based on the following key moments: Recruitment, job retention, physical accessibility of premises, digital improvement, and employee awareness.

Employees are also encouraged, as part of their duties, to seek employment assistance establishments and services (ESAT), particularly as part of its waste management policy at Kaufman & Broad premises.

5.1.4.5. With regard to our clients

5.1.4.5.1. Certification and labelling policy

The group offers its future clients, who plan to become the owners of an apartment, a house or who plan to purchase properties in blocks, the option of acquiring new properties, thus taking advantage of the many strengths offered by this type of property. Labels and certifications guarantee high quality in various areas, for example: Health, safety and well-being of occupants, the environment, and energy performance.

Housing

All housing projects launched include quality and environmental certification by an independent third party, accredited by COFRAC. COFRAC is the French national accreditation body, internationally recognised by the International Laboratory Accreditation Cooperation (ILAC), the International Accreditation Forum (IAF), and the European Co-operation for Accreditation (EA).

Certified housing offers buyers added value in terms of user comfort compared to regulatory levels, particularly in terms of thermal and environmental performance (more energy-efficient and carbon-efficient housing), acoustics, and the health and safety of products, including air quality (with more stringent CMV controls).

Each group agency has Quality Managers who are assigned the task of overseeing the proper implementation of the process and compliance with quality requirements. This network of advisers is led and managed on a group-wide level by a national adviser, who advises the agency advisers. This national reference point monitors compliance with the group's quality process for all group operations.

In 2022, 2,828 housing units filed for a building permit, excluding joint developments and Managed Residences, marketed under the Kaufman & Broad brand, and aim for certification by an independent third party accredited by COFRAC (NF Habitat, Prestaterre

BATIMENT Environnement or Promotelec Habitat Neuf), and 1,644 of these housing units are aiming for NF Habitat HQE certification.

Regarding the Commercial business line

Commercial property, Logistics and Major Urban Projects is one of Kaufman & Broad's strategic business lines. The group forms partnerships with investors to develop the attractiveness for local authorities.

Effective facilitators, Kaufman & Broad supports all phases of a project. The project development teams design and realise projects created to have the smallest extended carbon footprint whilst sustainably optimising consumption and emissions in operation. The group designs modular spaces that respond to new ways of working and also to the challenges of building convertibility. The group strives to develop programs that actively contribute to the well-being and comfort of users. Various certifications and labels provide a quality guarantee for our stakeholders and demonstrate the high quality of the programs. These certifications or labels are adapted to each program and can meet requirements regarding quality, environmental issues and/or the well-being of occupants. Therefore, for each commercial building, the group aims for double or triple environmental certification by accredited independent third parties.

NF Habitat, NF Habitat HQE certification	E + C- label
BREEAM certification	Effinergie + label
	Bio-sourced Building Label
LEED certification	Label
WELL or Osmoze certification	Biodiversity label
Label BATIMENT Bas Carbone (BBCA)	Certification Effinature

5 Corporate Social Responsibility CSR

Non-financial performance statement: Kaufman & Broad's corporate social responsibility

The safety of future users and occupants is ensured by the compliance of the structures with the applicable regulations, particularly with regard to fire safety standards and earthquake-resistance standards.

Beyond compliance with construction regulations, the group grants particular importance to the well-being of occupants and users. Well-being through property is one of Kaufman & Broad's working topics, which is covered by the first recognised certification in this area, the "Well" certification.

ORA project

The Highlight commercial property operation, the group's new head offices, received Well Core & Shell certification. This certification guarantees a number of parameters related to comfort of use (indoor air quality, hygro-thermal and acoustic comfort, comfort of natural and artificial lighting, biophilia, etc.), contributing to employee health, well-being and productivity.

5.1.4.5.2. Kaufman & Broad client support in housing: Ensuring personalised follow-up for each client

Marketing

Aware that the financial, tax and regulatory aspects of a property acquisition may seem complex for individuals, the group has set up a Consumer Information Service. This service, accessible via the internet or by telephone, gives consumers a way of obtaining information free of charge and without commitment on topics such as credit, taxation, wealth management advice, interior decoration, and rental management, etc.

Kaufman & Broad diversifies and adapts its revenues channels to align with client needs.

The group thus sets up, depending on the circumstances, traditional revenues offices in dense catchment areas and on visible, central sites. Alternatively, it creates temporary and custom "pop-up revenues offices", and event offices for launches or other commercial events. In addition, the *BoutiK concept* allows the group to have a permanent point of sale for a geographical sector, located centrally and close to transport connections. These *BoutiK* spaces are open 6 days a week and enable the presentation of Kaufman & Broad's entire offer, occasionally also serving as a *showroom*.

The group's revenues agents also visit clients' homes, or locations that suit the client, according to their schedules and availability.

Aware that off-plan revenues make it difficult to project and visualise possible developments or customisation elements, the group systematically uses digital tools for all its launches (illustrations, 3D plan, virtual tour, 360° model).

Client service and After-revenues

Regardless of the size of its programs, Kaufman & Broad aims to create and offer the same services and benefits to its clients. Client services, from notary signatures to After-revenues support, is included Kaufman & Broad. Any employee of the group who comes into contact with clients may request to be receive training in "Client Relationship Management."

Following the signing of the deed of sale, each client has access to their own dedicated and personalised client digital space. This secure interface can be accessed with a username and password, and it is organised thematically. Clients can monitor their payment schedule and track the progression of the building project with photos. They also have access to information on their housing and neighbourhood (virtual tour and local services), as well as useful documents (owner's guide, commercial brochure).

As part of the "Client Advantage program," Kaufman & Broad has forged partnerships with companies to provide its clients with a range of services during their residential moving process, such as relocation support, maintenance or personal services, to help its clients settle into their new neighbourhood. Upon delivery, there are many companies on-site to immediately carry out any reversals or adjustments requested by the client.

Improving client satisfaction

The group has always cultivated a sense of quality and sustainability in its achievements. Employees remain the guarantors for this quality-centric culture, which is expressed not only through the group's constructions themselves, but also through its support and client satisfaction.

In 2021, the group reinforced its Client Experience Department and deployed an internal tool to ensure continuous improvement in service quality. This new tool is detailed in this section below.

The purpose of the satisfaction survey is to refine the measurement of satisfaction by systematically questioning all home buyers at four specific moments of their client journey:

- After the notary signature;
- After the site visit;
- Delivery;
- One year after delivery.

The results of these surveys are used to identify the main leverage points for satisfaction and dissatisfaction in order to further analyse them and then develop internal processes to improve client satisfaction and manage the performance of the various departments involved. These satisfaction surveys and analyses are carried out by BVA, a recognised, independent, third-party expert that ensures the traceability and reliability of the results. The results are analysed according to the type of buyers, products, and across all of the group's agencies.

To ensure alignment between the group's strategy and the improvement projects implemented, the results are presented at least twice a year to the members of the Management Board and the Extended Management Board. In addition, the variable Compensation objectives for Management Board and Extended Management Board members now include a component linked to the results of this client satisfaction survey.

Following the initial satisfaction surveys, working groups were formed to rewrite the client experience by constantly promoting client orientation and seeking the same level of quality in all agencies. This work led to the drafting of the client journey in a clear and transparent manner, which is now communicated to all new home buyers. These surveys also identified site visits and deliveries as key moments for client satisfaction, prompting audit work and recommendations to improve the handling of buyers at these particular moments. The methodology applied makes it possible to identify points of vigilance and to monitor the group's commitments in its client journey (e.g., acceptance of plans, number of orders, etc.).

Deployed in 2019, the Klient 360 platform linked to the client space has become a collaborative tool, supporting Kaufman & Broad's client relations.

In the context of the Covid-19 pandemic, Klient 360 proved to be an essential, structural component for:

- Maintaining a link with our clients;
- Keeping our clients informed by email in regard to the current context and the possible extension of response times;
- Facilitating collaboration and information-sharing between remote-working employees;

Developed in 9 months by the IT Department teams, in consultation with operational staff, Klient 360 is now the communication interface with our clients: It allows for complete monitoring of interactions between our buyers and the group at all stages of the journey, and to create a log of all requests made. This tool also makes it possible to streamline relations between the business lines, so that everyone can provide the necessary response elements to satisfy clients as promptly as possible. All agency managers receive full reports on the progress of client requests and the ability of their agency to respond quickly. When a request is submitted by a client via their dedicated space or via the email address of their client services contact point, the request is identified and directed to the contact person best qualified to respond to it. The group therefore monitors lead times, allowing it to demonstrate its ability to process requests and respond to clients.

Indicator	2022	2021
Rate of client request resolution within 72 hours	66%	63%

In addition, for greater transparency for our clients, Klient 360 will become a document library that will push information in the new KB client space.

The teams concerned have been made aware of this, and this work has made it possible to develop online training materials that are accessible to all employees.

Whilst the quality of client relations, dialogue with clients and innovation are all essential to meeting client expectations, Kaufman & Broad remains aware that client satisfaction is also influenced by many other aspects: The quality of the work carried out by suppliers and compliance with delivery deadlines, pricing accessibility, the skills and qualities of Kaufman & Broad employees in contact with clients, the environmental performance of products, etc. These related issues and the policies implemented by the group in these fields are discussed throughout this report.

5.1.4.6. With regard to local authorities

5.1.4.6.1. Contributing to the economic and social development of regions: Facilitating access to housing

The group is attentive to the market and has an internal organization that allows it to adapt and develop its products accordingly.

From 2008 onwards, within a context of housing and economic crises, Kaufman & Broad saw its client pool evolve and therefore adapted its offer accordingly, in order to offer accessible housing of equivalent quality. In 2009, the group reorganised its housing offer to first time home buyers and investors by offering more compact and functional products whilst preserving usable space.

In order to allow first time buyers to get onto the property ladder, the group develops housing at controlled prices, sold at 20% below the market price. The reference objective is to offer Multi-occupancy housing at less than 3,000 EUR/sq.m (including tax) in the Paris

region, and from 2,500 to 2,600 EUR/sq.m (including tax) in other regions. By deploying programs near the outskirts of cities but still with city-centre public transport connections, Kaufman & Broad proposes an accessible offer that meets investors' criteria regarding financial and fiscal profitability as well as the solvency criteria of first-time buyers. These housing units are designed by adapting traditional provisions while respecting the group's quality and environmental performance standards. In terms of affordable housing, Kaufman & Broad has worked hard on the design aspect, capitalising on its expertise to offer products giving users a pleasant living environment, with smaller surface areas at more compact prices. The "New'R" operation in Nantes thus includes housing at controlled prices.

Type of buyer by number	2022	2021	2020
Investor	33%	34%	25%
Block	45%	54%	67%
First time buyers	13%	8%	5%
Second-time buyer	9%	4%	3%
Total	100%	100%	100%

Kaufman & Broad also works closely with social landlords to help build social housing for low-income households. Rents and tenant allocations are subject to rules governed by the French State, as access to social housing is subject to resource conditions, which are covered by a dedicated tax system, and which are managed by an organization approved by the French State.

To meet the needs of implementing social housing programs, particularly in regions where Kaufman & Broad does not operate (outside of major cities, i.e., in social zones 2 and 3, Pinel B2 and C), the group has created a dedicated structure, Kalilog, to propose a national response to these challenges. For the group, this business line represents a new diversification and additional development for 100% off-plan social projects. This will be a "tailored" offer for local authorities, adapted to each region; namely: A municipality, a

requirement, a project, and within an optimised timeframe. Kalilog is a response that will enable communities to reach the 25% threshold for social housing, required by the SRU Act. However, it also offers the opportunity to keep young people, families and seniors in the regions they want, whilst taking advantage of the security offered by a group like Kaufman & Broad and the expertise of a team dedicated to this business line. Kaufman & Broad works closely with social landlords to help build social housing for low-income households.



In 2022, 32% of housing orders were subject to resource conditions with a social objective (compared to 25% in 2021).

5 Corporate Social Responsibility CSR

Non-financial performance statement: Kaufman & Broad's corporate social responsibility

Aware of the importance of ensuring the comfort and well-being of its clients, Kaufman & Broad integrates a series of social and societal considerations into its strategy, related to living environments, quality of life at different ages, housing accessibility and scalability. The group is thus diversifying its activities through senior serviced residences and student residences. Presenting specific features, these business lines are a wonderful opportunity for the group to further grow.

For senior residences, Kaufman & Broad responds to the national challenge of keeping people with loss of autonomy in their own homes (by 2060: Nearly a third of French people will be over 60 years of age, and over 5 million French people will be over 85 years of age). To respond to and meet this demand, Kaufman & Broad launched an innovative concept in 2017: "Cosy Diem." This concept aims to meet this population's need for autonomy and independence, who want to retain these aspects of life for as long as possible, whilst enjoying a presence and a friendly environment.

The Cosy Diem residences were designed on the basis of the work conducted by the Toulouse Gérontopôle in the area of addiction prevention and the recommendations issued by various health organizations. The ergonomic designs of the apartments has been developed to ensure comfort and safety, and to promote autonomy.

Located in the heart of cities, the Cosy Diem residences have been designed to be truly social spaces. Each house is built around a central space that provides access to communal living areas (restaurant, library, bar, fitness area, etc.). Residents can live there without obligation, enjoying - or not - shared spaces, entertainment or activities.

Kaufman & Broad aims to develop student residences to meet the growing societal need for housing in this sector. This is particularly due to the extension of study durations, the metropolisation of regions, and the cohabitation of students and young professionals.

Kaufman & Broad's objective is also to combine services for students in addition to the housing offer. New buildings will also make it easier for residents to adopt everyday eco-gestures, not only individually but also with the power of collective action by residents to maximise the impact of individual actions that benefit both the environment and society.

In 2021, Kaufman acquired a 60% majority stake in the student residences company NéoResid, and aims to build a portfolio of six new projects managed by Néoresid within 5 years. To date, 6 projects are under construction, development or study, representing a capital investment of approximately €36M, are under construction or validated, and 285 housing units are under construction, in turn representing a total investment of €20M.

The positive evolution of the indicators in the table "Development of serviced residences with a societal impact" below reflects the deployment of the group's strategy.

Development of community serviced residences in 2021	Number of units built on completion in 2022		Share of total revenue in 2022 ^(b)	Number of units built on completion in 2021		Share of total revenue in 2021 ^(b)
	Revenue in 2022 ^(a)	Revenue in 2021 ^(a)				
Senior residences	284	40,324	3%	354	45,976	4%
Student residences	504	42,132	3%	881	66,650	5%
Total	784	82,456	6%	1235	112,626	9%

(a) In thousands of euros.

(b) Excluding JVT

The decline in revenue from serviced residences between 2022 and 2021 is mainly due to the delivery of two major projects in 2021. It should also be added that there was the launch of an intergenerational residence, representing 85 units and 1% of revenue in 2022.

Already present in the most dynamic cities in its sector, the group has reinforced its regional network by establishing itself in medium-sized cities, through the acquisition of Serge Mas Promotion, Safaur and Seri Ouest.

Through its business as a developer and builder, Kaufman & Broad contributes to job creation and professional integration in the regions where the group operates.

Wherever possible, the group uses local companies and seeks to showcase local expertise.

Through insertion clauses, some lots are partly produced by people who are isolated from the employment market, or who have experienced difficulties in finding work. For example, insertion clauses have been included in the contracts for the "Aristide Briand" program in Arcueilou and for "Novaia" in Caen.



12,519 hours of work on worksites delivered in 2022.

5.1.4.6.2. Establishing dialogue around the project

Consulting local residents and elected representatives

Kaufman & Broad organises consultation meetings with local residents as far as possible before the building permit application is filed. These meetings, planned to discuss the progress of the project, to inform local residents and to take into account their requests and opinions, are generally organised at the initiative of the town hall. This procedure is an "adversarial" debate, and all documents are distributed to all parties.

Gratentour project

Kaufman & Broad and the town hall organised a meeting with local residents, which enabled the project to be amended in accordance with the requests put forward. Kaufman & Broad has therefore evolved part of its project, and has moved away from the boundary limits. The group also presented and discussed the selection of vegetation for the boundary limits during meetings with local residents.

To involve citizens with the project, the group is also supported by associations that organise the participation of local residents, taking into account the history of the location and the urban project, and facilitating exchanges between the group, residents and elected representatives.

These approaches help to defuse the tensions that a new property project may create upstream, by giving priority to conversations and communications from the project design phase.

As indicated in Section 1.5.2.4. "Commitment Committee". Despite the steps mentioned above, third parties (associations, local residents) may, nevertheless, appeal against building and demolition permits based on the non-compliance of such permits with local town planning rules (local town planning plan, DDA development plan, etc.) and the French Town Planning Code.

Preventive summary proceedings

Kaufman & Broad almost systematically implements preventive summary proceedings, generally optional, at the launch of each operation in dense urban areas. This system, designed to protect local residents and the group alike, allows the construction of the property program and the condition of neighbouring properties prior to construction to be verified by an independent, court-appointed expert.

Depending on the assignment issued by the court, these preventive summary procedures continue during the works and allows each local resident to identify and flag the existence of any damage or disturbance related to the construction of the site, and subsequently to request and ensure that corrective action is taken.

In addition to this legal framework, the group takes additional measures to ensure the smooth running of operations. Over the progress certain worksites, local residents are given the telephone number for a member of the group should they wish to report any disturbances. In addition, for some operations, a cleaning company is recruited to weekly clean up the surroundings of the program site.

5.1.4.6.3. Sustainable involvement with local authorities

Integration of programs into urban policies

The location of operations is selected according to qualitative criteria, such as the quality of the land, accessibility, and the presence of public facilities, shops and services. The programs are designed in close consultation with municipalities in order to contribute to city policy.

5.1.4.7. With regard to partners and suppliers

Responsibilities of the Project Developer

As Project Developer, Kaufman & Broad uses contractors such as architects and design firms, who make up the project's contracting team. This team monitors the work and verifies the regulatory and contractual compliance of the completion of the operation.

Construction is carried out by construction firms. The group ensures that these firms are up-to-date and in good administrative order in regard to their insurance policy certificates, their social security contributions, and their registration in the Trade and Companies Register.

In 2022, Kaufman & Broad presented its CSR and Climate strategy to a panel of suppliers at an event. The aim was to raise suppliers' awareness of climate change and to show them the importance of their role (particularly through the creation of INIES data sheets for their products).

The phasing of programs can thus be linked to the opening of new public services or equipment. For major projects, Kaufman & Broad diversifies its businesses in order to adopt a vision of urban logistics, and to create a dynamic economic aspect.

Green Lodge in Villepreux

An exceptional program consisting of more than 500 housing units, which combines traditional or contemporary houses with a wide variety of apartments. It is an entire neighbourhood that has been built and developed in close collaboration with the municipality, with more than 900 parking spaces, the creation of 30,000 sq.m of roads, cycle paths and communal spaces, and 600 sq.m of commercial premises.

The group also contributes to the financing of public facilities through development taxes or a Partenarial Urban Project. Kaufman & Broad is asked to develop and improve the attractiveness of the neighbourhoods in which the group operates. As part of the "Terra Nostra" project in Montpellier, an 800 sq.m square was thus created and then sold back to the city, as in Hendaye for the operation "Hegoaldea", a playful and sporting development which was completed and then sold back to the town hall of Pélissanne for the operation "Le Domaine de Gaia", and a food village with several food shops (butcher, baker) was completed in Wambrechies.

Urban projects, regardless of their size, impact the living environment, uses and mobility, and require information to be provided to local residents, businesses, local authorities and associations. It is within this context that the Empreinte Citoyenne association and Kaufman & Broad established an operational partnership in 2020 to develop the "Approche (H)Urbaine". The challenge is to establish the conditions for urban development open to dialogue and consideration of the expectations of the region and its stakeholders. The association maintains a position as a third party and an intermediary in relation with stakeholders. Kaufman & Broad trains its employees on these issues and understands the societal role of a property development company, and so these modules raise employee awareness of the importance of developing models through virtuous collaboration.

However, Kaufman & Broad may be both Project Developer and Contractor and/or be using an "internal execution" approach. This is generally the case for the programs developing Single-family homes in communities and in programs which have strategic, financial or technical issues requiring this approach. The group then assumes responsibility not only for the design and development, but also for the construction and progress of the project.

Risks related to the value chain are described in Section 4.2.3. "Insurance" and 4.1.2.3. "Risks related to relations with suppliers".

The group is particularly vigilant in regard to the conditions under which subcontractors are used, and in regard to compliance with legal provisions in terms of social, environmental and personal safety. In particular, the contract signature procedure requires that subcontractors systematically check that they are up-to-date with their social security contributions. Legal representatives must also legally certify that they do not employ any irregular labour. Failure to comply with these obligations may entail a contractual breach.

Low-disturbance worksites

The impact and disturbance of the construction site for local residents and for staff working on the construction site are of several kinds: Demolition and construction waste (cement residues, plaster, concrete, packaging, etc.), wastewater, transport, noise, dust and sludge, visual appearance of the site, health risks, arduous tasks for workers, etc.

To reduce these disturbances, Kaufman & Broad requires them to be taken into account through contractual clauses (requests from local authorities or certification standards) or through proactive group initiatives.

The group has drawn up Low-Disturbance Building Guidelines as part of its quality process, which is systematically applied to all of these projects.

To ensure compliance with environmental requirements, the group is assisted by an PDEA (environmental assistant with project management). The PDEA attends the first site meeting to raise awareness regarding any issues affecting the main lots concerning the Low-Disturbance Building Guidelines, and at the end of the operation, it prepares a site assessment.

Kaufman & Broad has since generalised the application of the Low-Disturbance Building Guidelines to all its production, and the group requires its supplier partners to plan and guarantee the following on all project sites:

- The provision of green energy for construction sites, and the implementation of actions to control the site's water and energy resources;
- Non-use of hazardous materials in construction work (persistent organic pollutant; Mercury and mercury compounds; Asbestos and asbestos compounds; Ozone-depleting substances; Hazardous substances in electrical and electronic equipment; Chemicals covered by REACH (including carcinogens; Persistent, bio-accumulative and toxic substances).
- The traceability of all waste from deconstruction, earthworks and construction to its final destination through the digital management of waste tracking forms, particularly for hazardous waste using the Trackdechets tool.
- Compliance with the regulations in force concerning noise pollution while adapting to the specific requirements of municipalities when setting specific work schedules. For example, the "New R" project in Limeil Brévannes took into account the presence of a school by adjusting worksite schedules according to the passage of schoolchildren;
- The use of quieter machinery, for example with electric motors rather than internal combustion motors. Generators must also be soundproofed;
- The use of lorry wheel-cleaning systems when leaving worksites. Depending on the nature of the land and the location of the site, these may be washing areas with jets or washing barrels, so as not to dirty the surrounding roads;
- Bans on burning materials on site;
- The use of plant land storage over construction for reuse in the creation of green spaces, if the nature of the soil allows it. In particular, this avoids lorry rotations;
- Special measures in the event of a sensitive environment, such as the proximity of a school, with specific insulation of the worksite; and
- Providing local residents with a mailbox to submit complaints and comments through.

Traceability and reduction of site waste

In 2022, the group reinforced its standards for reducing site waste and improving traceability. Amongst the environmental requirements that we must meet, the group requires the systematic use of the Trackdéchet tool for the digitalisation of the traceability of hazardous waste, asbestos or waste containing persistent organic pollutants (POP waste) over the deconstruction of buildings (these materials are prohibited in new construction). Technical teams were made aware of new requirements in terms of the traceability and reduction of site waste at a national event: Site Waste Bootcamp (reminder of the requirement for the paperless traceability of all hazardous waste, register of excavated land and sediment, improvement of waste reduction and sorting-at-source actions by suppliers).

Safety on worksites

As a Non-Delivery Builder, Kaufman & Broad entrusts the work to third-party companies. In accordance with the Law of 31st December 1993, the Project Developer designates, from the design phase of the structures, a Health & Safety Protection Coordinator (HSC), who defines prevention plans for its worksites in order to identify the risks and to inform the various stakeholders on the worksites of the risks they incur. Under this scheme, companies must also draw up specific health and safety plan (SHSP).

The group determines the access of its worksites to the companies that it has approved (see Section 4.1.5.1. "Risks related to regulations directly applicable to the group").

The presence on worksites of any employee, visitor, client or partner is subject to prior authorisation and the wearing of personal protective equipment. group employees must systematically wear personal protective equipment whenever they are on-site. The order and renewal of this equipment were centralised in 2018.

The risk of serious bodily injury on a worksite cannot be completely ruled out, despite compliance with the regulations in force and the monitoring of the group's procedures. Should this risk arise, the technical departments and regional agencies concerned would be systematically informed so that they could monitor the subject in conjunction with the companies concerned. Depending on the severity, the Legal Department and Executive Management would also be informed and involved in the monitoring process.

Prevention of undeclared work

The group could suffer adverse consequences, particularly in terms of image, in the event of breaches or infringements committed by its suppliers and subcontractors. The group meets its verification and injunction obligations with respect to companies in accordance with its regulatory obligations.

Upon the conclusion of a works contract, the developer, the contractor with respect to the companies, is obliged under Article D. 8222-5 to 7 of the French Labour Code, to obtain a list of documents from its contracting parties every 6 months, until the end of the contract's execution.

A master agreement has been signed with a platform to facilitate the collection, verification and archiving of documents required for approvals, insurance and those required to combat undeclared work.

The group also systematically entrusts a service provider (generally the Health and Safety Coordinator (SPS) with an attendance control mission to verify that the workers on the worksites correspond to the staff declared by the companies.

Supplier dependency

In order to better assess its risk of exposure to supplier default, a procedure was put in place at 1st November 2013 for the selecting suppliers, partners or affiliates, and for the signature of the contract over a call for tenders. The use of financial ratings aims to guarantee the soundness and reliability of the companies with which the group concludes contracts.

The group considers it important to assess its dependency on its main suppliers. Over the 2022 financial year, the top 10 suppliers accounted for 16.9% of the flows invoiced by the suppliers, and the top single supplier represented 3.8% of these invoiced flows.

Supplier selection and responsible purchasing

Kaufman & Broad's policy is to generally choose all of its companies and suppliers through a tender process, whether they are general companies responsible for carrying out all of the works or different companies in the event of tenders for separate state bodies. Finally, the companies are selected and the contracts are signed for each state body and on a program-by-program basis. The selection is based on their expertise, their financial proposal, their organization and the quality of their previous work (see Section 1.5.5 "Builders and suppliers").

To this end, Kaufman & Broad has implemented a paperless process for handling calls for tender via an electronic platform, allowing for the online filing of tender documents. The use of this platform is intended to be extended to all agencies as it considerably reduces the volume of paper files, and it increases reactivity by monitoring files and online reminders.

Kaufman & Broad has also initiated a process of centralising its purchases and standardising its supplier selection procedures for finishings on a group-wide level. Finishing management is currently the responsibility of each agency. This centralisation makes it possible to establish lasting relationships with suppliers signing a master agreement with the group. It is also a way for Kaufman & Broad to control the quality of products, and to be able to guarantee the same level of delivery and a common image from programs throughout the operating region.

Kaufman & Broad checks, to the extent allowed by the information available, the financial soundness of companies and their financial capacity to provide the program (given their size and that of the program) by using, for example, the services of a company specialising in company financial information. The use of financial ratings aims to guarantee the soundness and reliability of the companies with which the group concludes contracts. Kaufman & Broad also ensures that these companies are covered by appropriate insurance and verifies the quality of their previous achievements, as well as their compliance with worksite schedules.

As detailed in Section 1.4.2.1. "Products", Kaufman & Broad's reputation is built on the high quality of its developments. With this in

mind, the group closely monitors the work completed by the construction companies that it uses, enabling it to select the best subcontractors for future programs. For this purpose, and generally at the end of each project, companies are assessed by the group's technical departments.

Kaufman & Broad also selects its suppliers and desired products based on a number of non-financial criteria. In 2020, the group joined a sector-wide initiative aimed at defining and collecting certain criteria, including criteria related to ethics, governance and CSR.

This platform concerns significant technical commitments. This questionnaire, entitled "Business ethics and sustainable development pre-qualification", gathers information on:

- Governance
- Occupational health and safety
- Environmental policies
- CSR commitments through certifications or labels
- The CSR commitments of their own suppliers and/or subcontractors

This questionnaire, confidential for contractors, will be mandatory from 1st January 2021, and will be presented to the validator(s) and/or signatories of the contract when the contract is signed. Ultimately, the objective is to be able to supplement the assessment of their performance in the tender phase with non-financial criteria, and to develop the responsible purchasing policy.

Wherever possible, the group uses service providers and suppliers who are committed to a responsible approach.

For example, a large part of the "Espaces Déco" [Décor Spaces] business line (a selection space for clients to provide home improvement services) is centred around parquet flooring, which is one of the concerns of clients, and which the group has identified as one of the challenges regarding its environmental responsibility. Aware of clients' expectations, the group offers them a sustainable material that is easy to maintain and also affordable.

Attentive to the quality of materials and the best practices of its partners, Kaufman & Broad excludes certain materials, and the group only works with suppliers using wood certified in compliance with PEFC (program for the Endorsement of Forest Certification) or FSC (Forest Stewardship Council) standards. The PEFC label aims to promote sustainable forest management. It ensures that the wood used will be renewed, and that certified forest owners and operators have committed to specifications that include the preservation of water, soil, fauna and flora. The timber purchased is therefore fully traceable, guaranteeing client confidence and safety. Kaufman & Broad has almost completely eliminated exotic wood from its offer, prioritising French and European wood, such as oak, which allows it to offer a whole range of shades.

5.2. Note on the methodology for Kaufman & Broad's non-financial reporting for 2021

5.2.1. Indicator selection

Kaufman & Broad's non-financial reporting process was based on:

- Article 116 of the New Economic Regulations (NRE) Act 2001;
- Article L. 225-102-1 of the French Commercial Code, revised following the transposition of Directive 2014/95/EU on non-financial performance reporting, and specified by Decree No. 2017-1265;
- Act No. 2016-1088 of 8 August 2016 on employment, modernisation of social dialogue and securing career paths;
- Decree No. 2016-1138 of 19 August 2016 on environmental information provided by companies

5.2.2. Non-financial reporting scope

Group consolidation scope

At November 30, 2022, the consolidated financial statements of the Kaufman & Broad group include the financial statements of 354 companies, including 306 companies consolidated using the global integration (GI) method, and 48 companies using the equity method (EM).

At November 30, 2022, there were no non-consolidated companies that could have a significant impact on the group's consolidated financial statements.

Non-financial reporting scope

The non-financial information used to prepare the reporting is therefore derived from 307 companies consolidated using the global integration method, including property companies (SCI), construction sale companies (SCCV) or joint ventures (SNC) that support a property program - in a limited number - over which the group exercises its direct control (environmental certifications, labels, energy consumption, etc.).

The scope includes Serge Mas Promotion (acquired in 2015), Safaur and Seri Ouest (acquired in 2016).

Excluded from this scope are the 48 jointly-controlled companies or companies over which the group exercises significant influence, which are "accounted for using the equity method": Property companies (SCI), construction sale companies (SCCV) or joint ventures (SNC), and ad-hoc structures each supporting a property program. NeoResid, 60% acquired at the end of 2021, is not included in the scope. The coverage rate for the scope of the non-financial performance statement is therefore 96.1% of the workforce and 99.5% of revenue.

Scope of coverage and reporting period for non-financial indicators

We use two scopes for non-financial reporting according to the indicators.

The social data covers the scope described above, i.e., the groupement d'Intérêt Économique [economic interest group] (GIE), Seri Ouest and Serge Mas Promotion. The data is collected for the calendar year - from 1st January to 31st December - to ensure consistency with the Social Report.

Similarly, environmental and societal data covers the scope described above, i.e., GIE, Seri Ouest and Serge Mas Promotion, and beyond this administrative scope, certain indicators cover operations (e.g. projects and products delivered). Unless otherwise indicated, all of these indicators align with the accounting year - from 1st December to November 30,.

Particularities and changes in the consolidation scope

The scope varies according to the companies in which Kaufman & Broad directly or indirectly holds control, and according to the integration of the acquired companies into internal tools and into the GIE. The creation of a new commercial partnerships business line led to the creation of the entity Kaufman & Broad Partenaires, which is included in the social reporting.

Carbon emissions related to administrative scopes include Boutiks.

The methodology for accounting for carbon emissions related to delivered programs was changed in 2021. This is explained in the group's Carbon Audit section of this methodological Note

Exclusions

The prevention of food waste and food insecurity, respect for animal welfare and responsible, fair and sustainable food are non-material issues given the group's business and are therefore excluded.

5.2.3. Methodological details

Specific indicators are detailed below.

Social challenges

- Social reporting is based on registered employees;
- Registered employees do not include interns, apprenticeship contracts, professional training contracts and temporary staff;
- Figures for hires and dismissals are provided including corporate officers;
- The permanent turnover rate is calculated according to the following formula: $(\text{Number of permanent employees} + \text{number of permanent employees}) / 2 / \text{permanent employees at the beginning of the period}$.

Promotion and transfer rate

The promotion/transfer rate is calculated according to the following formula: $(\text{number of promotions or transfers over the course of the year}) / \text{workforce at the end of the period N-1} (= \text{workforce at the beginning of the period N})$.

The rate of promotions and transfers (internal transfers) concerns all changes in the employee's professional position, whether related to the geographical scope (transfers from one agency to another), the functional scope, or the scope of responsibility. All of these movements must be justified by an amendment.

In the event of a promotion also entailing mobility, this movement is only counted once.

In the case of mobility and subsequent promotion, this movement is accounted for twice.

Temporary transfers are accounted, even though they do not have a permanent effect on the employee's professional position.

Rules for accounting for contract transformations

- The succession of several fixed-term contracts or a permanent/fixed-term transformation without interruption does not result in any departure or hiring.
- The succession of several fixed-term contracts or a fixed-term/permanent contract transformation with a contract interruption of at least one day results in a departure and a hiring.

Training

The indicators on training have been subject to methodological changes since the 2021 financial year, amending them to include permanent contracts, fixed-term contracts, professionalisation and apprenticeship contracts, and to add on-boarding-related sessions, which fall under skills development. In 2020 and 2019, training indicators only included permanent contracts. E-learning courses on the Kb Factory platform, with the exception of CSR related modules available on the GreenSoluze partner platform, are not included in the calculation of the indicators: Workforce trained, number of training hours, and number of training hours per average workforce over the calendar year.

Total number of training hours

The hours invoiced to the group are taken into account, as are the hours provided by internal trainers, whether they are business line experts on a specific topic, the deployment of a tool, or on-boarding days.

The Compte Personnel de Formation (CPF) [French Personal Training Account] is incorporated, if it is used over working hours, but not the Congé Individuel de Formation (CIF) [Vocational Training Leave].

Training hours are recorded in the calendar year in which they were provided.

Total number of hours of online training

The hours associated with sign-ins and training views on the KB Factory tool are taken into account.

Proportion of payroll spent on training

The training budget includes all expenses related to continuous training and on-boarding. It includes expenses for education, internal training, accommodation, meals and travel, as well as ancillary expenses, and it excludes salary maintenance, which is included in payroll.

Number of employees that have received training

Each employee is counted only once in the workforce trained, even if they have attended several training courses over the calendar year.

Absenteeism rate by reason for calendar year

Absenteeism is reported as actual absenteeism over the calendar year, from January to December.

Parental leave is not recognised as absenteeism.

The calculation methods are described below.

Absences are recorded in calendar days and are converted into 7-hour working days. Half-days of absence are recorded as 3.5 hours. As revenues consultants do not only work on business days, their particular case has been restated.

The theoretical hours worked which are used to calculate the absenteeism rate are calculated as follows: $\text{Number of working days from 01/01 to 31/12 of the year} (261) - \text{public holidays} (7) - 5 \text{ weeks of holiday} (25) \times \text{average monthly workforce} \times \text{number of hours per day} (7)$.

Severity rating of workplace accidents

Days of work lost are counted in calendar days. The day of the accident is taken into account. Commuting accidents are also taken into account.

The severity rate of workplace accidents is calculated as follows: $\text{Total theoretical hours worked excluding public holidays} \times 1000 / \text{Number of days of absence following a workplace accident}$

Percentage of women in management

This indicator specifies the number of women classified as "Managers" compared to the total number of employees classified as "Managers".

Gender Equality Index

The index was compiled in accordance with the provisions of the Law on Freedom to Choose a Professional Occupation, promulgated on 5 September 2018.

5 Corporate Social Responsibility CSR

Note on the methodology for Kaufman & Broad's non-financial reporting for 2021

Environmental challenges

Group Carbon Audit

The gross data in the carbon audit corresponds to the accounting year from 1st December to November 30., unless otherwise indicated. This data is collected and consolidated by the CSR Department.

The majority of carbon emissions are calculated using the ADEME Base Carbone emission factor. In order to estimate the carbon emissions related to the construction phase, the worksite and the use of programs delivered over the 2021 financial year, the group has modified its methodology. For 2020 and 2019:

- Carbon emissions related to the construction phase were not included in the carbon audit
- Emissions from the construction phase were calculated using a sample of materials used,
- Emissions related to the use phase were calculated based on average French energy consumption.

In 2021, the group used emission factors calculated using the calculation tools provided by the Institut Français pour la Performance des Bâtiments.

This tool is a collaborative platform, created in partnership with Carbon 4 for contractors in the construction sector. The E+C-Observatory lists the technical and environmental data of buildings that participated in the experimentation of the E+C- framework, which prefigures the future environmental regulation of new buildings (RE2020). Thus, more than 1,400 real projects populate this database, which makes a very large number of environmental indicators (including carbon methodology) associated with each project publicly available. Environmental indicators include the calculation of the carbon footprint of projects based on the Life Cycle Assessment (LCA) principle. The tool makes it possible to analyse data according to the general characteristics (typology), energy and carbon of buildings over the building's life cycle.

- The data used for the construction phase corresponds to the indicator for GHG emissions from products and equipment used (GHGe-EPC).
- The data used for the construction phase corresponds to the GHG emissions indicator used for the construction phase (construction sites) corresponding to the electricity consumption (excluding gas and fuel oil) of equipment and the living base.
- The data used for the use phase corresponds to the indicator of GHG emissions of energy and water (Energy + Water GHG).

Audit of greenhouse gas emissions from business travel

The audit of carbon emissions related to business travel was carried out internally for all group employees, including interns, apprenticeship contracts, professional training contracts and temporary staff, in order to obtain the fairest and most representative result.

Travel by personal and company vehicles, train or air that was invoiced in 2021 was included. This audit was based on data provided by Kaufman & Broad on mileage allowances, monitored internally, and train and air travel reserved via an external service provider, as well as data related to our company fleet, communicated by the *leaser*.

The emission factors used are those of the Carbon Base issued by the Agence de l'Environnement et de la Maîtrise de l'Énergie (ADEME). These emission factors were updated in 2022.

The emission factors used are those of the Carbon Base issued by the Agence de l'Environnement et de la Maîtrise de l'Énergie (ADEME). These emission factors were updated in 2022.

According to the GHG Protocol, only combustion emissions from vehicles owned by the group include Scope 1. As a result, only combustion emissions related to company vehicles include Scope 1.

Water, electricity and gas consumption of agencies

The data comes from water and energy bills paid by the group, or from statements or invoices sent by managers.

The data reported relates to agencies open over the course of the 2022 financial year. Since 2021, the scope has been modified and now includes the Boutiks. In the case of incomplete data, it was estimated based on the consumption of other agencies and weighted in comparison with the square meter coverage of the agency.

Carbon emissions are calculated using the emission factors of the corresponding ADEME Carbon Base.

Regarding the share of renewable energy, the group considers the following to be renewable:

- Energy used by the agencies and Boutiks with a "green" electricity contract with a Guarantee of Origin
- The share of renewable energy in the energy mix supplied by the provider.

Calculation of direct fugitive emissions (agency air conditioning)

The data comes from the air conditioning system maintenance record, paid for by the group or communicated by managers.

The data reported relates to agencies open over the course of the 2022 financial year. Since 2021, the scope has been modified and now includes Boutiks.

In the case of incomplete data, it was estimated based on the consumption of other agencies and weighted in comparison with the square meter coverage of the agency.

Carbon emissions are calculated using the ADEME Carbon Base emission factor.

Calculation of carbon emissions related to the purchase of goods and services

Carbon emissions are calculated using the ADEME Carbon Base emission factor.

The calculated emission items include:

- Purchases of services related to the program business
- Purchases of services relating to services covered by the administrative scope
- The purchase of accommodation services for employees over business trips
- The contribution to the staff restaurant, restaurant vouchers and dining expenses
- Purchases of IT and electronic products
- Purchases of telecommunication services
- agencies' water consumption

Calculation of carbon emissions related to the immobilisation of goods

The data is calculated based on an inventory of the group's assets *including agencies* and Boutiks, computer equipment (photocopier, computer, tablet and screen), and vehicle fleets.

Carbon emissions are calculated using the emission factors available on the Ademe Carbon Base.

Calculation of carbon emissions related to construction site energy, construction and use of delivered products

The data is calculated on the basis of the surface areas delivered in 2021, the type of buildings and the energy system implemented for housing. Carbon emissions are calculated using emission factors calculated by the French Institute for Building Performance (Institut Français pour la Performance des Bâtiments).

- The data used for the construction phase corresponds to the GHG emission indicator for products and equipment used (GHGe-EPC). The data used for the construction phase corresponds to the GHG emission indicator for energy used over the construction phase (GHGe-worksite).
- The data used for the use phase correspond to the GHG emission indicator for energy and water (GHGe Energy + Water).

Other environmental indicators

The proportion of housing units launched in urban units

The group publishes this indicator, corresponding to the share of programs in progress, i.e., projects with a change in technical progress in 2022, located in a municipality referenced as an Urban Unit by INSEE.

Traceability and reduction of site waste

The group wants to monitor this data, which it nevertheless has little control over as they are an indirect responsibility. Data sources are invoices or follow-up files provided by the main contractor, general contractor or PDEA.

The group publishes data corresponding to invoices paid in respect of the pro rata account over the entire duration of the project for projects that reached 100% technical completion and were delivered over the 2021 financial year.

Reported waste production is estimated based on 17 out of 98 construction sites, i.e., 17% of programs that have reached 100% technical completion and were delivered over the course of the year, for which Kaufman & Broad has performed technical monitoring, excluding JVT, and excluding the event of supplier default making it impossible to retrieve data. The average waste produced per sq.m is used to estimate the production of waste across all projects delivered in 2021.

Societal challenges

group dependency on suppliers

Notaries are not considered to be suppliers and are also excluded from administrative expenses (such as Commercial Court registries and Public Treasury) in order to analyse the group's dependency on suppliers relating to construction and construction activities.

Buyer typology

Distribution of the number of units reserved (including joint ventures) by first-time buyers, second-time buyers, investors and blocks, from 1st December to November 30,.

"Block" revenues are used when the group sells all or part (several housing units, whole floors of apartments, building, etc.) of its property program to the same buyer.

Share of revenues related to student and senior residences.

Calculation of percentage of completion revenue based on the number of units built over the course of the year related to student and senior residences.

Number of orders for social housing

Social housing is built to accommodate low-income households. Rents, as well as the tenant selection, are subject to rules set by the State, as access to social housing is subject to resource conditions.

The group reports the number of social housing orders made in 2022. The group also communicates what share that this represents in relation to the group's total housing orders.

Client demand resolution rate in less than 72 hours

This indicator corresponds to the group's ability to resolve a client request within less than 72 hours. This indicator is calculated from the date and time of the request submitted using the Klient360 tool and the date of the request's resolution. External application periods are not taken into account.

The 2021 indicator was recalculated following the failure to take into account certain public holidays and process improvements.

Collection and internal consolidation of data

A dedicated CSR organization defines the indicators as part of a reporting protocol that is accessible to contributors and which collects them in conjunction with a network of contributors in the agency. The reporting protocol was updated in 2022.

Data control and consolidation

Each department is responsible for the data it provides within the context of CSR reporting and its consolidation. The consolidation of quantitative indicators is centralised.

The reporting data may be corrected over the next reporting campaign if a significant anomaly is found, as long as this correction is subject to supporting documentation. If necessary, the correction would be specified in the next management report.

External data control

Kaufman & Broad is verified by KPMG, as part of the obligation of verification by an independent third party which expresses, in accordance with the Order of 14 September 2018, a reasoned opinion on the compliance of the declaration with the provisions of Article R. 225-105 and the fairness of the information provided.

5 Corporate Social Responsibility CSR

Note on the methodology for Kaufman & Broad's non-financial reporting for 2021

5.2.4. Compliance with the TCFD

Kaufman & Broad follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in order to increase its transparency in regard to its climate strategy.

The group applies the TCFD guidelines around the four main themes below:

Governance

The group takes climate issues into account in its governance. These challenges form part of the CSR strategy and are therefore reviewed and managed by the CSR Executive Committee, as referred to in Section 5.1.2.1. CSR governance. The CSR Executive Committee meets every two months.

The group's CSR strategy is presented to the CSR Committee (at the level of the Board of Directors) for validation. The CSR Committee also monitors the group's non-financial targets, including carbon targets certified by SBTi.

- Climate issues are also taken into account in the operational decision-making process of the programs: Evaluation of carbon performance over the Land and Commitment Committees' meetings
- An analysis of physical risks for each new program is carried out and presented to the Commitment Committees.

Strategy

Adopted for the first-time in 2015, the first French Low-Carbon National Strategy (SNBC) was revised in 2018-2019 with ambitions revised upwards, the objective being for France to reach carbon neutrality by 2050. The construction and use of residential and commercial buildings sector is responsible for almost 25% of French emissions: Intervention in energy-intensive buildings and the construction of new low-carbon buildings therefore have a major role to play in the fight against climate change.

The group adapts its production to meet carbon reduction targets and to anticipate the thresholds of the RE2020 environmental regulations (detailed Section 5.1.3.2. Climate change mitigation). Considering that the average lifespan of a building is 50 years, the group considers that short-term actions in the design of buildings have a medium- to long-term impact. The group is thus adapting its production today for the city of tomorrow.

Transition risks:

The group has put in place a transition plan for various IPCC scenarios, SSP1-1.9 and SSP1-2.6. This transition plan allows the groups to measure the actions implemented to achieve these objectives.

Challenge	Definition	Refers to
Selection of efficient and high-performance low-carbon design	The production and use of buildings contribute to almost 25% of national greenhouse gas emissions, and the design, construction and use of new and existing buildings are significant leverage points for achieving the group's national climate commitments and carbon reduction targets.	Section 5.1.3.2. Mitigation of climate change.
	For the group, these are:	Reducing the group's impact: The water and energy consumption of the group and our projects' occupants
	<ul style="list-style-type: none"> • Anticipating environmental transition regulations (thermal regulations, publications, etc.) and rises in energy costs and the price per tonne of carbon. 	Reducing the group's carbon footprint: Eco-design of buildings and use of low-carbon materials
	<ul style="list-style-type: none"> • Taking into account the expectations and requirements of stakeholders (investors, clients, employees, local authorities, etc.) in terms of environmental performance 	Reducing the group's carbon footprint: Mobility
	<ul style="list-style-type: none"> • Raising awareness and training employees 	

Physical risks

Challenge	Definition	Refers to
Adaptation of projects to climate change	<p>The group has integrated into its process the consideration of product adaptability to climate change. This involves analysing the risks related to climate change for the site of each property project, and enabling solutions to be integrated into the design phase to limit this risk.</p> <p>Potential vulnerabilities of project sites are assessed based on exposure to several long-term risks: Heat waves, droughts, clay shrinkage and swelling, floods, and coastal flooding.</p>	<p>5.1.3.2. Adapting to climate change</p> <p>Risk management regarding the group's ability to adapt to and anticipate the impacts of climate change</p>

Risk management

Risks and opportunities related to climate issues are included in the analysis of non-financial risks (as described in Section 5.1.1.2. Materiality analysis and non-financial risks). In 2022, the group updated its materiality analysis and risk mapping, which was validated by the CSR Executive Committee and presented to the CSR Committee. The mapping of non-financial risks is updated each year and validated by the CSR Executive Committee.

In 2022, the mapping of non-financial risks was carried out in line with the analysis of the group's major (financial) risks. This approach has made it possible to strengthen the coherence between these two strategic exercises.

With regard to the objectives:

group commitments/objectives	Indicator monitoring
Reduce Scope 1 & 2 carbon emissions by 28% between 2019 and 2030	<ul style="list-style-type: none"> 5% between 2019 and 2022
Reduce carbon emissions per m ² delivered over the construction and use phase for the housing and office development business line by 22%	<ul style="list-style-type: none"> 3.24% between 2019 and 2022

Indicators and targets

Indicators related to climate issues and carbon reduction are presented in Section 5.1.3.2. Mitigation of climate change - Measurement of the group's carbon impact and reduction targets The group carries out a carbon audit in accordance with the GHG Protocol each year covering Scope 1, 2 and the main emission sources within Scope 3. The group details its strategy and the various action plans regarding the main emission sources:

- The energy consumption of its administrative scope (Scope 1 & 2) with, particularly, the implementation of an Energy Restraint Plan
- Energy efficiency and the energy vector used on products, namely with the application of RE2020 and the anticipation of the 2025 thresholds thereof.

In addition, Concerto, a logistics subsidiary of Kaufman & Broad, has also committed through the Guidelines of Reciprocal Commitments between the State and the members of the Afilog association (players in logistics property for the environmental and economic performance of French logistics property) that all of their new property projects will tend towards carbon neutrality by 2040.

5.2.5. Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial performance statement

To the shareholders,

Within our capacity as Statutory Auditor of your group (hereinafter referred to as the "entity"), designated as an independent third party or ITB (independent third-party body), accredited by COFRAC under number 3-⁽¹⁾1884, we conducted the work necessary to formulate a reasoned opinion expressing a limited-assurance conclusion on the historical information (recognised or extrapolated) of the consolidated non-financial performance statement, prepared in accordance with the entity's procedures (hereinafter referred to as the "Guidelines"), for the year ended November 30, 2022 (hereinafter referred to as the "Information" and the "Declaration", respectively), presented in the group's management report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we have implemented, as described in the section "Nature and scope of our work", and the information that we have collected, we have not identified any significant anomalies that give us cause to believe that the Statement does not comply with the applicable regulatory provisions or that the Information, taken as a whole, is not presented fairly, in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which the Information is based allows for the use of different but acceptable measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood in reference to the Reporting Criteria, the significant elements of which are presented in the Statement (or are available on the website or upon request at the entity's head office).

Limitations inherent to the preparation of the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific or economic knowledge and the quality of the external data used. Certain information is sensitive to the methodological selections, assumptions or estimates used to prepare it and present it in the Statement.

Responsibility of the entity

The Board of Directors is responsible for:

- Selecting or establishing appropriate criteria for the preparation of the Information;
- Preparing a Statement in compliance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks, and the results of these policies, including key performance indicators and, in addition, the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- Preparing the Statement by applying the entity's Guidelines, as referred to above; and
- Implementing the internal control procedures it deems necessary for the preparation of the Information that is free from significant anomalies, whether these anomalies are due to fraud or error.

The Statement was prepared by the Board of Directors.

(1) Accreditation Cofrac Inspection, No. 3-1884, scope available at www.cofrac.fr

Responsibility of the statutory auditor appointed as ITB

It is our responsibility, on the basis of our work, to formulate a reasoned opinion, expressing a conclusion with moderate assurance on:

- Compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical information (recognised or extrapolated) provided pursuant to sub-paragraph 3 of sections I and II of Article R. 225 - 105 of the French Commercial Code, namely the results of the policies, including key performance indicators and actions relating to the main risks.

As it is our responsibility to come to an independent conclusion on the Information, as prepared by management, we are not authorised to be involved in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory provisions (including the fair presentation of information, as provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy), the fight against corruption and tax evasion);
- The fairness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- Compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional doctrine

Our work, described hereunder, was carried out in compliance with the provisions of Articles A. 225 1 et seq. of the French Commercial Code, the professional doctrine issued by the French National Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement, particularly the technical advice issued by the French National Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes), the Statutory Auditor's intervention, the ITB - Non-financial performance statement, in lieu of a verification program, and ISAE 3000 (revised)⁽¹⁾

Means and resources

Our work involved four individuals and was conducted between October 2022 and March 2023, over a total period of approximately three weeks.

To assist us in the conduct of our work, we called on the services of our specialists in sustainable development and social responsibility. We conducted approximately 10 interviews with the people responsible for preparing the Statement.

(1) ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information

Nature and scope of the work

We planned and conducted our work by taking into account the risk of significant anomalies in the Information.

We believe that the procedures we have carried out by exercising our professional judgement allow us to express a conclusion with moderate assurance:

- We familiarised ourselves with the business of all of the entities included in the scope of consolidation and the presentation of the main risks;
- We assessed the suitability of the Framework in terms of its relevance, completeness, reliability, neutrality and understandability, taking into consideration, where applicable, industry best practices;
- We checked that the Statement covers each category of information provided for in III of Article L. 225-102-1 in social and environmental matters, and also respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement presents the information provided for in paragraph II of Article R. 225-105 when relevant to the main risks and includes, where applicable, an explanation of the reasons justifying the absence of any information required by paragraph ² of paragraph III of Article L. 225-102-1;
- We verified that the Statement presents the business model and a description of the main risks related to the business of all of the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, and also the policies, actions and results, including key performance indicators related to the main risks;
- We consulted document sources and conducted interviews in order to:
 - Assess the process for selecting and validating the main risks and the consistency of the results, including the key performance indicators used, with regard to the main risks and policies presented; and
 - Corroborate the qualitative information (actions and results) that we considered to be the most important presented in Appendix. Our work was carried out at the head offices of the consolidating entity.
- We verified that the Statement covers the consolidated scope, i.e., all entities included in the scope of consolidation in accordance with Article L. 233-16, within the limits specified in the Statement;
- We familiarised ourselves with the internal control and risk management procedures implemented by the entity, and we also assessed the data collection process with a view to ensuring the completeness and fair presentation of the Information;
- For the key performance indicators and other quantitative results that we considered to be the most important presented in the Appendix, we implemented:
 - Analytical procedures to verify the correct consolidation of the data collected and the consistency of any changes;
 - Detailed testing based on sampling or other means of selection, consisting in verifying the correct application of the definitions and procedures and reconciling the data with the supporting documents. This work was carried out at the entity's head office and covers 100% of the consolidated data selected for this testing;
- We assessed the overall consistency of the Statement based on our knowledge of all entities included within the scope of consolidation.

The procedures implemented within the context of a moderate-assurance mission are less extensive than those required for a reasonable-assurance mission, carried out in accordance with the professional standards set out by the French National Institute of Statutory Auditors; A higher level of assurance would have required more extensive verification work.

Paris - La Défense (FR), 17 March 2023

KPMG S.A.

Anne Garans
ESG expert

Xavier Fournet
Partner

Appendix

Qualitative information (actions and results) considered to be the most important

Talent attraction and retention mechanisms
Measures taken to promote internal mobility for employees
Responsible purchasing policies
Client satisfaction monitoring systems
Actions to control the environmental footprint
Measures implemented to promote environmental and social innovation in projects
Measures implemented to manage worksite safety

Key performance indicators and other qualitative results considered to be the most important

Workforce at 31/12
Average workforce
Number of hires and departures under permanent and fixed-term contracts
Turnover rate
Severity rate of workplace accidents
Percentage of employees trained over the calendar year
Greenhouse gas emissions (Scopes 1, 2 and 3)
Rate of housing units certified in line with RT 2012/RT2012-10% and RT 2012-20%
Rate of client demands resolved within 72 hours
Share of revenues related to student and senior residences
group dependency on suppliers



6

Assets, financial
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6.1. Consolidated financial statements at November 30, 2022

6.1.1. Consolidated comprehensive income statement

Consolidated income statement

<i>(in thousands of euros)</i>	Notes	30 Nov 2022	30 Nov. 2021
Revenue	3.2	1,314,878	1,281,800
Cost of revenues		-1,086,705	-1,059,178
GROSS PROFIT	3.2	228,173	222,622
Marketing expenses	3.3	-26,892	-20,656
Administrative expenses	3.3	-60,911	-55,615
Technical and customer service expenses	3.3	-23,175	-20,261
Development and program expenses	3.3	-18,983	-27,705
OPERATING INCOME		98,212	98,385
Financial expenses		-19,596	-13,697
Financial income		2,094	1,531
NET COST OF FINANCIAL DEBT	6.3	-17,502	-12,166
PRE-TAX INCOME (LOSS) OF CONSOLIDATED COMPANIES		80,710	86,219
Income tax expense	9	-13,482	-21,747
NET INCOME (LOSS) OF CONSOLIDATED COMPANIES		67,228	64,472
Share in results of affiliates and joint ventures		2,023	1,862
INCOME (LOSS) OF THE CONSOLIDATED GROUP		69,251	66,334
Non-controlling interests income (loss)	7.1.5	20,243	22,469
Attributable net income		49,008	43,865
Average number of shares	7.2	20,990,005	21,245,459
Basic earnings per share	7.2	2.33	2.06
DILUTED EARNINGS PER SHARE	7.2	2.33	2.06

Consolidated comprehensive net income

<i>(in thousands of euros)</i>	30 Nov 2022	30 Nov. 2021
INCOME (LOSS) OF THE CONSOLIDATED GROUP	69,251	66,334
Change in value of gross derivative instruments		
Tax effect on derivative instruments		
TOTAL OTHER ELEMENTS OF COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	0	0
Revaluation of net defined benefit liability (asset)	1,356	628
Tax effect on Revaluation of net defined benefit liability (asset)	-371	-482
TOTAL OF OTHER ELEMENTS OF THE COMPREHENSIVE INCOME THAT CANNOT BE RECLASSIFIED TO PROFIT OR LOSS	985	146
CONSOLIDATED COMPREHENSIVE NET INCOME	70,236	66,480
Attributable net income	49,993	44,011
Non-controlling interests	20,243	22,469

6.1.2. Statement of the consolidated financial situation

Assets

<i>(in thousands of euros)</i>	Notes	30 Nov 2022	30 Nov. 2021
Goodwill	5.1	68,661	68,661
Other intangible assets	5.2	91,899	91,157
Right-of-use assets	5.3	40,196	15,514
Investment property	5.4	19,876	11,818
Property, plant and equipment	5.5	11,070	5,546
Equity affiliates and joint ventures	2.1.2	14,310	10,537
Other non-current financial assets	6.1.1	7,549	7,170
Deferred tax asset	9	4,281	791
NON-CURRENT ASSETS		257,841	211,194
New project inventories	3.4	93,000	73,731
program in progress inventories	3.4	354,134	348,145
Accounts receivable	3.5	511,534	456,548
Other receivables	3.5	187,722	187,618
Prepaid expenses	3.5	972	588
Current tax position	9	4,863	254
Cash flow and cash flow equivalents	6.1.3	100,998	189,460
CURRENT ASSETS		1,253,223	1,256,344
TOTAL ASSET		1,511,064	1,467,538

Liability

<i>(in thousands of euros)</i>	Notes	30 Nov 2022	30 Nov. 2021
Share capital		5,619	5,645
Consolidated reserves		277,280	285,042
Other reserves		-11,905	-13,146
Treasury shares	7.1.4	-29,327	-22,400
ATTRIBUTABLE SHAREHOLDERS' EQUITY		241,667	255,141
Non-controlling interests	7.1.5	14,683	12,566
SHAREHOLDERS' EQUITY		256,350	267,707
Non-current provisions for retirement benefits	4.2	5,479	6,448
Non-current provisions for liabilities and charges	8.1	25,886	25,550
Borrowings and other non-current financial liabilities	6.1.2	163,007	149,392
Long-term rental debt	6.1.2	36,254	10,342
Minority interests put debt	6.1.2	3,560	
Deferred taxes	9	45,363	41,362
NON-CURRENT LIABILITIES		279,549	233,094
Current provisions for liabilities and charges	8.1	1,477	4,660
Borrowings and other current financial liabilities	6.1.2	5,825	4,212
Short-term rental debt	6.1.2	5,647	4,647
Accounts payable	6.1.1	842,064	800,550
Other debts	6.1.1	118,463	133,800
Current tax position	9	509	17,737
Deferred income		1,180	1,131
CURRENT LIABILITIES		975,165	966,737
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,511,064	1,467,538

6.1.3. Cash flow statement

<i>(in thousands of euros)</i>	Notes	30 Nov 2022	31 Nov 2021
Consolidated net income		69,251	66,334
Share of income (loss) of equity affiliates and joint ventures		-2,023	-1,862
Calculated income and expenses		16,305	9,507
CASH FLOW AFTER COST OF FINANCIAL DEBT AND TAXES		83,533	73,979
Net Cost of Financial Debt	6.3	17,502	12,166
Tax expense (income)	9	13,483	21,747
CASH FLOW FROM OPERATIONS BEFORE COST OF FINANCIAL DEBT AND TAXES		114,518	107,892
Tax (paid)/received		-36,410	-7,484
Change in Operating Working Capital Requirement	3.6	-58,383	-8,122
CASH FLOW FROM OPERATING ACTIVITIES (A)		19,725	92,286
Investing activities			
Acquisitions of property, plant & equipment and intangible assets (net of disposals)	5	-11,601	-4,568
Acquisitions of property, plant and equipment intended for investment property	5.4	-7,924	-12,445
Net change in financial assets		-365	-149
CASH FLOW WITH EQUITY AFFILIATES AND JOINT VENTURES	2.1.2	-705	-5,171
Acquisition of participations	7.1.6	-125	-
Sale of participations			0
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)		-20,720	-22,333
FREE CASH FLOW (1)		-995	69,953
Financing activities			
Distributions to non-controlling interests	7.1.5	-17,697	-22,796
Buyouts of non-controlling interest	7.1.5	-2,494	-2,025
Buybacks of treasury shares	7.1.4	-30,617	-27,962
Sale of treasury shares	7.1.4	7,323	13,146
Capital increase	7.1.1	5,774	-
Use of borrowings	6.1.3	148,626	
Repayment of borrowings	6.1.3	-136,000	-119
Rental debt repayment	6.1.3	-8,568	-7,027
Distributions to shareholders	7.1.3	-40,476	-39,324
Net financial interest paid		-13,338	-9,578
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES (C)		-87,467	-95,685
INCREASE (DECREASE) IN CASH (A + B + C)		-88,462	-25,732
Cash at opening of period		189,460	215,192
CASH AT CLOSING OF PERIOD		100,998	189,460
INCREASE (DECREASE) IN CASH		-88,462	-25,732
CASH FLOW AND CASH FLOW EQUIVALENTS	6.1.3	100,998	189,460

6.1.4. Table of change in consolidated equity

<i>(in thousands of euros)</i>	Number of shares	Share capital	Consolidated reserves	Other reserves	Treasury shares	Attributable shareholder's equity	Non-controlling interests	Total equity
NOVEMBER 30, 2020	22,088,023	5,743	296,058	-12,654	-22,727	266,420	8,998	275,418
Other comprehensive income				146		146		146
Net income at November 30, 2021			43,865			43,865	22,469	66,334
CONSOLIDATED COMPREHENSIVE NET INCOME	0	-	43,865	146	-	44,011	22,469	66,480
Distribution			-39,324			-39,324	-18,678	-58,002
Capital increase						-		-
Capital reduction	-375,000	-98	-12,378		12,476	-		-
Treasury share transactions				-1,897	-12,149	-14,046		-14,046
Share-based payments				1,259		1,259		1,259
Minority-interest share buyback			-3,179			-3,179	-223	-3,402
TOTAL TRANSACTIONS WITH SHAREHOLDERS	-375,000	-98	-54,881	-638	327	-55,290	-18,901	-74,191
NOVEMBER 30, 2021	21,713,023	5,645	285,042	-13,146	-22,400	255,141	12,566	267,707
Other comprehensive income				985		985		985
Net income at November 30, 2022			49,008			49,008	20,243	69,251
CONSOLIDATED COMPREHENSIVE NET INCOME	0	-	49,008	985	-	49,993	20,243	70,236
Distribution			-40,476			-40,476	-17,697	-58,173
Capital increase	299,999	78	5,696			5,774		5,774
Capital reduction	-400,000	-104	-14,099		14,203	-		-
Treasury share transactions				-2,164	-21,130	-23,294		-23,294
Share-based payments				2,420		2,420		2,420
Minority-interest share buyback			-7,891			-7,891	-429	-8,320
TOTAL OF TRANSACTIONS WITH SHAREHOLDERS	-100,001	-26	-56,770	256	-6,927	-63,467	-18,126	-81,593
NOVEMBER 30, 2022	21,613,022	5,619	277,280	-11,905	-29,327	241,667	14,683	256,350

6.1.5. Notes to the financial statements

Note 1. Accounting principles

The consolidated financial statements for the year ended November 30, 2022 present the operations of Kaufman & Broad SA and its subsidiaries (hereinafter referred to as the "Kaufman & Broad group" or the "group"), a French company listed on Euronext Paris, compartment B with its head offices registered to Courbevoie (17, Quai du Président Paul Doumer CS 9001 - 92672 Courbevoie Cedex France).

For more than 50 years, the Kaufman & Broad group has been designing, developing and marketing Single-family homes in communities, apartments and offices on behalf of third parties. Kaufman & Broad is one of the leading French developers and builders thanks to the combination of its size and the power of its brand.

The annual consolidated financial statements for the year ended November 30, 2022 and the related notes were approved by the Board of Directors on 24 February 2023.

Note 1.1. Basis of preparation

In accordance with European regulation 1606/2002 of 19 July 2002, the Kaufman & Broad group has prepared its annual consolidated financial statements for the year ended November 30, 2022 in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB), as adopted by the European Union and made mandatory on the closing date of these financial statements.

These standards, which are available for consultation on the European Commission's website, incorporate international accounting standards (IAS and IFRS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Standards and interpretations effective after the opening date of the financial year

The standards, amendments to standards and interpretations published by the IASB and presented below are mandatory for annual periods beginning after 1st December 2021.

Standards/Interpretation	Expected EU application date (at the latest for financial years beginning on or after)
Amendments to IAS 16: Property, plant and equipment - Proceeds before Intended Use	1 st January 2022
Amendments to IAS 37: Onerous contracts	1 st January 2022
Amendments to IFRS 3 - Update to the reference to the conceptual framework	1 st January 2022
IFRS 9: Financial Instruments Costs and fees in the "10 per cent" test for de-recognition	
Illustrative examples accompanying IFRS 16 Leases: Lease incentives	
IAS 41: Taxation in fair value measurements	
Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture	Suspended
IFRS 17: Insurance Contracts	1 st January 2023
1 st application of IFRS 17 and IFRS 9 - Comparative information	1 st January 2023
Amendments to IAS 1: Classification of liabilities as current or non-current	1 st January 2024 (unconfirmed)
Amendments to IAS 1: Disclosure of accounting policies	1 st January 2023
Amendments to IAS 8 - Definition of accounting estimates	1 st January 2023
Amendments to IAS 12 Income tax: Deferred tax related to assets and liabilities arising from a single transaction	1 st January 2023 (unconfirmed)

The accounting methods presented hereafter have been applied on a permanent basis to all periods presented in the consolidated financial statements, with the exception of the new standards and interpretations described below.

The consolidation is based on the financial statements at November 30, of almost all of the companies included within the company's scope of consolidation. Some affiliates have a different closing dates and are accounted for on the basis of an interim situation at November 30, representing 12 months of activity, their contribution being insignificant.

The consolidated accounts and notes to the accounts are presented with figures expressed in euros.

Note 1.1.1. Framework applied

Standards, interpretations and amendments mandatorily applicable to the financial year beginning 1st December 2021

The IBOR reform Phase 1 amendment was applied at November 30, 2020 but had no impact on the financial statements, as the group does not document accounting hedging for its borrowings.

No new standards and interpretations whose application is mandatory for the financial year beginning on 1st December 2021 have a significant impact on the financial statements of the Kaufman & Broad group.

Note 1.1.2. Use of estimates and assumptions

In order to establish the group's accounts, Kaufman & Broad management has generated estimations and assumptions for the elements included in the financial statements that cannot be measured precisely.

These estimations and assumptions are generated based on past experience, anticipation of evolutions in the markets within which the group operates, or other factors considered to be reasonable in regard to the circumstances. These assessments impact the income and cost totals, and also the book values of assets and liabilities.

The main fields concerned by these assumptions and estimations are:

- Income forecasts for property programs, used for accounting for these operations in progress (notes 3.2 "Revenue and gross profit" and 3.5 "Accounts receivable and other receivables");
- Business plans used for creating value tests on goodwill and other intangible assets (Notes 5.1 "Goodwill" and 5.2 "Other intangible fixed assets")
- Valuation of investment property (Note 5.4 "Investment property")
- inventory valuation (Note 3.4 "Inventories")

The assumptions for sale prices and occupancy rates based on income forecasts for property programs, and the generation of medium-term provisional budgets used may be affected by the economic contexts and evolutions in the applicable regulations, particularly in terms of government measures relating to tax initiatives.

Note 2. Scope of consolidation

Note 2.1. Accounting principles related to the scope of consolidation

The consolidated financial statements include the financial statements of the parent company and those consolidated using the consolidation and accounting methods described below, entities controlled by the parent company (subsidiaries), jointly-controlled entities (joint ventures) and entities over which the group has significant influence over the management and financial policy (affiliates).

In compliance with the new IFRS 10 standard, the subsidiaries are all acknowledged as controlled entities.

Control, regardless of the level of interest held in an entity, is the result of the following three components: The power to guide and direct the key activities (operating and financial activities), exposure or the right to variable returns associated with the participation, and the ability to exercise this power in order to influence these returns. Only substantive rights, as conferred by shareholders' agreements, which can be exercised when decisions on key activities are to be made and that are not purely protective, are taken into account in the determination of power.

Impacts of Covid-19 and the Russian-Ukrainian conflict

FOLLOWING an unprecedented health crisis that impacted the property sector and the property development sector in particular, the conflict between Russia and Ukraine has reinforced the uncertainties which already existed over the Covid-19 pandemic. Shortages in certain materials causing a hike in construction costs have led the group to defer certain operations for which the purchasing conditions didn't allow for direct costs to be supported (land development and construction). This strategy enabled the group to maintain a solid economic performance throughout the half-year period, whilst ensuring the protection of its employees, suppliers and subcontractors, and implemented all measures available to it in order to adjust its costs and limit the impact of this crisis on its annual results. Within this context, the effects have these elements have not been identified by the group as true indices of impairment loss in relation to the previous situation at the start of the year when drawing up the income forecasts for release to the market.

Inflationary context

The current environment of commodity price inflation and the weakened financial strength of companies has led the group to be particularly vigilant:

- When selecting its companies, particularly in terms of costs but also in terms of availability and financial strength;
- When examining any price indexing clauses requested by companies;
- When monitoring the security of operating budgets through the conducting of tenders and the signing of contracts.

Processes and related controls are closely monitored.

Note 2.1.1. Consolidated subsidiaries

Subsidiaries controlled by the Kaufman & Broad group are consolidated.

The accounts are integrated on a 100% line-by-line basis.

Within the consolidated equity, the proportionate share of non-controlling interests has been presented under a specific line, just like in the income statement and in the overall income report.

Any change in Kaufman and Broad's interest in a subsidiary that does not result in a loss of control is recognised directly in equity.

Note 2.1.2. Equity method of joint ventures and affiliates

Joint ventures are partnerships in which the group and the other parties have committed to exercise joint control over the entity, contractually agreed upon, and have rights to its net assets.

Decisions concerning key activities are subject to a unanimous vote by Kaufman & Broad and its joint-venture partners.

Affiliates are entities in which the group exercises significant influence: Kaufman & Broad has the power to participate in financial and operational policy decisions without exercising joint control or full control. Significant influence is presumed when the group holds, directly or indirectly, a stake greater than or equal to 20%.

Joint ventures and Equity affiliates are accounted for using the equity accounting method.

This method consists of only retaining the proportionate share of equity corresponding to the percentage held by the group in the consolidated accounts.

If the proportionate share in the losses of an equivalent entity is greater than its interests in the latter, the proportionate share is then reduced to zero. Additional losses are subject to a provision if the group is under a legal or implicit obligation in this regard.

The book value of equity affiliates and joint ventures corresponds to the proportionate share of the net situation held. This item includes, in relation to the promotion activity, capital and similar investments, namely financial current account advances issued by the group to finance the programs.

Value of investments in affiliates and joint ventures

<i>(In thousands of euros)</i>	November 30, 2021	Distribution	Proportionate share of income for the financial year	Impact of changes in scope and similar	November 30, 2022
Equity-accounted investments in equity affiliates	3,056	-675	703	-138	2,946
Equity-accounted investments in joint ventures	7,074	-78	-438	2,152	8,710
TOTAL EQUITY-ACCOUNTED INVESTMENTS	10,129	-753	265	2,014	11,656
Receivables with equity affiliates	5,015			-1,540	3,475
Receivables with joint ventures	-4,607			3,786	-821
TOTAL RECEIVABLES WITH EQUITY AFFILIATES AND JOINT VENTURES	408	0	0	2,246	2,654
EQUITY AFFILIATES AND JOINT VENTURES	10,537				14,310

The value of investments in affiliates and joint ventures is presented in liabilities under provisions for a value of - €2.5M.

Main balance sheet and income statement items of affiliates and joint ventures

<i>(in thousands of euros)</i>	November 30, 2022		November 30, 2021	
	Equity affiliates	Joint ventures	Equity affiliates	Joint ventures
Non-current assets	6,015	20,784	6,014	8,304
Current assets	135,715	16,641	106,231	20,205
TOTAL ASSET	141,730	37,425	112,245	28,509
SHAREHOLDERS' EQUITY	7,615	18,793	8,472	18,021
Non-current liabilities	12,277	14,344	11,491	5,605
Current liabilities	121,838	4,288	92,282	4,883
TOTAL EQUITY AND LIABILITIES	141,730	37,425	112,245	28,509

<i>(in thousands of euros)</i>	November 30, 2022		November 30, 2021	
	Equity affiliates	Joint ventures*	Equity affiliates	Joint ventures
Revenue	38,825	286	40,256	
Cost of revenues	-33,221	-563	-31,814	-92
GROSS PROFIT	5,604	-277	8,442	-92
Other costs and revenues	-5,338	-360	-5,537	-653
Current Operational Income (COI)	266	-637	2,905	-745
NET INCOME	306	-837	2,999	-970

Joint ventures are legal entities either in the start-up phase or at the end of their useful lives (corporate purpose exhausted).

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Consolidated financial statements at November 30, 2022

Note 2.1.3. Business combinations

When control is obtained, the acquired entity's identifiable assets, liabilities and contingent liabilities that meet the IFRS recognition criteria are generally recognised at their fair value determined at the acquisition date.

In the event of a partial acquisition, non-controlling interests may either be accounted for at their proportionate share of the fair value of the acquired assets and liabilities, or evaluated at their fair value.

This option is applied on a transaction-by-transaction basis.

In compliance with the standard, costs related to the combination are expensed in the period in which they are incurred.

Note 2.2. Changes in the scope of consolidation

Over the year, 30 companies were added to the scope and 31 companies were dissolved and removed from the scope.

Note 3. Operating data

Note 3.1. Segment reporting

In accordance with the provisions of IFRS 8 "Operating Segments", the segment information presented corresponds to the organization of internal reporting for the group Management Committee, with the aim of assessing performance. The Management Committee is the chief operating decision-maker under the terms set out by IFRS 8.

Note 3.1.1. Income per operating segment

Year ended November 30, 2022 (in thousands of euros)	Île de France	West	East	Corporate and Logistics Property
Revenue	392,914	386,186	388,462	129,799
Gross profit	77,009	65,835	63,768	17,083
Marketing expenses	-8,608	-6,933	-7,274	-349
Administrative expenses	-10,729	-10,552	-10,159	-2,293
Technical and customer service expenses	-9,733	-4,449	-5,906	-753
Development and program expenses	-5,876	-8,545	-9,651	5,450
Redistribution of proportionate share of head office recharge	-7,951	-7,523	-7,797	-1,656
Current Operational Income (COI)	34,113	27,832	22,980	17,482
Other non-current income and expenses	0	0	0	0
Operating profit	34,113	27,832	22,980	17,482
Cost of net financial debt and other costs/financial revenues	-4,550	-6,033	-6,861	29
Redistribution of net financial debt cost	657	622	644	137
Pre-tax income (loss) of consolidated companies	30,220	22,420	16,763	17,648
Income tax expense	-5,310	-3,831	-1,836	-4,362
Share of income (loss) of equity affiliates and joint ventures	1,270	-90	-81	681
Income (loss) of the consolidated group	26,180	18,499	14,845	13,966
<i>Attributable</i>	18,210	14,180	9,176	12,285
<i>Non-controlling interests</i>	7,970	4,319	5,670	1,681

Assets, financial report and results at November 30, 2022

Consolidated financial statements at November 30, 2022

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Year ended November 30, 2022 (in thousands of euros)	Other activities*	Managed Residences **	Head offices	Overall total
Revenue	10,775	6,743	0	1,314,878
Gross profit	1,837	2,642	0	228,173
Marketing expenses	-374	-56	-3,297	-26,892
Administrative expenses	-2,113	-3,687	-21,380	-60,912
Technical and customer service expenses	-761	0	-1,573	-23,175
Development and program expenses	-1,456	-26	1,122	-18,983
Redistribution of proportionate share of head office recharge	-201	0	25,128	
Current Operational Income (COI)	-3,068	-1,127	0	98,212
Other non-current income and expenses	0	0		0
Operating profit	-3,068	-1,127	0	98,212
Cost of net financial debt and other costs/financial revenues	-1,594	-569	2,076	-17,502
Redistribution of net financial debt cost	17	0	-2,076	
Pre-tax income (loss) of consolidated companies	-4,645	-1,695	0	80,710
Income tax expense	1,277	580	0	-13,483
Share of income (loss) of equity affiliates and joint ventures	576	-332	0	2,023
Income (loss) of the consolidated group	-2,792	-1,447	0	69,251
Attributable	-3,303	-1,540	0	49,008
Non-controlling interests	511	93	0	20,243

*Principally relates to the activity developed by the Kapital partners agency (acquisition of equity interests or interests in any companies or commercial companies, particularly through the creation of new companies, contributions, subscriptions or purchases of securities or shares)

**New business sector for student and senior residence management

The proportionate shares of head office expenses (including the net financial debt) are reallocated based on the relative share of each segment in the group total. This share is assessed based on the activity, measured in Housing Units (HU) delivered, and on the employees anticipated in the budget for the financial year in question.

In addition, income tax is calculated on the basis of a theoretical tax for each segment based on their pre-tax net income. The impacts of permanent differences taken into account in the calculation of income tax are reallocated according to the key described above.

Year ended November 30, 2021 (in thousands of euros)	Île de France	West	East	Corporate and Logistics Property
Revenue	431,050	362,797	335,496	142,533
Gross profit	81,711	63,623	55,326	20,664
Marketing expenses	-5,352	-4,287	-5,498	-173
Administrative expenses	-10,865	-9,949	-9,443	2,228
Technical and customer service expenses	-8,678	-4,552	-4,961	-661
Development and program expenses	-5,514	-6,849	-6,838	-8,532
Redistribution of proportionate share of head office recharge	-10,569	-9,098	-8,917	-2,479
Current Operational Income (COI)	40,734	8,804	16,588	22,643
Other non-current income and expenses	0	1	0	0
Operating profit	40,734	28,888	19,670	11,047
Cost of net financial debt and other costs/financial revenues	-859	-4,284	-5,757	171
Redistribution of net financial debt cost	-14	-12	-12	-3
Pre-tax income (loss) of consolidated companies	39,861	24,592	13,901	11,215
Income tax expense	-9,666	-6,342	-3,595	-2,949
Share of income (loss) of equity affiliates and joint ventures	1,420	-114	78	-374
Income (loss) of the consolidated group	31,615	18,136	10,384	7,892
Attributable	21,057	12,746	5,954	6,172
Non-controlling interests	10,558	5,391	4,431	1,720

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Year ended November 30, 2021 (in thousands of euros)	Other activities*	Managed Residences **	Head offices	Overall total
Revenue	9,925	0	0	1,281,800
Gross profit	1,298	0	0	222,622
Marketing expenses	-252	0	-5,093	-20,656
Administrative expenses	-1,921	-2	-25,663	-55,615
Technical and customer service expenses	-358	0	-1,050	-20,261
Development and program expenses	-481	0	508	-27,705
Redistribution of proportionate share of head office recharge	-235	0	31,298	0
Current Operational Income (COI)	11,047	17	0	98,388
Other non-current income and expenses	0	0		1
Operating profit	-1,950	-2	0	98,386
Cost of net financial debt and other costs/financial revenues	-1,399	3	-42	-12,166
Redistribution of net financial debt cost	-0	0	42	0
Pre-tax income (loss) of consolidated companies	-3,349	0	-0	86,220
Income tax expense	795	10	0	-21,747
Share of income (loss) of equity affiliates and joint ventures	884	-33	0	1,862
Income (loss) of the consolidated group	-1,670	-24	-0	66,334
Attributable	-2,040	-24	0	43,865
Non-controlling interests	370	0	0	22,469

*Mainly relates to the activity developed by the Kapital partners agency (acquisition of equity interests or interests in all companies or commercial companies, particularly through the creation of new companies, contributions, subscriptions or purchases of securities or shares)

**New business sector for student and senior residence management

Working Capital Requirement by operating segment

Year ended November 30, 2022 (in thousands of euros)	Île de France	West	East	Corporate and Logistics Property
Inventories	177,728	122,182	108,804	32,430
Accounts receivable	164,799	156,952	127,398	58,771
Other	-293,972	-230,764	-216,211	-87,089
WORKING CAPITAL REQUIREMENT	48,555	48,370	19,991	4,112

Year ended November 30, 2022 (in thousands of euros)	Other Activities	Managed Residences	Head offices	Overall total
Inventories	4,171	0	1,820	447,134
Accounts receivable	2,883	184	549	511,535
Other	-3,187	-2,070	64,632	-768,660
WORKING CAPITAL REQUIREMENT	3,867	-1,886	67,000	190,009

The heading "Other" mainly comprises trade payables for the amount of 842.1 million euros, social security and tax liabilities for the amount of 62.5 million euros, other receivables for the amount of 164.8 million euros, and other payables for the amount of 28.9 million euros.

Year ended November 30, 2021 (in thousands of euros)	Île de France	West	East	Corporate and Logistics Property
Inventories	118,227	156,695	128,795	13,919
Accounts receivable	144,922	147,506	90,561	69,415
Other	-254,176	-218,747	-187,535	-107,811
WORKING CAPITAL REQUIREMENT	8,973	85,454	31,821	-24,477

Year ended November 30, 2021 (in thousands of euros)	Other Activities	Managed Residences	Head offices	Overall total
Inventories	3,348	0	892	421,876
Accounts receivable	3,210	0	933	456,548
Other	-2,949	1,963	4,496	-764,758
WORKING CAPITAL REQUIREMENT	3,610	1,963	6,321	113,666

Note 3.2. Revenue and gross profit

The group sells all its property development operations under off-plan build (VEFA in French) scheme.

Through the Off-plan Sale Agreement, the legislator has provided property developers with the option of calling for funds from clients in line with the progress of programs according to a payment schedule structured by French law, whilst also providing clients with a Financial Completion Guarantee (FCG). The total payments from clients may not exceed 35% of the price upon completion of the foundations, 70% upon construction of the structural walls and waterproof roofing, and 95% upon completion of the building. This agreement grants the buyer the status of owner of the ground surface and the structure constructed over the course of its construction phase.

Revenue is recognised in accordance with IFRS 15 "Revenue from Contracts with Clients", i.e., in proportion to the technical stage of completion from which the land is acquired, and the commercial stage of completion (signature of revenues agreements) of each program.

The application of IFRS 15 results in the application of the principle of revenue release on the stage of completion for property development activities carried out in the form of an off-plan sale (VEFA). Under an off-plan revenues agreement, the client obtains control of the asset as it is created. In the case of a development operation, given the storage conditions for production in progress, revenue is released based on the percentage of completion of all costs that can be held.

Revenue and profit are recognised as the work progresses, on the basis of forecasts for each program and according to the following rule: The revenue recognised for a given program is equal to the revenue of the cumulative revenue of the lots for which the notarial deed of sale has been signed and the ratio between the amount of the land expenditure, and the related taxes, as well as the construction expenditure incurred by the group on the said program, in addition to the total budget of the expenses that can be held in the said program.

The forecasts used are fully reviewed on a quarterly basis and take into account, to the best of management's knowledge, any expected changes in selling prices, marketing and costs.

Below, you will find the distribution of the revenue and the gross profit, classed by revenues:

(in thousands of euros)	November 30, 2022		November 30, 2021	
	Revenue	Gross profit	Revenue	Gross profit
Multi-occupancy housing	1,076,336	185,829	1,054,662	178,626
Single-family homes in communities	76,178	14,109	54,426	12,053
TOTAL HOUSING	1,152,514	199,939	1,109,088	190,679
COMMERCIAL	150,172	24,250	165,527	29,308
Residence management	6,743	2,642	-	-
OTHER	5,449	1,342	7,185	2,637
REVENUE AND GROSS PROFIT TOTAL	1,314,878	228,173	1,281,800	222,623

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Note 3.3. Operating expenses

(in thousands of euros)	November 30, 2022				November 30, 2021			
	Salaries and payroll taxes	Advertising fees	Other operating costs	Total	Salaries and payroll taxes	Advertising fees	Other operating costs	Total
Marketing expenses	10,711	12,701	3,480	26,892	7,912	9,220	3,523	20,655
Administrative expenses	26,697	12	34,201	60,911	27,710		27,905	55,615
Technical and customer service expenses	20,116		3,058	23,175	18,124		2,137	20,261
Development and program expenses	18,275	2	705	18,983	16,735		10,970	27,705
OPERATING COST TOTAL	75,800	12,716	41,445	129,961	70,481	9,220	44,535	124,236

Marketing expenses

Marketing expenses amounted to 26.9 million euros at November 30, 2022, compared with 20.7 million euros in 2021. This 30% increase was due to an increase of 2.8 million euros in "Salaries and social security contributions", and an increase of 3.5 million euros in "Advertising expenses".

Administrative expenses

Administrative expenses amounted to 60.9 million euros at November 30, 2022, compared with 55.6 million euros in 2021, representing an increase of 9.5% that is attributable to the decrease in "Salaries and social security charges" amounting to 1 million euros, a decrease in "Rents and rental expenses" amounting to 1.2 million euros, the decrease in "Maintenance, electricity and telephone" amounting to 1.2 million euros, the increase in "Fees" amounting to 1.2 million euros, the decrease in other items amounting to 1.5 million euros, and the increase in "Calculated expenses" amounting to 9 million euros.

Technical and customer service expenses

Technical charges and after revenues services amounted to 23.2 million euros at November 30, 2022, compared with 20.3 million euros in 2021, the increase mainly coming from the "Salaries and social security charges" item for 2.0 million euros, and the "Fees" item for 0.5 million euros.

Development and program expenses

Development and program expenses amounted to 19.0 million euros at November 30, 2022, compared with 27.7 million euros in 2021, including an increase of 1.5 million euros in "Salaries and social security charges", an increase of 0.9 million euros in the cost of project abandonment and a decrease of 7.3 million euros in net provisions for impairment of new project inventories, and a decrease of 4.1 million euros in other calculated expenses (excluding impairment of new projects).

Note 3.4. Inventories

"New projects" correspond to programs for which development has not yet started. They are evaluated at cost price and include lockout payments made as part of the acquisition of lands, design fees, land development fees, and any other fees incurred for the projects.

Upon each accounting final balance assessment date, the fraction of these costs undertaken for projects for which the land sale agreements have not been signed, and for which there is no clear visibility over the likelihood of development in the near future, is accounted for as costs.

Inventories of programs under development are valued under costs. The latter includes the purchase price of land, ancillary costs, taxes, the cost of public works (Roads and Services), the cost of construction and development of model areas, land costs, and the fees and commissions inherent to the mandates issued by Kaufman & Broad for the revenues of property programs.

The IAS 2 standard provides for the inventory incorporation of indirect fixed fees, insofar as these fees are clearly identifiable and assignable. These fees should be incorporated into Inventories using systematic and rational methods, applied coherently and permanently to all costs with similar characteristics.

Indirect fixed fees (payroll burden, social security costs and other costs) relating to the land development, technical and general administration departments, which are essentially composed of development fees, works monitoring, project management, after-sale management, for the part that can be directly assigned to the property programs and later engaged upon the signing of the sale agreement for the land, may be incorporated into Inventories.

Provisions are set aside to cover any foreseeable losses, which are measured on the basis of a forecast economic and financial data analysis for each project.

(in thousands of euros)	November 30, 2022			November 30, 2021		
	Gross	Impairment	Net	Gross	Impairment	Net
New projects	111,953	-18,954	93,000	99,989	-26,258	73,731
programs in progress	357,016	-2,881	354,134	350,319	-2,175	348,145
INVENTORY TOTAL	468,969	-21,835	447,134	450,308	-28,432	421,876

The variation in depreciation can be broken down as follows:

(in thousands of euros)	November 30, 2021	Charges	Reversals	November 30, 2022
New projects	26,264	17,723	-25,033	18,954
programs in progress	2,175	706	0	2,881
INVENTORY TOTAL	28,439	18,429	-25,033	21,835

Inventories net of expenditure on new projects presented an increase of 19.3 million euros.

The provision for expenditure relating to new projects corresponds to the impairment of expenditure for projects that have not been formally abandoned, but of which the development is uncertain. Reversals of provisions for impairment recognised correspond to the amount of 20.5 million euros in unused reversals on expenses of which the development, although considered uncertain, was in fact launched, the balance corresponding to expenses incurred that were recognised as expenses on abandoned projects.

The gross inventories of programs in progress increased by 1.9% over the year.

Provisions for programs in progress correspond to provisions on undeveloped land acquired, and to provisions for losses upon completion on programs under development.

Note 3.5. Accounts receivable and other receivables

Accounts receivable represent receivables arising from the recognition of revenue according to the progression of the programs. They can be broken down into the following elements:

- Calls for funds, issued to clients at various stages of the work process, in accordance with the applicable regulations, which have not yet been settled;
- The difference that may exist between the calls for funds and the actual progression recorded at the end of the financial year.

This deferral generates the majority of these receivables; these receivables are non-payable.

Accounts receivable are evaluated at their contractual value. Receivables are subject to a review of the recovery risks to which they are exposed; if necessary, a provision for expected losses is established. The group considers that the credit risk (loss at maturity) is insignificant, as most of its business is carried out within a regulatory framework that offers security for the payment of accounts receivable.

(in thousands of euros)	November 30, 2022			November 30, 2021		
	Gross	Impairment	2022 Net	Gross	Impairment	2021 Net
ACCOUNTS RECEIVABLE	511,930	-395	511,535	457,183	-635	456,548
Statement - VAT	159,919		159,919	148,685	-171	148,514
Advances and down-payments	1,973		1,973	5,294		5,294
Partner current accounts	12,842		12,842	11,669		11,669
Other financial receivables			0			0
Receivables due from notaries	2,802		2,802	3,047		3,047
Other	13,530	-3,345	10,185	21,694	-2,599	19,095
OTHER RECEIVABLES TOTAL	191,067	-3,345	187,722	190,388	-2,770	187,618
STATEMENT - CURRENT TAX	4,863		4,863	254		254
PREPAID EXPENSES	972		972	588		588
TOTAL ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES	708,831	-3,741	705,091	648,413	-3,405	645,008

All "Accounts receivable" and "Other receivables" reach maturity within one year.

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The variation in depreciation can be broken down as follows:

<i>(in thousands of euros)</i>	November 30, 2021	Charges	Used reversals	Unused reversals	November 30, 2022
Accounts receivable	635	0	-57	-183	395
Other receivables and VAT	2770	1300	-725		3,345
TOTAL	3,405	1,300	-782	-183	3,741

There were no significant additions to or reversals of provisions for accounts receivable and other receivables over the course of the year.

Note 3.5.1. Accounts receivable

The difference between net accounts receivable, amounting to 511.5 million euros, and outstanding calls for funds, amounting to 84.4 million euros (after impairment) or 427.1 million euros (before impairment), corresponds to the difference between the contractual calls for funds and the revenue recognised for the progression of programs. The receivables corresponding to this difference are recorded excluding taxes.

As a general rule, given that the notary drafting the deed is obliged to ensure that the financing for the sale is secured at the time of signing the said deed, provisions for depreciation of accounts receivable are rare.

Receivables beyond 90 days are essentially composed of late payments on calls for funds for lots that have not yet been delivered to buyers. Receivables for which the group considers that there is a risk of non-recovery are provisioned for the amount of 0.4 million euros.

The usual payment conditions for calls for funds are applicable from receipt of these calls for funds.

At November 30, 2022, the precedence for calls for funds was as follows:

<i>(in millions of euros)</i>	November 30, 2022		November 30, 2021	
	Value	In %	Value	In %
• Non-payable	6.4	7.5%	4.8	6.3%
• Less than 30 days	63.5	75.2%	59.5	78.0%
• from 30 to 60 days	11.5	13.6%	6.1	8.0%
• from 60 to 90 days	1.3	1.6%	2.2	2.8%
• Beyond 90 days	1.8	2.1%	3.7	4.8%
TOTAL CALLS FOR FUNDS	84.4		76.3	

Note 3.5.2. State - VAT

At November 30, 2022, the "VAT" item includes the deductible VAT on supplier invoices, recorded for the amount of 39.5 million (45.7 million euros in 2021), the VAT recorded on invoices not yet received related to the recognition of costs on the program stage of completion for the amount of 92.3 million euros (82.8 million euros in 2021), and VAT credits for the amount of 28.2 million euros (20.1 million euros in 2021).

Note 3.5.3. Partners' current accounts

This item reflects the share of loss allocated to minority shareholders that has not been settled at November 30, 2022, on operations consolidated using the global integration method. A provision of 8.2 million euros has been set aside to hedge the current accounts of indebted partners presenting a risk of non-recoverability (see Note 8.1 "Provisions").

Note 3.5.4. Other

The item "Other" namely includes two partner loan receivables, one for the amount of 1.2 million euros, which is fully provisioned in view of the dispute between the group and this partner, the payment in respect of the URSSAF adjustment for 0.5 million euros (see Note 8.1 "Provisions"), the sums paid in respect of the dispute regarding the Roissy Park operation (Note 8.2 "Contingent liabilities") for 0.6 million euros, the insurance premiums paid in 2022 to be re-invoiced to the programs for 1.1 million euros, and a receivable due by ETPÉ PROMOTION for 1.2 million euros, repayable by deduction from the fees to be invoiced by the partner or by no later than 31/12/2023.

Note 3.6. Breakdown of changes in working capital requirements

<i>(in thousands of euros)</i>	November 30, 2021	Variation in WCR of the CFS	Scope variation	Other variations in the WCR	November 30, 2022
Inventories	421,875	25,037		222	447,134
Clients	456,547	54,972	15		511,534
Accounts payable	-800,550	-37,210	-1,046	-3,257	-842,063
Other operating assets and liabilities	53,275	15,584	333	-142	69,050
OPERATING WORKING CAPITAL REQUIREMENT (CASH FLOW STATEMENT)	131,148	58,383	-698	-3,177	185,655
Current tax	-17,483	21,837			4,354
WORKING CAPITAL REQUIREMENT	113,665	80,219	-698	-3,177	190,009

The change in operating working capital (excluding current taxes) in 2022 presented an increase of 54.5 million euros compared with the data from November 30, 2021.

Note 3.7. Counterparty risk management

Counterparty risks for the group potentially concern suppliers/subcontractors, client accounts and bank counterparties.

Given the multiple nature of the accounts payable and subcontractors, their insolvency shouldn't have a significant impact on business. Kaufman & Broad considers that the counterparty risk related to client accounts is very limited, given the large number of clients and the fact that the sale deeds are signed exclusively in the presence of a notary, the financing of the property acquisition having generally been obtained beforehand.

The credit risk attached to the client is managed by the relevant agency and supervised by head offices. Given its business, the group is subject to a slight exposure to client default risks. The term of accounts receivable is reviewed on a monthly basis.

The group invests its cash, cash equivalents and marketable securities with leading financial institutions.

The Kaufman & Broad group concludes interest rates agreements with top-tier financial institutions.

Some programs are developed by the group based on capital and current account contributions from partners that are external to Kaufman & Broad. Due in particular to the economic and financial situation, some of the group's partners in joint-development transactions may fail to execute the property program and may not be able to honour their commitments, resulting in the company being obliged to meet the cash requirements generated by the property programs concerned.

Note 4. Compensation and employee benefits

Note 4.1. Payroll expenses

Expenses for staff registered on the payroll of group companies are itemised as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Salaries (excluding retirement benefits and employer's contributions)	-50,177	-46,407
Retirement benefits: Benefits paid	-42	-37
Employer's contributions	-1,065	-963
SALARIES	-51,284	-47,407
Expenses related to Bonus shares	-2,566	-1,771
SALARIES AND OTHER COMPENSATION	-53,850	-49,178
Social contributions	-24,516	-23,075
Payroll taxes	-1,265	-1,034
Social security contributions Retirement benefits	-111	-87
TAX AND SOCIAL SECURITY CHARGES	-25,892	-24,196
TOTAL PAYROLL EXPENSES	-79,742	-73,374
Average number of employees (full-time equivalent)	817	818

Note 4.2. Provisions for retirement benefits

The group has no commitment other than retirement benefits, which are covered by a provision included in the group's consolidated financial statements.

This provision is assessed by an independent expert.

The actuarial method used corresponds to the projected unit credit method. This method consists of assessing, for each employee, the amount of the indemnity corresponding to the projected salary at the end of their career, and the fees applied to the length-of-service accumulated at the date of the valuation. The amount of the indemnity, thus assessed, is updated and its probability is calculated using the mortality table and the staff turnover table.

Actuarial gains and losses are recognised in full and directly under other comprehensive income in the period in which they arise.

- Average rate of salary increase: 3.80% for employees under 40 and 2.20% for employees aged 40 and over;
- Inflation rate: 2.00%;
- Retirement age of 64 for all staff categories;
- Average annual turnover rate of: 9.8% for managers and 7.1% for non-managers, with a differential rate calculated on the average of the last three years applied by age group.

The discount rate used by the company, based on market conditions, is calculated using obligations with a duration similar to the estimated duration of the employee benefit obligations.

There are no plan assets for retirement benefit plans.

This provision includes the social security charges that the company should pay if it requires the retirement of employees in accordance with the applicable social legislation.

The assumptions used to calculate retirement benefits are as follows:

- Discount rate: Interest rate on "AA" corporate bonds (value determined by the IBOXX index) of 3.5%;

The following table presents the breakdown of the components of the expense for the year, in respect of end of career benefits:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Current service cost ^(a)	153	125
Interest cost ^(b)	46	31
EXPENSE RECOGNISED IN THE INCOME STATEMENT	199	156

The change in the provision is as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Opening net liabilities	6,648	7,119
Cost for the period	395	304
Benefits paid	-196	-147
Scope variation	14	0
Actuarial gains and losses (recognised in other comprehensive income)	-1,370	-628
NET LIABILITIES AT END OF PERIOD	5,491	6,648

(a) Total actuarial gains and losses at November 30, 2022 amounted to 1.4 million euros, compared to an income of 0.6 million euros at November 30, 2021. This change is mainly due to the discounting of the turnover rate and the updating of the discount rate.

(b) At November 30, 2022, net liabilities would increase to €5,613,000 with a discount rate of 3.25% and to €5,374,000 with a discount rate of 3.75%.

The commitment history of actuarial gains and losses generated breaks down as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021	November 30, 2020	November 30, 2019	November 30, 2018
Commitment	5,491	6,648	7,119	7,907	7,072
Financial assets	-	-	-	-	-
FINANCIAL HEDGING	5,491	6,648	7,119	7,907	7,072
Actuarial (gains) and losses generated on the commitment	-1,370	-628	-555	804	345

Note 4.3. Share-based payments

In compliance with the standard IFRS 2 "Share-based payment", the share subscription and purchase options, offers reserved for employees and allocations of bonus shares concerning Kaufman & Broad shares granted to employees and corporate officers of the group are evaluated on the awarding date.

The group values the benefits granted to employees at fair value on the date of right allocation. The value of purchase options and subscription for shares and bonus shares is namely based on the market price and the term of the option, the current price of the underlying shares, the expected volatility of the share price, the dividends expected for the shares, the likelihood of application of the option, and the risk-free interest rate for the life span of the option. This value is recorded in the administrative costs in a linear manner between the allocation date and the acquisition date for the shares, with a direct counterpart in equity.

Note 4.3.1. Bonus share allocation plan

Over the financial year, the Board of Directors decided to implement 2 new free share plans on 25 February 2022 pursuant to the authorisation of the Shareholders' Meeting of 2 May 2020.

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Bonus share plan	February 2020 Plan 2	February 2021 Plan 1	February 2021 Plan 2	February 2022 Plan 1	February 2022 Plan 2
Date of authorisation by the Extraordinary Shareholders' Meeting	02 May, 19	05 May, 20	05 May, 20	06 May, 21	06 May, 21
Number of bonus shares available to be awarded	156,783	250,000	146,351	250,000	118,447
Date of Board of Directors meeting awarding the shares	27-Feb-20	26-Feb-21	26-Feb-21	25-Feb-22	25-Feb-22
Number of beneficiaries	1	779	1	814	1
Types of shares	Existing	Existing	Existing	Existing	Existing
Number of bonus shares awarded	10,000	103,649	10,000	131,553	10,000
Expired shares	4,250	19,665	0	22,696	0
Outstanding shares at November 30,, 2022	5,750	83,984	10,000	108,857	10,000
Market value on date of awarding	€37.38	€36.55	€36.55	€33.00	€33.00
Acquisition date	27-Feb-23	26-Feb-23	26-Feb-24	25-Feb-24	25-Feb-25
Availability date	27-Feb-24	26-Feb-25	26-Feb-25	25 Feb 26	25 Feb 26
Initial fair value of plan	196,976	2,121,053	189,985	2,516,007	186,241
Model input data:	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model
• Exercise price	-	-	-	-	-
• Loss of share liquidity (% of the forward price)	1%	1%	1%	1%	1%
• Expected dividends (in % of capitalisation)	€2.50 per share	€1.85 to €2.50 per share	€1.85 to €2.50 per share	€1.95 per share	€1.95 per share
• Risk-free interest rate (market rate)	-0.48%	-0.46% to - 0.52%	-0.46% to - 0.52%	-0.33% to 0.10%	-0.33% to 0.10%
• Loan/borrowing rate for securities					
• Forward price discounting rate	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps
• Turnover rate	0% for the Chairman	0% for the Chairman, 13.60% for key managers, 22.15%/year for others	0% for the Chairman	0% for the Chairman, 14.63% for key managers, 18.47%/year for others	0% for the Chairman

Based on the performance criteria assessed at the Compensation Committee meeting held on 16 January 2023, 5,750 shares were awarded under Plan 2 of 27 February 2020.

Free share plans generated an expense of 1.9 million euros in 2022, detailed as follows, recognised in the income statement with an offsetting entry under equity

(in thousands of euros)	Plan 21/02/19 No. 2	Plan 27/02/20 No. 1	Plan 27/02/19 No. 2	Plan 26/02/21 No. 1	Plan 26/02/21 No. 2	Plan 02/25/22 No. 1	Plan 02/25/22 No. 2	Total
Initial value	164	2,075	197	2,121	190	2,121	190	7,058
Expenses for the period	-79	126	66	804	63	848	47	1,875

Note 4.4. Executive Compensation (connected parties)**Terms and conditions of transactions with connected parties**

Apart from transactions with Artimus Participations, relations with connected parties, including the terms and conditions of executive Compensation, remained comparable to those of 2021, and no other unusual transactions, in terms of nature or amount, occurred over the period.

Group management

The group did not grant any loans to members of the group's administrative or management bodies in 2021 or 2022.

Compensation of members of the administrative and management bodies

The table below shows the Compensation of persons who are at the end of the year, or who were, over the course of the year, members of the group's administrative and management bodies.

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Short-term benefits excluding employer's contributions ^(a)	4,096	3,614
Short-term benefits: Employer's contributions	1,869	1,941
Post employment benefits - balance sheet impact ^(b)	-	-
Other long-term benefits ^(c)	-	-
Termination benefits	-	-
Directors' fees ^(d)	365	297
Share-based Compensation	-	-
Allocation of stock options (quantity)	-	-
Allocation of Bonus shares (quantity)	26,500	28,800

(a) Includes gross salaries, Compensation, bonuses, profit-sharing and benefits in kind paid for the year. Compensations relate to members of the Management Committee.

(b) Retirement benefit payments.

(c) Other Compensation acquired but due on a long-term basis.

(d) Compensation paid only to non-executive corporate officers.

Defined contribution pension plans

Members of the Management Committee, including the corporate officer, Nordine Hachemi, are covered by a supplementary, defined contribution pension plan.

For the 2022 financial year, the amount recognised as expenditure by our company in respect of this pension plan amounts to 61,500 euros (177,000 euros at November 30, 2021).

Note 5. Intangible assets and property, plant and equipment

Note 5.1. Goodwill

Goodwill is determined on the date control is obtained. The accounting for the company regrouping is finalised over the evaluation period, namely 12 months from the date of control takeover. The impact of later variations in percentage that have no effect on control is reflected in equity. The debt associated with a price adjustment clause is accounted for at fair value from the acquisition date. Any change in the fair value of the debt is generally recorded in the income statement.

The *main goodwill* of the consolidated companies by Cash-Generating Unit (CGU) can be broken down as follows:

<i>(net value in thousands of euros)</i>	November 30, 2022	November 30, 2021
Île de France	8,346	8,346
Kaufman & Broad Sud-Ouest	47,287	47,287
Serge Mas Promotion	150	150
Résidences Bernard Teillaud	12,878	12,878
TOTAL GOODWILL	68,661	68,661

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Balance at start of period	68,661	68,661
Increase		
impairment loss		
BALANCE AT END OF PERIOD	68,661	68,661

The goodwill was tested for impairment loss in accordance with the principles described in Note 5.4 "Impairment losses on fixed assets". They led the conclusion that there was no impairment loss at November 30, 2022. The recoverable value used was based on the going concern value.

Note 5.2. Other intangible assets

Intangible assets mainly include the valuation of the Kaufman & Broad brands and logos. The life span of this asset is undetermined and therefore is not subject to amortisation, but is rather subject to impairment loss testing on either an annual basis or upon identification of an impairment loss indicator.

Other intangible assets consist of software and software development costs, which are recognised at acquisition or production cost and are amortised on a straight-line basis over their useful life span, which generally does not exceed 5 years.

Other intangible assets are broken down as follows:

<i>(in thousands of euros)</i>	November 30, 2022			November 30, 2021
	Gross value	Total amortisations	Net value	Net value
Kaufman & Broad brand	80,422		80,422	80,422
Other intangible assets	46,420	-34,942	11,477	10,735
INTANGIBLE ASSET TOTAL	126,842	-34,942	91,899	91,157

The brand is subject to comprehensive impairment loss testing with goodwill (see Note 5.4. "Impairment losses on intangible assets").

The evolution of the net value of intangible assets is analysed as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Balance at start of period	91,157	91,060
Newly consolidated companies	569	
Acquisition of intangible assets	3,482	3,890
revenues, write-offs and change in scope of consolidation		-2
Amortisation expenses	-3,752	-3,791
Other movements	444	
BALANCE AT END OF PERIOD	91,899	91,157

Acquisitions of intangible assets and amortisation charges only concern computer software.

Note 5.3. Right-of-use assets (IFRS 16)

Processing of lease agreements in accordance with IFRS 16

Since 1st November 2019, the group has applied IFRS 16 - IFRS 16 introduces the recognition of a right of use and a lease liability at the inception of each lease, with the possible exception of short-term leases (with a term of up to 12 months) and leases of low-value assets. A lease liability is recognised in the balance sheet from the creation of the lease agreement at the present value of future payments.

These contracts are recorded as "long-term lease liabilities" and "short-term lease liabilities" on the liabilities side of the balance sheet, with "Right-of-use assets relating to leases". They are amortised over the term of the lease agreement, which generally corresponds to the effective term of the agreement, unless it has been re-estimated based on an economic approach to determine the reasonably certain useful life.

The application of IFRS 16 on lease agreements had a gross impact of 40.2 million euros under the Right-of-use assets heading at November 30, 2022.

The following assumptions have been selected for the accounting estimation:

- Leasing term: Final contractual maturity of the lease, or for 3/6/9 leases, the selected term is 9 years
- Discount rate used given the group's centralised financing: Use of a debt ratio close to the published net rate

Lease agreements prior to 2022:

- Lease agreements with a lease term of 48 months or less: 1.5%
- Lease agreements with a lease term of more than 48 months: 3%

New 2022 contracts:

- Lease agreements with a lease term of 48 months or less: 1.5%
- Lease agreements with a lease term of more than 48 months: 6%

<i>(in thousands of euros)</i>	November 30, 2021	Acquisitions	Amortisation	Other movements	November 30, 2022
Buildings	25,260	34,189		-11,341	48,108
Stores	1,483	6		-22	1,466
Vehicles	1,414	560		-22	1,953
IT equipment	92			-59	33
TOTAL GROSS RIGHT-OF USE ASSETS	28,249	34,755	0	-11,443	51,561
Buildings	-11,774		-9,123	11,156	-9,741
Stores	-380		-230	22	-589
Vehicles	-507		-518	20	-1,004
IT equipment	-74		-18	61	-31
TOTAL AMORT. RIGHT-OF USE ASSET	-12,735	0	-9,889	11,260	-11,365
TOTAL RIGHT-OF USE ASSET NET VALUE	15,514	34,755	-9,889	-183	40,196

Note 5.4. Investment Properties (IAS40 and IFRS13)

IAS40 leaves the choice of accounting method used for assets classified as investment property, with the options of the fair value model and the cost model. The group uses the fair value model to measure its investment property. The fair value of investment property is the price that would be received from the sale of an asset in a typical transaction between market participants on the measurement date. Fair value is determined in accordance with IFRS 13.

Each asset classified as investment property is valued separately by an independent property expert. As of November 30, 2022, no impact had been recognised in the financial statements.

<i>(in thousands of euros)</i>	November 30, 2022			November 30, 2021
	Gross value	Fair value measurement	Adjusted Value	Adjusted Value
Investment property commissioned	19,876		19,876	
Investment property in progress			0	11,818
Total net property, plant and equipment	19,876	0	19,876	11,818

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
INVESTMENT PROPERTY OPENING BALANCE	11,818	0
Acquisitions of property, plant and equipment	7,924	12,445
revenues, scrapping and variation of scope	134	-627
GROSS PROPERTY, PLANT AND EQUIPMENT CLOSING BALANCE	19,876	11,818
FAIR VALUE ADJUSTMENT OPENING BALANCE	0	0
Fair value adjustment through profit or loss		
revenues, scrapping and variation of scope		
PROPERTY, PLANT AND EQUIPMENT IMPAIRMENT LOSS AMORTISATION CLOSING BALANCE	0	0
ADJUSTED INVESTMENT PROPERTY BALANCE	19,876	11,818

Note 5.5. Other property, plant and equipment

Tangible fixed assets are accounted for at their acquisition cost. The amortisation is calculated based on the expected consumption rates of the economic advantages by asset element, on the basis of the acquisition cost, deducted by a residual value if necessary.

For this purpose, the linear method is generally selected for the following terms:

- Fittings, fixtures and fittings: 9 years;
- Construction equipment: 5 years;
- Transport equipment: 5 years;
- Office equipment: 5 years;
- Office furniture: 10 years;
- It equipment: 3 years.

Property, plant and equipment break down as follows:

<i>(in thousands of euros)</i>	November 30, 2022				November 30, 2021
	Gross value	Total amortisations	Provisions for impairment	Net value	Net value
Land					
Fixtures and fittings	16,166	-8,335		7,831	2,834
Other tangible assets	13,013	-9,804		3,209	2,689
Outstanding	30			30	24
TOTAL NET PROPERTY, PLANT AND EQUIPMENT	29,209	-18,139	0	11,070	5,546

The other tangible fixed assets integrate office fittings and furnishings for the group's head offices and its various agencies.

The evolution of the value of property, plant and equipment assets is analysed as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
GROSS PROPERTY, PLANT AND EQUIPMENT OPENING BALANCE	26,222	27,076
Acquisitions of property, plant and equipment	8,119	1,321
revenues, scrapping and variation of scope	-5,132	-2,175
GROSS PROPERTY, PLANT AND EQUIPMENT CLOSING BALANCE	29,209	26,222
PROPERTY, PLANT AND EQUIPMENT IMPAIRMENT LOSS AMORTISATION OPENING BALANCE	-20,676	-21,098
revenues, scrapping and variation of scope	4,813	2,161
Depreciation (net of reversals)	-2,776	-2,427
Provisions for impairment (net of reversals)	500	687
PROPERTY, PLANT AND EQUIPMENT IMPAIRMENT LOSS AMORTISATION CLOSING BALANCE	-18,139	-20,676
PROPERTY, PLANT AND EQUIPMENT NET BALANCE	11,070	5,546

Note 5.6. Impairment losses on fixed assets

Cash-Generating Units

Cash-Generating Units (CGU) constitute standardised sets of assets, the use of which continuously generates cash income which is largely independent of the cash income generated by other asset groups. The CGUs selected by the Kaufman & Broad group are as follows (comprehensive list):

- Kaufman & Broad Paris;
- Kaufman & Broad Île de France;
- Kaufman & Broad Sud Ouest;
- Résidences Bernard Teillaud;
- Kaufman & Broad Rhône Alpes;
- Kaufman & Broad Méditerranée;
- Kaufman & Broad Ouest;
- Kaufman & Broad Pyrénées Atlantiques;
- Kaufman & Broad Côte d'Azur;
- Kaufman & Broad Flanders;
- Kaufman & Broad Immobilier d'entreprise et Logistique;
- Kaufman & Broad Est.

Impairment testing

For goodwill and intangible assets with an indefinite useful life span, impairment testing is performed at least once a year, in order to ensure that the net book value of goodwill and non-depreciable intangible assets allocated to each of the CGUs or CGU groups is at least equal to the recoverable value.

Property, plant and equipment and intangible assets are subject to depreciation when, due to events or circumstances that occurred over the period (obsolescence, physical deterioration, significant changes in the method of use, lower than expected performance, drop in revenues and other external indicators, etc.), their recoverable value appears lower than their net book value.

Impairment tests are performed by asset groups (Cash-Generating Unit), comparing their recoverable value with their net book value.

The need to recognise an impairment loss is assessed by comparing the book value of the assets and liabilities of the CGUs with their recoverable value. The recoverable value is the highest fair value between the net fair value of the disposal costs and the going concern value.

The net fair value of disposal costs is the best estimate of the net selling value of the disposal costs in transaction completed under normal competitive conditions between informed, willing parties. This estimate is determined on the basis of the market information available, taking into account specific situations.

The going concern value used by Kaufman & Broad corresponds to the cumulative free cash flows discounted over a 5 year period with a terminal value.

The discount rate used to determine the going concern value at November 30, 2022 was 7% (unchanged from November 30, 2021). The group only uses one discount rate as the geographic sectors and business sectors do not have specific characteristics that could affect the discount rate. This rate is calculated on the basis of the average cost of capital employed, and it includes a risk premium.

The group used forecasts prepared at the end of the year for the 2023-2027 period; these forecasts incorporate differentiated growth assumptions according to geographical sectors, which take into account current market conditions, their foreseeable developments in light of the general context, and uncertainties regarding the future outlook. The financial impacts of climate issues are assessed by the group as part of the work budgets for operations that must comply with the new construction standards (RT2020). The expected profit levels are consistent with the profit targets set by the Commitment Committee as well as the profit levels observed over previous years. Beyond the 5-year forecast horizon, the perpetual growth rate used to calculate the terminal flow value is equal to 0.5% (unchanged from November 30, 2021). This rate is lower than the average business growth rate over the 5-year forecast period.

Asset recoverability testing is carried out for each CGU and takes into account goodwill that has been allocated over the various acquisitions and assets with finite useful lives (tangible assets and net working capital requirements). The Kaufman & Broad brand, which has a net book value of 80.4 million euros (see Note 5.2 "Other intangible assets"), is not allocated to the group's CGUs and is subject to impairment testing at a group level, using the discounted cash flow method.

Assumption sensitivity tests were carried out to measure the impact of changes in the calculation scopes, based on changes deemed reasonably possible by executive management: Increase in the discount rate (50 basis points), decrease in the long-term growth rate (50 basis points), and increase in the working capital requirement rate (5 basis points). No potential impairment loss emerges with these deteriorated assumptions.

Note 6. Financing and financial instruments

Note 6.1. Financial assets and liabilities

Financial assets are classified and measured at the amortised cost. These are mainly receivables related to investments, loans, deposits and guarantees paid.

Financial liabilities are classified into three categories, comprising:

- Borrowings at amortised cost;
- Financial liabilities recognised at fair value in the income statement;
- Financial liabilities at fair value through other elements of comprehensive income

Current and non-current borrowings and financial liabilities

Disclosure Of Financial Instruments Explanatory

Transaction fees, which are directly attributable to the acquisition or issuance of a financial liability, are deducted from this financial liability. These fees are then amortised actuarially over the life span of the liability, using the EIR method.

The fraction of financial debts maturing within one year is presented under current liabilities.

Derivative financial instruments

Kaufman & Broad is exposed to market risk, particularly with regard to interest rate risk. In order to respond to and limit this risk, the group uses a certain number of derivative financial instruments.

The derivative instruments are evaluated at their fair value in the balance sheet. The variation in the fair value of the derivative instruments is recorded as a counterpart to the income statement, except in cases of hedging, as indicated below. There were no derivative instruments recorded in the financial statements at November 30, 2021

Cash flow hedging instruments

The group only uses future cash flow hedging instruments:

- A cash flow hedge is the hedging of the exposure to changes in cash flows that are attributable to a particular risk associated with a recognised asset or liability, or a forecast transaction (e.g., interest flows on floating-rate debt) and that would affect the reported net income;
- The effective part of the fair value variation for the hedging instrument is recorded under other elements in the comprehensive income. The variation in the value of the ineffective part of the hedging instrument is accounted for individually under financial cost income. The totals recorded under equity are included in the income statement symmetrically, using the hedging accounting method. There were no hedging instruments recorded at November 30, 2022.

Accounts payable and other debts

Given their short-term nature, the book values retained in the consolidated accounts are reasonable estimations at market value.

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Consolidated financial statements at November 30, 2022

Note 6.1.1. Book value and fair value of financial assets and liabilities by category

(in thousands of euros)	November 30, 2022				November 30, 2021			
	Fair value per income	Loans and receivables	Amortised cost	Book value	Fair value per income	Loans and receivables	Amortised cost	Book value
Financial assets								
Other non-current financial Assets			7,549	7,549			7,170	7,170
Accounts receivable			511,535	511,535			456,548	456,548
Other current receivables			187,722	187,722			187,619	187,619
Current tax			4,863	4,863			254	254
Cash flow and cash equivalents	100,998			100,998	189,460			189,460
FINANCIAL ASSET TOTAL	100,998	0	711,669	812,667	189,460	0	651,591	841,051
Financial liabilities								
Loans and borrowings			168,832	168,832			153,603	153,603
IFRS16 lease debt			41,901	41,901			14,989	14,989
Minority interest put debt	3,560			3,560				
trade payables			842,063	842,063			800,550	800,550
Current tax			509	509			17,737	17,737
Other current debts			118,463	118,463			133,800	133,800
FINANCIAL LIABILITY TOTAL	3,560	0	1,171,768	1,175,328	0	0	1,120,679	1,120,679

IFRS 13 requires a three level hierarchy of valuation techniques used to determine fair value. The categories are as follows:

- Level 1: Direct reference to unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access on the valuation date.
- Level 2: Inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are based on unobservable data.

(in thousands of euros)	November 30, 2022			November 30, 2021		
	Book value	FMV	Level	Book value	FMV	Level
Assets						
Cash flow and cash equivalents	100,998	100,998		189,460	189,460	
TOTAL ASSETS	100,998	100,998		189,460	189,460	
Liabilities						
Syndicated credit facility						
Bonds	150,000	150,000	3	150,000	150,000	3
Credit facilities used	3,889	3,889	3	2,173	2,173	3
Other borrowings and finance leases	14,943	14,943	3	1,431	1,431	3
ISSUANCE COSTS			3			3
Fair value of derivatives						
Total Liabilities (excluding impact of IFRS16 lease debt)	168,832	168,832		153,604	153,604	
IFRS 16 lease debt	41,901	41,901	3	14,989	14,989	3
Minority interest put debt	3,560	3,560	3			
TOTAL LIABILITIES	214,293	214,293		168,593	168,593	

Loans and receivables

The group considers that the balance sheet value of cash flow, accounts receivable and accounts payable is the most representative value of their market value, in light of the high degree of liquidity of these items.

Debts at amortised cost

With the exception of the bond loan, borrowings are at floating rates, and the group considers that their fair value is close to their book value.

Note 6.1.2. Gross financial debt

Gross financial debt consists of long-term and short-term financial liabilities, hedging financial instruments relating to liabilities comprising gross financial debt, and accrued interest on balance sheet items comprising gross financial debt.

Gross financial debt by nature

At November 30, 2022, gross financial debt could be broken down as follows:

(in thousands of euros)	November 30, 2022			November 30, 2021
	Current	Non-current	Total	
Syndicated loan facility ^(a)			0	0
Bond loan ^(b)		150,000	150,000	150,000
Issuance costs	-384	-197	-581	-965
Credit facilities used	3,889		3,889	2,173
Other borrowings and finance leases	2,322	13,203	15,525	2,396
Fair value of derivatives			0	0
GROSS FINANCIAL DEBT (EXCLUDING IMPACT OF IFRS16 LEASE PAYMENTS)	5,827	163,006	168,832	153,604
I FRS 16 lease debt	5,647	36,254	41,901	14,989
Financial liabilities on minority put options		3,560	3,560	
GROSS FINANCIAL DEBT	11,474	202,819	214,293	168,593

(a) The revolving credit facility (RCF) established in January 2019 was drawn and partially repaid in 2022. The maturity of this line has been extended from 31 January 2024 to 31 January 2025.

(b) The bond loans established in May 2017 mature as follows: The tranche of 50 million euros matures in late 2024, and the tranche of 100 million euros matures in late 2025.

(c) The group has taken out a new loan for a total of 12.3 million euros for the new Housing business.

At November 30, 2022, the group used 150 million euros in bond loans.

Bond loan

On May 18, 2017, as part of a private placement with institutional investors in Europe, Kaufman & Broad proceeded with the issuance of its first Euro PP bond loan for a total of 150 million euros. This private placement consists of a 7-year tranche of 50 million euros (maturing in May 2024) at an annual fixed rate of 2.879%, payable on 31 May of each year, and an 8-year tranche of 100 million euros (maturing in May 2025) at an annual fixed rate of 3.204%, payable on 31 May of each year.

This operation also enabled the group to diversify its financing sources, benefit from favourable market conditions, and substantially extend the average maturity of its debt.

Adjustment of financial ratios

For accounting periods starting in November 2017, until the repayment of the bond loan, the group is subject to two ratios, calculated on a consolidated basis, the levels of which have been defined as follows:

Ratios at end of each half-year period	Threshold at November 30, 2022	Ratio at November 30, 2022 *
Leverage ratio ⁽¹⁾	≤ 3.0	N/A
Debt-to-equity ratio ⁽²⁾	≤ 2.5	N/A

(1) Net Financial Debt (a) divided by the EBITDA (b) whereby:

(a) Financial debt refers to the gross financial debt with cash and cash equivalents deducted, and excludes certain subordinated debt and certain off-balance sheet commitments;

(b) The EBITDA refers to the net income of the consolidated group, namely before income taxes, financial income (including net financial fees, exchange rate losses and gains, and other financial costs), other exceptional and/or non-recurrent costs and revenues, excluding calculated costs (namely including charges or write-backs on amortisations and provisions, adjustments to fair value, costs or revenues associated with employee non-financial Compensation) and capital gains and losses on revenues of asset elements, and with the minority shareholder interest earnings deducted.

(2) Net Financial Debt (a) divided by adjusted equity (c);

(c) Adjusted shareholders' equity = consolidated shareholders' equity at November 30, 2016 + cumulative consolidated income from 1st December 2016 to the end of the quarter in question - dividends paid over the period in question + cumulative impairment charge from 1st December 2016 to the end of the quarter in question.

* These ratios will cease to apply from the date on which the company obtains a rating of at least BBB- by Standard & Poor's and/or Baa3 by Moody's and/or BBB- by Fitch. In 2022, the international rating agency Fitch awarded Kaufman & Broad S.A. an Investment Grade of BBB- with stable prospects. In particular, Fitch refers to Kaufman & Broad's solid business model and its high level of cash flow, supported by a limited working capital requirement in the project cycle. Kaufman & Broad is currently the only pure developer in continental Europe to have an Investment Grade rating. This note illustrates the strength of the group's financial structure, its operational efficiency, and its controlled investment strategy in Managed Residences)

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Senior Credit Agreement

On 31 January 2019, Kaufman & Broad SA signed a syndicated loan agreement for 250 million euros, with an initial maturity of 5 years. This credit substitutes the existing RCF and senior credits, respectively representing totals of 100 million euros and 50 million euros. The implementation of this Corporate *line* allows the company to extend the maturity of its resources and to improve their cost, whilst allowing for greater flexibility in use according to needs and opportunities, in addition to its available cash flow. The option of extending the agreement by one year, as initially provided for in the agreement signed in January 2019, extending the maturity to 31 January 2025, was authorised by the lenders in May 2020.

As a result, at November 30, 2022, the group had syndicated loans consisting of a revolving credit line (hereinafter referred to as the "Revolving Credit") for a principal amount of 250 million euros. At November 30, 2022, this line had not been drawn.

Furthermore, the 2019 Senior Credit Agreement anticipates that the applicable Margin for each Advance considered shall be determined (i) according to the level of the applicable Financial Gearing Ratio on each testing date, and (ii) according to the Annual CSR Criteria levels, and a positive or negative incentive mechanism will then be applied to the applicable margin.

Financial ratio adjustment

For the accounting half-year periods from November 2018 onwards, until the maturity of the Syndicated Loan Agreement, the group is required to respect two ratios, calculated on a consolidated basis, for which the levels have been defined as follows:

Ratios at the end of each half-year period	Threshold at November 30, 2022	Ratio at November 30, 2022
Leverage ratio ⁽¹⁾	≤ 3.0	-0.83
Debt-to-equity ratio ⁽²⁾	≤ 2.0	-0.21

(1) *Net Financial Debt (a) divided by the EBITDA (b) whereby:*

(a) *Financial debt refers to the gross financial debt with cash and cash equivalents deducted, and excludes certain subordinated debt and certain off-balance sheet commitments;*

(b) *The EBITDA refers to the net income of the consolidated group, namely before income taxes, financial income (including net financial fees, exchange rate losses and gains, and other financial costs), other exceptional and/or non-recurrent costs and revenues, excluding calculated costs (namely including charges or write-backs on amortisations and provisions, adjustments to fair value, costs or revenues associated with employee non-financial Compensation) and capital gains and losses on revenues of asset elements, and with the minority shareholder interest earnings deducted.*

(2) *Net Financial Debt (a) divided by adjusted equity (c);*

(c) *Adjusted shareholders' equity = consolidated shareholders' equity at November 30, 2017 + cumulative consolidated income from 1st December 2017 to the end of the quarter in question - dividends paid over the period in question + cumulative impairment charge from 1st December 2017^{to} the end of the quarter in question.*

Finally, the 2019 Syndicated Loan Agreement stipulates that, in the event of a change of control of Kaufman & Broad SA, all commitments will be automatically cancelled and all outstanding advances, as well as any accrued interest, any reinvestment costs, and any other amounts due in respect of the financing documents will automatically become due and payable on the date of such a change of control. Under the terms of the 2019 Syndicated Loan Agreement, a change of control refers to any event by which one or more persons, acting alone or jointly, come to hold control of the Borrower, within the meaning set out in Article L.233-3 of the French Commercial Code, without this event having been recommended by the Board of Directors of the Borrower; it being specified that the term "acting jointly" bears the meaning assigned to it by Article L.233-10 of the French Commercial Code.

Undrawn syndicated lines of credit

(in thousands of euros)	November 30, 2022	November 30, 2021
Undrawn RCF line	250,000	250,000

Gross financial debt variation

Gross financial debt on November 30, 2021 (exc. IFRS16 lease debt)	153,604
Issuance costs	384
Senior debt repayment	
Change in other borrowings ^(a)	13,129
Change in fair value of derivative instruments	
Change in credit facilities	1,716
Change in long-term non-controlling put liabilities	3,560
GROSS FINANCIAL DEBT AT NOVEMBER 30, 2022 (EXCLUDING IFRS16 LEASE DEBT)	172,393
IFRS 16 LEASE DEBT ON NOVEMBER 30,, 2021	14,989
IFRS16 lease debt at November 30, 2021	26,911
GROSS FINANCIAL DEBT AT NOVEMBER 30, 2022 (EXCLUDING IFRS16 LEASE DEBT)	214,293

(a) This amount incorporates the payment of accrued interest.

Note 6.1.3. Net financial debt

Cash flow and cash equivalents

Cash flow and cash equivalents comprise cash and demand deposits and cash equivalents within the meaning set out under IAS 7: These are short-term investments, generally less than three months, which can easily be converted into a known amount of cash, not subject to significant risks of change in value, and denominated in euros (mainly SICAV and Monetary mutual investment funds and deposit certificates).

Upon each balance sheet closing, short-term investments are measured at fair value and any difference is recognised in the income statement.

The group's cash flow and cash equivalents can be broken down as follows:

(in thousands of euros)	November 30, 2022	November 30, 2021
Bank balances and cash in hand ^(a)	99,412	188,102
Short-term investments and demand deposits		
Order balances ^(b)	1,586	1,358
CASH FLOW AND CASH EQUIVALENTS	100,998	189,460

(a) In accordance with the provisions of the French Construction and Housing Code, the payment of any amount due by program companies to their partners may only be made up to and within the strict limit of the sums that the program companies will have free disposal of as the construction operations are completed.

(b) Order balances represent 5% deposits paid by clients when they sign their order, made to a property deposit bank account. These amounts are released and therefore available upon execution of the notarised deed of sale.

Net financial debt

The net financial debt constitutes the gross financial debt, as defined above, with the cash flow and cash equivalents deducted.

The balance sheet elements contributing to the net financial debt are as follows:

(in thousands of euros)	November 30, 2022	November 30, 2021
Gross financial debt (excluding IFRS16 lease debt)	172,393	153,604
Cash flow and cash equivalents	100,998	189,460
NET FINANCIAL DEBT (EXCLUDING IFRS 16 LEASE DEBT)	71,395	-35,856
IFRS16 lease debt	41,901	14,989
NET FINANCIAL DEBT	113,296	-20,867

Note 6.2. Exposure to market risks and financial instruments

Note 6.2.1. Management of interest rate risk

Fair value measurements are detailed by level, according to the following fair value hierarchy: The instrument is quoted in an active market (level 1); the valuation uses valuation techniques based on observable data, directly (price) or indirectly (price derivatives) (Level 2); at least one significant component of fair value is based on unobservable data (Level 3). The fair value of financial instruments traded in active markets is based on quoted prices on the balance sheet date. A market is considered active if the listings are easily and regularly available from a Stock Exchange, dealers, brokers, evaluators or a regulatory agency, and if these listings are based on compliant transactions. These instruments are classified as Level 1. The Fair value of financial instruments that are not quoted in an active market (e.g., over-the-counter derivatives) is determined using valuation techniques. These various methods maximise the use of observable market data, if available, and are rarely based on the group's own estimations. If all of the elements required to calculate the fair value of the instrument are observable, this instrument is classified as Level 2. If one or more of the main calculation elements are not based on observable market data, the instrument is classified as Level 3.

The interest rate risk management policy aims to limit and control interest rate variations and their repercussions on the group's income and cash flow, in order to ensure that the comprehensive debt costs remain within an acceptable range. To achieve this objective, the group hedges the interest flows from its floating-rate loans with interest rate swaps. These swaps constitute derivatives which hedge the cash flows. They are accounted for in the balance sheet at their fair value. Kaufman & Broad's accounting uses cash flow hedging.

The interest rate risk hedging is ensured through instruments listed on regulated markets, or over-the-counter instruments, with top-tier arrangements.

Since the first half of 2019, the group no longer records any hedging instruments.

The group's net debt exposure at November 30, 2022 was:

Instrument type	Floating/fixed	< 1 year	1 to 5 years	> 5 years
Syndicated lines of credit				
Bond loan	Fixed	2,322	150,000	12,490
Credit facilities	Floating	3,889		
Financial liabilities		6,211	150,000	12,490
Bank balances and cash in hand ^(a)	Floating	99,412		
Short-term investments	Floating			
Order balances	Floating	1,586		
Financial assets		100,998	0	0
Net position before hedging		-94,787	150,000	12,490
Swap				
NET POSITION AFTER HEDGING		-94,787	150,000	12,490

(a) In compliance with the provisions of the French Construction and Housing Code, the payment of any amount due by the program companies to their partners may only be made up to and within the strict limit of the sums that the program companies will have at free disposal as the construction operations are completed.

Financial asset and liability sensitivity to rate variations

Assumptions: EURIBOR 1 month at -0.101%

A 50-basis point increase or decrease in interest rates of 10 basis points on the above liabilities would have the following impact on pre-tax income:

- Upward: -€82,000;
- Downward: +€16,000.

The group's net debt exposure at November 30, 2022 was:

Instrument type	Floating/fixed	< 1 year	1 to 5 years	> 5 years
Syndicated lines of credit				
Bond loan	Fixed	2,322	150,000	
Credit facilities	Floating	2,173		
Financial liabilities		4,495	150,000	-0
Bank balances and cash in hand (a)	Floating	188,102		
Short-term investments	Floating			
Order balances	Floating	1,358		
Financial assets		189,460	-0	-0
Net position before hedging		-184,965	150,000	-0
Swap				
NET POSITION AFTER HEDGING		-184,965	150,000	-0

(a) In compliance with the provisions of the French Construction and Housing Code, the payment of any amount due by the program companies to their partners may only be made up to and within the strict limit of the sums that the program companies will have at free disposal as the construction operations are completed.

Note 6.2.2. Share risk management

The company's exposure to share-related risks is measured, as:

- Treasury shares are held either to hedge the objectives described in the buyback program for shares, including stock option plans and bonus shares, or as part of the liquidity agreement. The impact of all of these shares and price fluctuations is described in Note 7.1.4 "Treasury shares".

Note 6.2.3. Liquidity risk management

The following table presents the group's contractual obligations regarding the payment of interests, the repayment of financial debts excluding derivative instruments, and derivative instruments with positive and negative fair values. Floating-rate interest payments were calculated on the basis of the last known interest rates on November 30, 2022.

(in thousands of euros)	Value calculated at 30 Nov 2022										Book value at 30 Nov 2022	
	< 1 year		From 1 to 2 years		from 2 to 3 years		3 to 5 years		Over 5 years			Total
	Interest	Repay-ments	Interest	Repay-ments	Interest	Repay-ments	Interest	Repay-ments	Interest	Repay-ments		
Borrowings and financial liabilities												
Syndicated Lines of Credit											0	0
Bond loan	4,330		3,501	50,000	1,294	100,000					159,125	150,000
Other borrowings	505	6,347	274		274		548	712	578	12,490	21,728	19,413
TOTAL (EXCLUDING IFRS 16 LEASE DEBT AND DEBT ON MINORITY PUT OPTIONS)	4,835	6,347	3,775	50,000	1,568	100,000	548	712	578	12,490	180,853	169,413
Debt on minority put	146		146		146		292	3,560			4,290	3,560
IFRS 16 lease debt		5,511		7,458		5,475		9,088		14,233	41,765	41,901
TOTAL	4,981	11,858	3,921	57,458	1,714	105,475	840	13,360	578	26,723	226,908	214,874

Interest flows are settled monthly.

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Note 6.3. Cost of net financial debt

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Financial expenses	19,596	13,697
Financial income	-2,094	-1,531
NET COST OF FINANCIAL DEBT	17,502	12,166

The cost of net debt was €17.5 million at November 30, 2022, an increase of 5.3 million euros compared to 2021.

Financial expenses can be broken down as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Interest expenses on syndicated credit lines and bond loans	5,691	4,644
Interest expenses on <i>swaps</i>		
Charges for the deferral of arrangement fees for syndicated lines of credit	384	384
Financial costs on IFRS 16 lease debts	744	455
Expenses on dedicated operations	7,086	3,965
Fair value on <i>swaps</i>		
Provision charge on advances	2,840	1,823
Other	2,851	2,427
FINANCIAL EXPENSES	19,596	13,697

Interest charges on syndicated lines of credit and the bond loan are due for any drawing of these lines of credit. For the 2022 financial year, the bond loan was drawn for 150.0 million euros and the credit lines were drawn for an average of 37.7 million, compared with 150.0 million euros for the bond loan in 2021.

The overall effective rate of debt, taking into account the total amortisation of issuance costs incurred and hedges, was 4.10%, compared to 4.19% in 2021.

Cash income can be broken down as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Capital gain from liquidity Agreement sale	-127	-50
Income from financial interests on equivalence-integrated companies	-277	-503
Other financial income	-69	-198
Provision write-back on advances	-1,621	-779
Late interest payments		
FINANCIAL INCOME	-2,094	-1,531

Note 7. Shareholders' equity and income per share

Note 7.1. Shareholders' equity

Note 7.1.1. Change in capital

Capital reduction

Pursuant to the authorisation granted at the Shareholders' Meeting of 5 May 2020, the Board of Directors' meeting of 26 January 2022 moved to reduce the share capital by cancelling 400,000 treasury shares, for a total value of 14.2 million euros, thereby increasing the number of shares comprising the company's share capital from 21,713,023 to 21,313,023 shares

Capital increase reserved for group employees: KB Shares offering 2022

On 15 June 2022, Kaufman & Broad SA announced the launch of its "KB Actions 2022" shareholder offer with a leverage and investment

guarantee reserved for group employees who have registered for the savings plan.

On 12 October 2022, Kaufman & Broad SA recorded the capital increase resulting from subscriptions to the "KB Actions 2022" offer.

As in 2017 and 2019, the offer was highly successful. The membership rate of eligible employees was 53%; a total of 299,999 shares were subscribed through the "KB Actions 2022" compartment of the KB ACTIONS ESP, for a total amount of 5,774,981 euros.

The 299,999 new shares issued as part of the offer are ordinary shares, fully assimilated to existing shares and carrying current dividend rights.

<i>(in thousands of euros)</i>	30 Nov. 2021	Increase	Reduction	30 Nov 2022
Number of shares	21,713,023	299,999	-400,000	21,613,022
Nominal value (in €)	0.26	0.26	0.26	0.26
TOTAL (IN €K)	5,645	78	-104	5,619

Note 7.1.2. Consolidated reserves

At November 30, 2022, the consolidated reserves included a net income for the year (attributable net income) amounting to 49.0 million euros.

Note 7.1.3. Dividends

The Kaufman & Broad S.A. Shareholders' Meeting held on 5 May 2022 proposed to the shareholders that a cash dividend payment be issued for the year ended November 30, 2021.

The total cash dividend paid to shareholders amounted to €40.5M.

Note 7.1.4. Treasury shares

Purchases of treasury shares are recorded as a deduction from the equity based on their acquisition cost. On the sale of treasury shares, gains and losses are recorded under consolidated reserves at their amounts net of tax.

At November 30, 2022, the group held 1,053,314 shares, including 6,000 under a liquidity agreement. At November 30, 2021, the group held 673,755 treasury shares, 4,000 of which were held under the liquidity agreement.

Note 7.1.5. Non-controlling interests

At November 30, 2022, the non-controlling interests in the balance sheet amounted to 14.7 million euros and concerned 188 companies, including a receivable amount of 4.6 million euros.

At November 30, 2021, the non-controlling interests in the balance sheet amounted to 12.6 million euros and concerned 182 companies. Total non-controlling interests amounted to 3.0 million euros.

In order to take into account the risk associated with the recovery of non-controlling interests and current accounts receivable from one of its partners in joint-development operations, the group established a provision of 7.5 million euros in 2009, including 1.1 million euros in provisions for the impairment of receivables (Note 3.5.4 "Other") and 6.5 million euros in provisions for risks to cover current accounts receivable related to this partner. This provision has not changed over the course of the 2022 financial year.

In 2022, buybacks of non-controlling interests amounted to 2.5 million euros, compared with 2.0 million euros in 2021. The difference between the price paid and the corresponding reduction in non-controlling interests is offset by attributable equity.

Note 7.1.6. Acquisition of new entities

At November 30, 2022, the purchase of shares in new entities for 1.0 million euros generated goodwill, allocated in the inventory for 0.7 million.

In 2022, a liability of 3.6 million euros on minority put options was recognised against equity.

Note 7.2. Earnings per share

In accordance with IAS 33, the group presents basic and diluted earnings per share.

The basic earnings per share are calculated by dividing the net income for the financial year that is attributable to the group's shareholders by the average number of ordinary shares that are paid in full over the course of the financial year.

Diluted earnings per share are calculated using the share buyback method. They're calculated based on the net income attributable to the group's shareholders, corrected by the financial cost of dilution instruments, net of the corresponding tax effect.

The number of shares used for calculating the diluted earnings takes into account the conversion of unexpired dilution instruments into ordinary shares over the relevant period.

In order to ensure the comparability of the earnings per share presented, the average weighted numbers of shares in circulation over the financial year and also over previous financial years have been adjusted in the event of a capital increase made at a price lower than the market price.

Treasury shares deducted from consolidated equity are not taken into account in the calculation of earnings per share.

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Attributable net income	49,008	43,865
Average number of shares outstanding	20,990,005	21,245,459
Adjustment for dilutive effect of share awards		
EARNINGS PER SHARE	€2.33	€2.06
DILUTED EARNINGS PER SHARE	€2.33	€2.06

Note 7.3. Capital risk management

The group's objectives in terms of capital management are to maintain the group's ability to ensure the continuity of its operations, so as to provide shareholders with profitability, and also to maintain an optimal capital structure in order to limit the cost of capital.

The group calculates its "Debt Ratio" as the net financial debt as a proportion of the total shareholders' equity. At November 30, 2022, the net financial debt amounted to 113.3 million euros (including an IFRS 16 debt of 41.9 million euros and a debt on minority put options of 3.6 million euros) compared to -20.9 million euros at November 30, 2021. Net financial debt in 2022 as a percentage of total equity was 46.9%, net financial debt (excluding IFRS 16 debt and non-controlling put debt) as a percentage of total equity was 28.1%, compared with -14% at November 30, 2021.

Note 8. Provisions- Contingent liabilities - Guarantees

Provisions are recognised when, at the closing of the financial year, the group has an obligation to a third party as a result of a past event, the settlement of which is expected to result in an outflow of resources representing economic benefits.

If necessary, this release of resources can be revised.

This obligation may be required by law, regulations or contractual terms. It may also result from the group's practices or public commitments that have created a legitimate expectation from the concerned third parties regarding the fact that the group will assume certain responsibilities.

The estimation of the total listed under provisions corresponds to the release of resources that the group will be likely to support in order to fulfil its obligation. If it proves impossible for a reliable valuation of this total to be generated, no provision will be accounted for; this is a potential liability.

Contingent liabilities correspond to potential obligations resulting from past events, the existence of which will be confirmed solely by the occurrence of uncertain future events which are not entirely under the company's control, or current obligations resulting from past events but which are not accounted for as it's unlikely that a release of resources representative of economic benefits will be required in order to fulfil the obligation, or if the total of the obligation cannot be evaluated with sufficient reliability. They are subject to information provided in Note 8.2 "Contingent liabilities".

The non-current provisions essentially include:

- A provision for risks to certain partners;
- Provisions for commercial and legal risks;
- Provisions for tax risks;
- And employee benefits.

Note 8.1. Provisions

The provisions are analysed in the following manner:

<i>(in thousands of euros)</i>	Provisions for associated risks	Provisions for tax risk	Provisions for social risks	Provisions for other risks	Value of investments in affiliates	Total
NOVEMBER 30, 2021	8,698	2,452	3,434	15,427		30,011
Allocations	102		773	3,044		3,919
Used reversals	-545	-165	-791	-1,426		-2,927
Unused reversals		-2,166	-97	-3,629		-5,892
Other movements	-57			57	2,252	2,252
NOVEMBER 30, 2022	8,198	121	3,319	13,473	2,252	27,363
Part maturing within one year	0	0	1,403	75		1,477

Provisions for associated risks

This provision of 8.2 million euros covers the risk related to defaulting partners, including 6.5 million euros for the risk relating to a partner following a dispute (see Note 7.1.5 "Non-controlling interests").

Provisions for tax risk

Following accounting audits carried out in 2015, a tax adjustment proposal was sent to a subsidiary of the Kaufman & Broad group by the tax authorities.

Kaufman & Broad has fully provisioned the redress for a total of 2.2 million euros and, on November 30, 2020, it recorded this total in the accounts of the group's parent company for tax integration. This is subject to a litigation procedure.

No collection notices were received before 31/05/2022. However, the delay caused by the Covid-19 pandemic may suggest that this deadline could be extended to 16/06/2022. Our advisers confirmed that the tax risk is now prescribed.

As a result, the provision of 2.2 million euros (including late payment penalties) recorded at the end of 2020 was reversed in Kaufman & Broad.SA's financial statements on 31/08/2022

Provisions for social risks

The provision for employee-related risks amounts to 1.5 million euros and covers disputes with former employees of the group.

A provision of 1.8 million euros covers the URSSAF revaluations notified to GIE Kaufman & Broad. This adjustment, which mainly concerns unpaid contributions to travel allowances, has been provisioned to the extent of the risk estimated by the company, as part of the documentation to be provided should reduce the amount of the adjustment.

Provisions for other risks

The provision for commercial and legal risks mainly covers ongoing disputes involving clients or suppliers on projects delivered and amounts to 13.4 million euros. A provision for the cost of renovating the head offices was established in May 2019 for a total 2.0 million euros, and this provision was increased to 2.4 million at November 30, 2021. This provision was reversed on November 30, 2022 and drawn for the amount of 0.8 million euros.

Note 8.2. Contingent liabilities

The litigation regarding the Roissy Park property operation, initiated in 1996, in which a claim was filed against a Kaufman & Broad subsidiary for misfeasance and diverse disorder, was subject to an order issued by the Court of Appeal of Paris on 17 April 2019 which overturned the ruling issued on 31 January 2013, which sentenced the said subsidiary to pay a sum of 6.6 million euros alongside diverse discounts or interests, mostly through the constructor and insurer guarantee, and declared all claims against it as time-barred, thus exonerating it. Pursuant to this ruling, the sums paid and received in respect of the provisional execution of the ruling of 31 January 2013 were returned. Under the terms of the ruling issued on 31 January 2013, this subsidiary was financially liable for the amount of 0.9 million euros, provisioned for the amount of 0.3 million euros, and it had also pre-financed an amount of 2.0 million. In the first half-

year period of 2014, it obtained the almost full recovery from the guarantee, the unpaid balance being provisioned for 0.9 million euros. Pending the outcome of the appeal, the provisions remain unchanged at November 30, 2022. The company considers the risk of a final conviction to be low.

The concession agreement granted to a subsidiary of Kaufman & Broad SA on a property transaction launched by the group in 2012 was cancelled by the Council of State, by the decision issued on 15 March 2019, without challenging the previous deeds for the completion of the completed operation, and delivered since the end of 2017, which are now definitive. Proceedings related to the completion of this transaction remain ongoing upon the accounts being closed on November 30, 2022.

Note 8.3. Guarantees and bonds given

All of the elements detailed below concern the normal framework for our business.

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Financial Completion Guarantees for work ^(a)	203,675	272,232
Hoguet Law Guarantees ^(b)	440	440
Indemnities for loss of land use ^(c)	26,594	23,646
Other guarantees given ^(d)	109,605	49,282
GUARANTEES AND BONDS GIVEN – BANKS	340,314	345,600
Indemnities for loss of land use and works guarantees	31,315	27,768
Diverse guarantees and bonds granted	43,601	35,683
Off-plan sale price restitution guarantee	0	0
GUARANTEES GIVEN - KAUFMAN & BROAD SA	74,916	63,451
TOTAL GUARANTEES GIVEN	415,230	409,051

(a) Financial Completion Guarantees are provided to clients as part of off-plan revenues. Kaufman & Broad asks a financial institution, a mutual guarantee institution or an insurance company to issue a Completion Guarantee for Kaufman & Broad's clients. These guarantees are established on an operation-by-operation basis and have a term comparable to the term for the completion of the program. In return for these guarantees, Kaufman & Broad generally provides these financial institutions or insurance companies with a mortgage agreement, a commitment not to sell shares if the program is supported by a specific company, and a pledge of receivables accruing on the selling prices. Financial Completion Guarantees are presented off-balance sheet for the amount of the risk incurred by the financial institution issuing these guarantees. This risk is assessed on an operation-by-operation basis, as follows: Estimated cost of the program with the portion financed deducted by the group and the amount of sale deeds signed upon closing. This valuation therefore does not take into account orders placed at the closing date or the percentage of construction completion for unsold lots. Financial completion guarantees are valued internally each month and the consistency of the data is then confirmed every six months, based on the figures communicated by the financial institutions, according to their own disclosures to the Banque de France or the Commission de Contrôle des Assurances.

(b) The Hoguet Law guarantees are required for the practice of real estate agents. This purely occasional activity does not form part of the group's strategy.

(c) Indemnities for loss of land use are bank or financial guarantees given in lieu of security deposits on land purchase agreements.

(d) These other guarantees mainly cover land purchases, and road and service aspects (roads, networks, distribution).

(e) These are various bonds and guarantees granted by Kaufman & Broad SA, mainly a rental guarantee on the rents for the head offices.

Note 8.4. Work bonds and other guarantees received

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Work contract guarantees	133,658	139,856
Buyer guarantees received	434,826	448,275
TOTAL	568,484	588,131

Within the context of equity investments, Kaufman & Broad has obtained the customary seller guarantees necessary to cover risks prior to these acquisitions.

Note 8.5. Pledges and liens securities

As part of a protocol, Kaufman & Broad SA acted as guarantor for one of its partners, for up to a limit of 4 million euros excluding VAT and until a first-demand bank guarantee was provided, in accordance with the commitments engaged by two of its subsidiaries under the terms of the said protocol. In turn, the main shareholder of this partner acted as joint and several guarantor of the commitments made by its subsidiary to joint ventures, for up to the same amount and until it provides a compliant first-demand bank guarantee.

Note 9. Income taxes

Note 9.1. Income taxes

The income tax expenses consist of the current taxes, changes in provisions for tax risks, and deferred taxes of the group's consolidated companies.

Note 9.1.1. Breakdown of tax liability

At November 30, 2022, the group recorded detailed expense as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Current tax expense/(income)	13,189	26,640
CVAE expense	1,685	1,285
Provision and expense for tax risk ^(a)	-2,150	
Deferred taxes	758	-6,178
TOTAL INCOME TAX EXPENSE (INCOME)	13,483	21,747

(a) See Note 8.1 "Provisions"

Tax is calculated on the attributable income, as the structures executing the programs are tax-transparent companies.

The result of the group's tax consolidation for 2022 shows a profit of 25.9 million euros.

At November 30, 2022, the current tax expenses include a tax benefit related to the 2022 tax consolidation of 10.4 million euros (before deduction of tax credits).

Note 9.1.2. Tax cost analysis

Deferred taxes are calculated on the basis of tax rates, i.e., 27.50% for 2022, and take into account the provisions voted for in the Finance Act regarding the gradual reduction of the normal corporation tax rate.

The reconciliation of the theoretical tax and the effective tax cost is as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
PRE-TAX INCOME (LOSS) OF CONSOLIDATED COMPANIES	80,710	86,219
Applicable tax rate	27.37%	28.92%
THEORETICAL TAX COST/(REVENUE)	22,069	24,913
Proportionate tax on partner company income	554	538
Impact of share of non-controlling interests that are fiscally transparent	-5,541	-6,499
Impact of tax rates	-2,964	-1,476
Provision for tax audits ^(a)	-2,150	
CVAE expense (net tax effect)	1,224	913
Effect of other permanent differences	291	3,358
COSTS/(REVENUE) OF GROUP TAX EXPENSE	13,483	21,747

(a) See Note 8.1 "Provisions"

Permanent differences at November 30, 2022 incorporated various deferred tax adjustments.

The share of net income of affiliates is presented before tax in the income statement, given their tax transparency. The corresponding tax expense is included in the group's tax expenses. In addition, the group's tax expense does not include tax on the share of non-controlling interests, as the subsidiaries concerned are also tax transparent.

The impact of the provisions voted in the 2018 Finance Act concerning the gradual reduction of the standard corporate tax rate from 31% to 28% for the 2021 financial year, 26.5% for the 2022

financial year and 25% from the 2023 financial year results in the recognition of a reduction in the tax expense of 2.7 million euros for the 2022 financial year for the 2022 financial year.

A provision for tax risk that became unnecessary was reversed in 2022 for an amount of 2.1 million euros.

The CVAE tax is presented in the income tax expense for the amount of 1.7 million euros.

In the hypothesis whereby these tax provisions are changed in the future, the company would be led to adjust its tax costs to take such changes into account.

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Note 9.2. Current and deferred taxes

Deferred taxes are recognised on all temporary differences between the book values of assets and liabilities and their tax bases, as well as on tax losses, using the liability method. Deferred tax assets are only recognised when it is probable that they will be recovered.

The IAS 12 standard namely requires the accounting of the various deferred tax liabilities relating to all intangible assets recognised at the time of regrouping companies (brands, etc.).

The deferred tax assets and liabilities have not been discounted.

The group has not noted any tax costs relating to the part of the income attributed to holders of non-controlling interests in transparent companies, given their tax status.

The main sources of deferred tax are:

- The application of the percentage of completion method in determining the margin on transactions in the parent company financial statements;
- The application of the completion method in determining the margin on transactions, in taxation;
- Elimination of internal benefits;
- The tax deductibility of certain goodwill;
- Temporary differences on provisions for risks and charges;

The company recognises its tax assets when they are recoverable either through tax policies or through income perspectives.

Note 9.2.1. Breakdown of taxes

Current and deferred tax assets and liabilities break down as follows:

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Current tax (assets)	4,863	254
Current tax (liabilities)	-509	-17,737
Deferred tax liabilities	-45,364	-41,362
Deferred tax assets	4,281	791
BALANCE AT END OF PERIOD	-36,729	-58,054

The current tax receivable at November 30, 2022 for the amount of 4.9 million euros mainly corresponds to the receivable from the French Treasury of tax consolidation entities for the amount of 4.6 million euros, the advance payments made in respect of the 2022 financial year exceeding the tax due. The tax liability corresponds to the CVAE.

Note 9.2.2. Source of deferred taxes by nature

<i>(in thousands of euros)</i>	Deferred tax at November 30, 2022	Deferred taxes at November 30, 2022
Differences in accounting for property programs	171,096	-44,185
Provisions and deferred deductible expenses	-15,702	4,055
Usufruct deductible for tax purposes	24,301	-6,276
Hedging swaps		
Tax loss carryforwards (excluding tax consolidation)		
Other	-1,244	1,041
BALANCE AT END OF PERIOD - LIABILITIES	178,451	-45,365
Tax loss carryforwards (before tax consolidation)	-16,576	4,281
BALANCE AT END OF PERIOD - ASSETS	-16,576	4,281

Most deferred taxes relate to differences in the accounting and tax processing of property programs (recognition of the profit upon completion in the tax accounts and nature of the costs incorporated into inventories).

Note 10. Statutory Auditors' fees

The following table shows the breakdown of the fees for ERNST & YOUNG Audit, KPMG and DELOITTE, and for affiliates by type of service. The "Services other than the certification of the financial statements" line corresponds to items defined by French legal and regulatory texts, the issuance of various certifications and verification services covering consolidated social, environmental and societal information:

	Ernst & Young Audit				KPMG				Deloitte & Associés			
	Amount (excl. VAT)		Percentage		Amount (excl. VAT)		Percentage		Amount (excl. VAT)		Percentage	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<i>(in thousands of euros)</i>												
Certification and limited half year review of individual and consolidated financial statements												
Issuer: Kaufman & Broad SA	127.5	123.2	29%	28%	127.0	121.0	40%	62%			0%	0%
Subsidiaries consolidated using the global integration method	283.8	301.8	65%	68%	68.8	38.7	21%	20%	34.6	59.5	100%	100%
Non-audit services												
Issuer: Kaufman & Broad SA	25.5	15.0	6%	4%	125.6	34.6	39%	18%			0%	0%
Subsidiaries consolidated using the global integration method	0.0	4.5	0%	0%			0%	0%			0%	0%
TOTAL	436.9	444.5	100%	100%	321.4	194.3	100%	100%	34.6	59.5	100%	100%

Note 11. Subsequent events

On 19 December 2022, Kaufman & Broad announced that it had completed the acquisition of all building volumes for the A7/A8 - Renovation of the Austerlitz Station operation, and that it had signed the contracts necessary for the completion of the project.

This project presents projected revenue of approximately 1 billion euros, which will be recognised over a 5-year period, including over 300 million euros for the 2023 financial year.

Note 12. List of consolidated companies

At November 30, 2022, the consolidated financial statements of the Kaufman & Broad group include the financial statements of 345 companies, including 294 consolidated companies, and 51 companies accounted for using the equity method.

At November 30, 2022, there were no non-consolidated companies that could have a significant impact on the group's consolidated financial statements.

The main companies within the group are as follows:

Business name	Legal Form	Share capital	% group control	Consolidation method ^(a)
Kaufman & Broad Financement	SNC	3,040,500	100.00%	GI
Kaufman & Broad Europe	SAS	221,440,548	100.00%	GI
Kaufman & Broad Homes	SAS	2,247,403	100.00%	GI
Kaufman & Broad Développement	SAS	152,449	100.00%	GI
Neoesid	SAS	504,148	60.00%	GI
Kaufman & Broad Investissements Séniors	SAS	100,000	100.00%	GI
Kaufman & Broad Investissements Etudiants	SAS	100,000	100.00%	GI
Kaufman & Broad Champagne	SARL	100,000	100.00%	GI
Kaufman & Broad Nantes	SARL	100,000	100.00%	GI
SMCI Développement	SAS	762,245	100.00%	GI
Kaufman & Broad Rénovation	SAS	160,000	100.00%	GI
GIE Kaufman & Broad	EIG	-	100.00%	GI
Kaufman & Broad Méditerranée	SARL	100,000	100.00%	GI
Kaufman & Broad Savoies	SARL	100,000	100.00%	GI
Kaufman & Broad Rhône-Alpes	SARL	1,300,000	100.00%	GI
Kaufman & Broad Pyrénées-Atlantiques	SARL	100,000	100.00%	GI
Safaur	SAS	200,000	100.00%	GI
Serge Mas Promotion	SAS	282,289	95.00%	GI
Kaufman & Broad Innovation and Technologies	SAS	1,000	100.00%	GI
Kaufman & Broad Aménagement et Territoires	SAS	1,000,000	100.00%	GI
Kaufman & Broad Marketing & Ventes	SAS	1,000	100.00%	GI
Show Room	SNC	457,347	100.00%	GI
Kaufman & Broad Investissements	SAS	100,000	100.00%	GI
KetB Partenaires	SAS	100,000	100.00%	GI
Citec Ingenierie	SARL	10,000	100.00%	GI
Kapital Partners Promotion	SAS	10,000	100.00%	GI
Kaufman & Broad Côte d'Azur	SARL	100,000	100.00%	GI
Kaufman & Broad Provence	SARL	100,000	100.00%	GI
Kaufman & Broad property	SAS	205,280	100.00%	GI
Kaufman & Broad Promotion 1	SNC	1,000	100.00%	GI
Kaufman & Broad Promotion 2	SNC	1,000	100.00%	GI
Kaufman & Broad Promotion 3	SNC	1,000	100.00%	GI
Kaufman & Broad Promotion 4	SNC	1,000	100.00%	GI
Kaufman & Broad Promotion 5	SNC	1,000	100.00%	GI
Kaufman & Broad Promotion 6	SNC	1,000	100.00%	GI
Kaufman & Broad Promotion 7	SNC	1,000	100.00%	GI
Kaufman & Broad Promotion 8	SNC	1,000	100.00%	GI
Kaufman & Broad Promotion 9	SNC	1,000	100.00%	GI
Kaufman & Broad Immo	SNC	1,000	100.00%	GI
Concerto Developpement	SAS	500,000	100.00%	GI
Roissy Hôtel AMENAGEMENT	SARL	1,000	70.00%	GI
Paris 14 th Rue Losserand	SAS	1,000	100.00%	GI
Kaufman & Broad Midi-Pyrénées	SARL	2,858,910	100.00%	GI
Cosy Diem	SAS	100,000	50.00%	EAM
Kaufman & Broad Gironde	SARL	100,000	100.00%	GI
Kaufman & Broad Languedoc Roussillon	SARL	100,000	100.00%	GI
Kaufman & Broad Bretagne	SARL	1,000,000	100.00%	GI
Résidences Bernard Teillaud	SARL	840,000	100.00%	GI
Kaufman & Broad Ouest	SAS	561,400	100.00%	GI
Pierre et Rance	SARL	8,000	100.00%	GI
Kaufman & Broad Bordeaux Rive Gauche	SARL	37,000	100.00%	GI
Kaufman & Broad Poitou Charentes	SARL	100,000	100.00%	GI
Kaufman & Broad Flandres	SARL	7,700	100.00%	GI
Kaufman & Broad Pyrénées-Orientales	SARL	100,000	100.00%	GI
Kaufman & Broad Est	SARL	100,000	100.00%	GI
Kaufman & Broad Bourgogne Franche Comté	SARL	100,000	100.00%	GI
Avenue de Fronton	SARL	1,000	100.00%	GI

(a) GI = Global integration, EM = Equity method.

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Consolidated financial statements at November 30, 2022

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The main property investment companies (SCI), civil construction-sale companies (SCCV), or general *partnerships* (SNC), ad-hoc structures each carrying a property program which presented a completed revenue in excess of 1 million euros in 2022 are listed below.

Business name	Legal structure	Share capital	% group control	Consolidation method ^(a)
SCCV IMMO SERGE MAS	SCCV	1,000	100.00%	GI
SNC COURBEVOIE -17 QUAI PAUL DOUMER	SNC	1,000	100.00%	GI
SCCV - VILLEPREUX - RUE DE LA PÉPINIÈRE	SCCV	1,000	66.70%	GI
SCI NANTERRE LE CROISSANT - LOT A	SCI	1,000	62.00%	GI
SCCV GAGNY - PARMENTIER	SCCV	1,000	51.00%	GI
SCI NEUILLY SUR MARNE MAISON BLANCHE KBO	SCI	1,000	51.00%	GI
SCCV CHATENAY MALABRY ECOLE CENTRALE LOT R2	SCCV	1,000	50.10%	GI
SCCV CHATENAY MALABRY ECOLE CENTRALE LOT J	SCCV	1,000	50.10%	GI
SCI ROSNY SOUS BOIS - COTEAUX BEAUCLAIR	SCI	1,000	100.00%	GI
SCI MONTROUGE -134 AVENUE ARISTIDE BRIAND	SCI	2,000	50.10%	GI
SAINT MAUR DES GRAVES BELLECHASSE	HEALTHY	1,000	51.00%	GI
SCI NEUILLY PLAISANCE MARECHAL FOCH	SCI	1,000	100.00%	GI
SCI SAVIGNY -8/10 BOULEVARD ARISTIDE BRIAND	SCI	1,000	51.00%	GI
SCI BORDEAUX - AMEDEE	SCI	1,000	100.00%	GI
SCCV VILLEJUJIF 56 STALINGRAD	SCCV	1,000	86.00%	GI
SCCV PONTAULT COMBAULT 65A73 RUE DE LA LIBERATION	SCCV	1,000	100.00%	GI
SCI BOBIGNY -198 AVENUE PAUL VAILLANT COUTURIER	SCI	1,000	60.00%	GI
SCCV NEUILLY PLAISANCE 13 RUE PAUL VAILLANT COUTURIER	SCCV	1,000	60.00%	GI
SCI LE GALION	SCI	1,000	100.00%	GI
SCCV FONTAINEBLEAU 177 RUE GRANDE	SCCV	1,000	60.00%	GI
SCCV SANNOIS RUE HOCHÉ	SCCV	1,000	51.00%	GI
SCCV LES CLAYES SOUS BOIS 22 RUE HENRI PROU	SCCV	1,000	50.10%	GI
SCCV CONCERTO BEAUCAIRE	SCCV	1,000	97.50%	GI
SAS PARIS 335 RUE DES PYRENEES	SAS	1,000	51.00%	GI
SCCV GAGNY RAFFIN AND JOANNES	SCCV	1,000	51.00%	GI
SCCV RUEIL MALMAISON PAUL DOUMER	SCCV	1,000	52.00%	GI
SCCV FRANCONVILLE 120 RUE DE LA STATION	SCCV	2,000	70.00%	GI
SCCV MONTESSON 1 AVENUE DU GENERAL DE GAULLE	SCCV	1,000	50.10%	GI
SCCV CONCERTO PETIT COURONNE	SCCV	1,000	97.50%	GI
SCCV OZOIR LA FERRIERE 2 RUE HENRI FRANCOIS	SCCV	1,000	55.00%	GI
SCCV MANTES LA JOLIE 14 RUE DE L'YSER	SCCV	1,000	60.00%	GI
SCCV DOMONT 101 AVENUE ARISTIDE BRIAND	SCCV	1,000	85.00%	GI
SNC TOULOUSE 44 AVE DE MURET	SNC	1,000	65.00%	GI
SCCV MONTPELLIER DDA PORT MARIANNE REPUBLIC	SCCV	1,000	70.00%	GI
SCCV SOPPIM LE HAVRE 2	SCCV	1,500	100.00%	GI
SCCV PAU 199 AVENUE DU DOYEN ROBERT POPLAWSKI	SCCV	1,000	51.00%	GI
SCI SMOI	SCI	1,000	60.00%	GI
SCI LA ROCHELLE -29 AVENUE CHAMP DE MARS	SCI	1,000	88.00%	GI
SCI BORDEAUX 20-26 RUE DU COMMERCE	SCI	1,000	60.00%	GI
SCCV POMPIE LINA'S CARRE	SCCV	1,000	100.00%	GI
SCI ROUBAIX RUE DE L'ALMA	SCI	1,000	51.00%	GI
SCCV SCHILLIK	SCCV	1,000	51.00%	GI
SCI SAINT SEBASTIEN/LOIRE	SCI	1,000	51.00%	GI
SCI SAINT MARTIN DE CRAU L'OUSTAOU	SCI	1,000	60.00%	GI
SCCV LES TERRASSES DE REIMS	SCCV	1,000	100.00%	GI
SCCV VILLEURBANNE 25-29 RUE FREDERIC FAYS	SCCV	1,000	100.00%	GI
SCCV SAINT LAURENT DU VAR LES PUGETS	SCCV	1,000	90.00%	GI
SCCV NANTES RUE DE RIEUX WILTON	SCCV	1,000	51.00%	GI
SCCV COGOLIN RUE DU 19 MARCH 1962	SCCV	1,000	80.00%	GI
SCI STRASBOURG STARLETTE QUAI VAUBAN	SCI	1,000	99.00%	GI
SNC COURBEVOIE -12 RUE DE L'INDUSTRIE	SNC	1,000	100.00%	GI
SCI LES JARDINS D'IRIS	SCI	1,000	51.00%	GI
SCCV 208 AVENUE	SCCV	1,000	51.00%	GI
SCI Carpentras BalDDA	SCI	1,000	100.00%	GI
SCCV BRUNOY BOSSERONS	SCCV	1,000	60.00%	GI

(a) GI = Global integration, EM = Equity method

6.2. Statutory Auditors' report on the consolidated financial statements

Year ended November 30, 2022

To the Kaufman & Broad S.A Shareholders' Meeting,,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Kaufman & Broad S.A. for the year ended November 30, 2022.

In our opinion, the consolidated financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the results of operations for the year then ended and of the financial position and assets and liabilities of the consolidated group as at the end of the year.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of opinion

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in accordance with the independence rules set out in the French Commercial Code and the French Code of Ethics for Statutory Auditors for the period from 1 December 2019 to the date of our report, and in particular we did not provide any prohibited non audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014.

Justification of our assessments - Key audit matters

Pursuant to the provisions of Articles L. 823 - 9 and R. 823 - 7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These assessments were made in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. We do not express an opinion on individual items of these consolidated financial statements

Valuation of the gross margin of the real estate development activity and inventory of real estate programs (Notes 3.2., 3.4. and 1.1.2. to the consolidated financial statements)

Risk identified At November 30, 2022, inventories of real estate programs were recorded in the balance sheet for K €447135 and the gross margin amounted to K €228173.

The accounting methods used to recognise revenue and gross margin, as well as the main management estimates relating to these items, are presented in Note 3.2. to the consolidated financial statements.

Your group's real estate development activity is mainly carried out through revenues contracts on completion (VEFA), whereby your group transfers ownership of future lots as they are built. Revenue and gross margins from property development activities are recognised in the income statement in proportion to the percentage of completion of all costs that can be stored for each program, the starting point of which is the acquisition of the land.

This method requires management to make estimates, particularly for the assessment of margins at completion and for the assessment of the percentage of completion of each transaction.

As indicated in note 3.4 to the consolidated financial statements, inventories of "new projects" and "programs under development" are valued at cost. Provisions are set aside to cover foreseeable losses measured on the basis of an analysis of the forecast economic and financial data for each project.

In addition, as indicated in note 1.1.2. to the consolidated financial statements, the conflict between Russia and Ukraine reinforces the uncertainties already existing during the Covid-19 epidemic (shortages of certain materials leading to higher construction costs and the postponement of certain operations).

We considered the assessment of the gross margin of the real estate development activity and the inventory of real estate programs as a key audit matter. These items are of significant importance in the consolidated financial statements. In addition, the assumptions on which these valuations are based place significant emphasis on management's judgment.

Our response We familiarised ourselves with the internal control procedures implemented for the preparation and monitoring of real estate program budgets.

Our approach consisted in assessing the assumptions used and the data used by management to measure the results of real estate transactions (gross margin) and real estate inventories.

For programs under development and delivered programs sold:

- We examined the assumptions related to selling prices, land costs, construction costs and service fees for a sample of programs. This sample was established by combining a random sample with a selection of certain programs, including the most significant in terms of gross margin, as well as those with negative margins. In addition, we selected programs whose budgets have atypical margin levels as well as former operations with a small variation in commercial progress and a high level of inventories.
- For the most significant programs in terms of gross margin, the percentage of completion of the costs of the selected operations was confirmed to us by the project managers in charge of real estate operations. We assessed these confirmations in relation to the expenditure incurred. For these programs, we also rationalised the commercial progress rates by dividing the amount of revenues signed by the amount of revenues budgeted and we performed detailed revenues tests by reconciling them with notarial acts.
- Finally, we assessed, on a sample of completed and sold programs, the consistency of the margin rates actually generated with the margin rates initially budgeted by analyzing the supporting documents and the information obtained from the program managers and/or management controllers.
- For programs not yet launched commercially, we assessed, on the basis of a sample, the existence of profitable prospects through interviews with management.
- For delivered programs with units not yet sold, we analysed, based on a sample, the flow prospects presented by management and compared the forecast selling prices of the units in stock with the selling prices of the units.

We also assessed the appropriateness of the information provided in the notes to the consolidated financial statements with respect to these items.

6 Assets, financial report and results at November 30, 2022

Statutory Auditors' report on the consolidated financial statements

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law and regulations of the information relating to the group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non financial performance statement provided for in Article L. 225 - 102 - 1 of the French Commercial Code is included in the information relating to the group provided in the management report, it being specified that, in accordance with the provisions of Article L. 823 - 10 of this Code, we have not verified the fair presentation or consistency of the information contained in this statement with the consolidated financial statements and must be the subject of a report by an independent third party.

Other verifications or information required by law and regulations

Presentation format of the consolidated financial statements for inclusion in the annual financial report

We have also verified, in accordance with the professional standard on the Statutory Auditor's procedures relating to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, compliance with this format defined by European Delegated Regulation No. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer. As regards the consolidated financial statements, our procedures include verifying that the marking of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic information format.

Due to the technical limitations inherent in the macro marking of the consolidated financial statements according to the single European electronic information format, it is possible that the content of certain tags in the notes to the financial statements may not be returned in the same way as the consolidated financial statements attached to this report.

In addition, it is not our responsibility to verify that the consolidated financial statements that will actually be included by your company in the annual financial report filed with the AMF correspond to those on which we conducted our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Kaufman & Broad S.A. by your Annual General Meeting of 6 May 2021 for the firm KPMG Audit and 3 July 1991 for the firm ERNST & YOUNG Audit.

At November 30, 2022, KPMG Audit was in the second year of its uninterrupted engagement and ERNST & YOUNG Audit in its thirty-second year (including 23 years since the company's shares were listed for trading on a regulated market).

Responsibilities of management and those constituting company governance in regard to the annual financial statements

Management is responsible for the annual financial statements that present a faithful and fair image, in compliance with French accounting rules and principles, as well as for implementing the internal control that management determines is necessary to enable the preparation of annual financial statements that are free from significant anomalies, whether such anomalies be due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the company's ability to continue with its operations, disclosing in these financial statements, as applicable, the necessary information related to business continuity and the applying the business continuity accounting convention, unless it is expected to liquidate the company or to cease trading.

The Audit Committee is responsible for monitoring the financial reporting process and the efficacy of internal control and risk management systems, as well as, where applicable, internal auditing, with respect to the accounting and financial reporting procedures.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the auditing of the annual financial statements

Audit objective and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free of significant anomalies. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect any significant anomalies. Anomalies may arise from fraud or error and are considered significant when, individually or in the aggregate, they can reasonably be expected to influence the economic decisions that users of the financial statements make based on them.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability or quality of the management of your company.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. In addition, the Statutory Auditors:

Identify and assess the risks of significant anomalies in the annual financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting significant anomalies resulting from fraud is higher than for anomalies resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- Evaluate the appropriateness of the accounting policies used and the reasonable nature of the accounting estimates and related disclosures made by management in the annual financial statements;
- Assess the appropriateness of management's use of the business continuity accounting convention and, based on the audit evidence obtained, whether a significant uncertainty exists related to events or circumstances that may cast significant doubt on the company's ability to continue trading. This assessment is based on the audit evidence obtained up to the date of their report. However, subsequent events or circumstances may cause the company to cease trading. Should the Statutory Auditors conclude that a significant uncertainty exists, they draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or inadequate, they issue a qualified opinion, or refuse to certify;
- Evaluate the overall presentation of the annual financial statements and assess whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Regarding the financial information of the persons or entities included in the scope of consolidation, they gather sufficient and appropriate information to express an opinion on the annual financial statements. They are responsible for the direction, supervision and performance of the audit of the annual financial statements, and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the conclusions of our audit. We also bring to its attention, where applicable, any significant weaknesses in the internal control that we have identified, with respect to the procedures relating to the preparation and processing of accounting and financial information.

Our report to the Audit Committee includes the risks of significant anomalies that, in our professional judgement, were of most significance in the audit of the annual financial statements for the current period, and which are therefore the key audit points that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014 confirming our independence under the terms of the rules applicable in France, as stipulated in particular by Articles L. 822 - 10 to L.822 - 14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss the risks impacting our independence and the related safeguards applied with the Audit Committee.

Paris La Défense, 17 March 2023

The Statutory Auditors

KPMG S.A.
Xavier Fournet

ERNST & YOUNG Audit
Denis Thibon

6.3. Parent company financial statements as of November 30, 2022

Annual financial statements as of November 30, 2022

Income statement

<i>(in thousands of euros)</i>	Section	November 30, 2022	November 30, 2021
Revenue	6.3.2.14	3,449	2,692
Other purchases and external charges	6.3.2.15	-1,713	-2,213
Wages and salaries		-	-
Taxes other than income taxes		-286	-350
Depreciation, amortization, and provisions		-6,854	-2,702
Reversal of provisions and transfer of charges		7,824	2,836
Other operating income and expenses		-438	-354
Operating income		1,983	-91
Profits granted and losses borne	6.3.2.16	44,999	54,520
Net financial income (including dividends from subsidiaries)	6.3.2.17	7,475	5,029
Adjusted earnings		54,456	59,459
Exceptional items	6.3.2.18	-2,318	-2,993
Corporate income tax	6.3.3	1,229	-20,776
NET INCOME		53,368	35,691

Balance sheet

Assets

<i>(in thousands of euros)</i>	Section	November 30, 2022	November 30, 2021
Intangible assets	6.3.2.2	-	-
Property, plant and equipment	6.3.2.3	113	115
Financial assets	6.3.2.4	520,999	548,648
Fixed assets		521,112	548,763
Stock		-	-
Receivables	6.3.2.5	83,269	80,606
Treasury shares	6.3.2.6	29,327	22,400
Cash		202	106
Prepaid expenses		91	25
Current assets		112,889	103,137
Total Assets		634,001	651,900

Liability

<i>(in thousands of euros)</i>	Section	November 30, 2022	November 30, 2021
Share capital		5,619	5,645
Premiums and reserves		385,798	398,985
Net income		53,368	35,691
Equity	6.3.2.7	444,785	440,321
Provisions for liabilities and charges	6.3.2.9	15,527	14,125
Financial debt	6.3.2.10	152,359	152,719
Trade payables and related accounts		1,038	1,851
Other liabilities	6.3.2.11	20,292	42,884
Total Liabilities		634,001	651,900

6.3.1. General principles

The financial year lasts 12 months from December 1st November 30.

The annual financial statements are prepared in accordance with French accounting regulations in force (French General Chart of Accounts and French Commercial Code).

6.3.1.1. Intangible assets and property, plant, and equipment

Intangible assets and property, plant, and equipment are stated at acquisition cost. Depreciation is calculated on a straight-line basis over the expected useful life.

Depreciation periods generally used are as follows:

- Computer licences: 3 years;
- Fittings, fixtures, and fittings: 10 years;
- Office furniture: 10 years.

6.3.1.2. Financial assets

The gross value of equity investments in companies on the balance sheet consists of their acquisition cost. A provision is recorded when the carrying amount is lower than the acquisition value.

The inventory value is determined in relation to the value in use of each company. This value in use is measured based on the share of equity held, which includes the share of the results of the programs housed in the company and the earnings prospects of the subsidiaries. Receivables related to investments and loans are recognized at their contribution value or nominal value. Receivables presenting a total or partial risk of non-recovery are impaired.

In assessing the value in use of the group's subsidiaries, Kaufman & Broad's management makes estimates and assumptions that are based on past experience and the anticipation of changes in the markets in which these companies operate, or other factors considered reasonable in the circumstances.

The main areas covered by these assumptions and estimates concern:

- Earnings forecasts for real estate programs;
- Business plans for the coming years.

The assumptions regarding selling prices and the rate of take-up based on the earnings forecasts for real estate programs and the achievement of the medium-term forecast budgets used for the implementation of impairment tests may be impacted by the economic environment and regulatory changes, in particular government tax incentives.

Receivables related to investments correspond to current account advances to group companies.

The accounting results of the transparent subsidiaries (Civil Society of Construction and Sale or General Partnerships) in which Kaufman & Broad SA is associated are immediately and fully acquired by Kaufman & Broad SA at the end of the financial year. At the end of the reporting period, the share of profit of transparent companies for the year is recorded in the current account.

6.3.1.3. Treasury shares

Treasury shares purchased for free allocation to group employees (free share plans) are recorded in a dedicated "Treasury shares" account by function in accordance with the decision to allocate the shares. Treasury shares held under the Liquidity Agreement or not yet allocated are recognized at their acquisition price. A provision is recorded in the event of impairment compared to the average share price for the last month of the financial year. Treasury shares allocated to a free share plan are maintained at their carrying amount on the allocation date.

6.3.1.4. Provisions for liabilities and charges

Provisions recorded as liabilities in the balance sheet for litigation are reviewed quarterly by the Legal and Accounting Departments. Provisions previously recognized are reviewed and remeasured based on the status of ongoing proceedings. New provisions may be set aside depending on the risk assessed individually for new disputes. A provision is not contingent on the existence or non-existence of legal proceedings, but based on the risk.

6.3.1.5. Accruals, prepayments, and financial instruments

Unrealized gains and losses on interest rate instruments used for hedging purposes are not recognized.

6.3.1.6. Share of profits and losses borne

Since 2011, most of the group's subsidiaries have opted to recognize the revenue and margin of real estate programs using the preferred percentage of completion method in their annual financial statements.

Revenue and margin are recognized in proportion to the technical progress, the starting point of which is the acquisition of the land, and the commercial progress (signature of revenues agreements) of each program. This method applies whether the forecast margin is profitable or negative.

The taxable income of these subsidiaries is determined using the method of recognizing revenue and margin on completion.

The bylaws of these companies, formed in the form of SCI and SNC, provide for an automatic reporting clause to their partners in the same year.

In accordance with the provisions of the French Construction and Housing Code, the payment of any amount due by the companies holding programs to their partners may only be made up to and within the strict limit of the sums that the program companies will have the free disposal as the construction operations are completed.

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6.3.1.7. Tax consolidation

The tax consolidation agreement signed by the companies members of the tax consolidation group provides that tax expenses are borne by the consolidated companies (subsidiaries and parent) as in the absence of tax consolidation after deduction of all their previous deficits. In addition, tax savings from tax losses are retained at Kaufman & Broad SA as the parent company and are considered as income for the year even if they result in an expense for the year in which the loss making subsidiaries return to profit.

6.3.1.8. Consolidated VAT

Since December 1 2012, the Kaufman & Broad group has been reporting consolidated VAT. The agreement signed by the member companies of the scope provides that VAT payments and credits are transmitted to Kaufman & Broad SA, which as the head of the group becomes the only party liable for the payment or refund of VAT.

Nevertheless, monitoring is done per legal entity so that the VAT credits of each of the member companies of the scope are reimbursed to them by Kaufman & Broad SA (within 60 days).

6.3.2. Comments on financial statements

6.3.2.1. Significant events

Impacts of Covid-19 and the Russian-Ukrainian conflict

Following an unprecedented health crisis that impacted the real estate sector and, in particular, the real estate development sector, the conflict between Russia and Ukraine reinforced the uncertainties already existing during the Covid-19 pandemic. Shortages in certain materials leading to rising construction costs led the group to defer certain operations for which the purchasing conditions didn't allow for direct costs to be supported (land development and construction). This strategy enabled the group to maintain a solid economic performance throughout the half-year while ensuring the protection of its employees, suppliers and subcontractors, and implemented all measures within its reach to adjust its costs and limit the impact of this crisis on its annual results. Within this context, the effects have these elements have not been identified by the group as true indexes of value loss compared to the previous situation at the start of the year when drawing up income forecasts for release to the market.

Dividends received

The financial result of Kaufman & Broad SA as of November 30, 2022, includes dividends paid by three subsidiaries in the amount of €9.08 million (see note 6.3.2.17).

Inflationist context

The current environment of commodity price inflation and the weakening of the financial strength of companies encourages the group to be particularly vigilant:

- In choosing its companies, particularly in terms of costs but also in terms of availability and financial strength
- In examining any price indexation clauses requested by the companies
- Monitoring the security of operating budgets through the conduct of tenders and the signing of contracts

Processes and related controls are closely monitored.

6.3.2.2. Intangible assets

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Computer licences	274	274
Amortization	-274	-274
Intangible assets, net	-	-

6.3.2.3. Property, plant, and equipment

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
General installations and fittings	184	184
Amortization	-71	-69
General installations and fittings	113	115
Office and computer equipment and furniture	601	601
Amortization	-601	-601
Office and computer equipment and furniture	-	-
Net tangible fixed assets	113	115

6.3.2.4. Financial assets

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Equity investments	324,899	324,900
Loans and advances to subsidiaries and affiliates ⁽¹⁾	202,101	230,840
Other financial assets ⁽²⁾	1,293	1,213
Impairment ⁽³⁾	-7,294	-8,305
Net financial assets	520,999	548,648

(1) Receivables related to equity investments and loans correspond for €34 million to the share of the margins of transparent companies not distributable at the end of the financial year and for €167.9 million to the cash advance granted to Kaufman and Broad Financement SNC which is intended to coordinate and centralize the management of all the cash needs of the companies of the Kaufman and Broad group (as of November 30, 2021 this advance amounted to €203.9 million).

(2) Other financial assets mainly consist of deposits and guarantees, including cash made available to Rothschild Bank under the share buyback agreement, i.e. €1.2 million.

(3) As of November 30, 2022, the provision for investments in subsidiaries mainly concerned Kaufman & Broad Financing for €2.1 million and Kaufman & Broad Bretagne for €5.1 million.

6.3.2.5. Receivables

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Value-added tax	152	307
Regional Economic Contribution	-	-
Corporate income tax	10,653	-
Current accounts ⁽¹⁾	64,201	73,488
Intra-group customers - Invoice to be established ⁽²⁾	8,253	6,811
Miscellaneous debtors	10	-
Receivables	83,269	80,606

(1) This amount includes €48.3 million in the share of income from subsidiaries (compared to €57.6 million as of November 30, 2021), €8.8 million in current tax accounts of tax consolidation with other group companies (see note 6.2.3.), and €6.9 million in consolidated VAT current accounts.

(2) This amount corresponds to intra-group re-invoicing related to the allocation of Bonus shares to the employees of the Kaufman and Broad group.

<i>(in thousands of euros)</i>	November 30, 2022	Within one year	Due in more than one year
Value-added tax	152	152	
Regional Economic Contribution			
Corporate income tax	10,653	10,653	
Current accounts ⁽¹⁾	64,201	32,933	31,268
Intra-group customers - Invoice to be established	8,253	3,658	4,595
Miscellaneous debtors	10	10	
Receivables	83,269	47,406	35,863

(1) The portion due in more than one year corresponds to the share of the earnings of subsidiaries that cannot be distributed within 12 months, given the projected completion date of the construction projects concerned, in accordance with the provisions of the French Construction and Housing Code (see note 6.2.1.6.).

6.3.2.6. Treasury shares

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Treasury shares	29,327	22,400
Provisions for impairment of treasury shares		
Treasury shares (net of impairment)	29,327	22,400

As of November 30, 2022, Kaufman & Broad SA held 1,053,314 treasury shares (representing 4.87% of the Company's share capital), including 199,842 shares (representing 0.92% of the Company's share capital) intended to cover the allocation of Bonus shares under the 2 plans of 2020, the 1 and 2 plans of 2021 and the 1 and 2 plans of 2022 for an amount of €5.8 million, including 847,472 shares (representing 3.92% of the Company's share capital) held to ensure the other objectives of the share buyback plan (future free share plans and cancellation of shares by the Company) for an amount of €23.4 million and 6,000 shares held under the Liquidity Agreement (representing 0.03% of the Company's share capital) for an amount of €0.1 million.

As of November 30, 2021, 673,755 treasury shares concerned:

- Shares allocated to outstanding free share plans in the amount of 198,047 shares for an amount of €5.9 million;
- Shares held to meet the other objectives of the share buyback plan in the amount of 471,708 shares for an amount of €16.4 million.
- Shares held under the Liquidity Agreement in the amount of 4,000 shares for an amount of €0.1 million.

6.3.2.7. Shareholders' equity

Changes in shareholders' equity break down as follows:

<i>(in thousands of euros)</i>	Share capital	Legal reserve	Sub. warrants	Share premium	Other reserves	Retained earnings	Income	Shareholders' equity
November 30, 2020	5,743	979	781	71,472	0	336,542	40,913	456,430
Capital increase and distribution						1,589	40,913	-39,324
Capital reduction	-98			-12,378				-12,476
Capital increase								
Net income for the year							35,691	35,691
November 30, 2021	5,645	979	781	59,094	0	338,131	35,691	440,321
Distribution						-4,785	-35,691	-40,476
Capital reduction	-104			-14,098				-14,202
Capital increase	78			5,696				5,774
Net income for the year							53,368	53,368
November 30, 2022	5,619	979	781	50,692	0	333,346	53,368	444,785

The company has reserves, other than the legal reserve, of an amount at least equal to the value of all the shares it owns.

6.3.2.8. Evolution of the capital

(in euros)	November 30, 2021	Increase	Reduction	November 30, 2022
Number of shares	21,713,023	299,999	400,000	21,613,022
Nominal	0.26			0.26
Share capital	5,645,386			5,619,386

As of November 30, 2022, Kaufman & Broad SA's share capital amounted to €5,619,385.72, divided into 21,613,022 ordinary shares with a par value of €0.26 each.

Bonus share allocation plan

During the financial year, the Board of Directors decided to implement 2 new free share plans on 25 February 2022 pursuant to the authorization of the Shareholders' Meeting of 5 May 2021.

The main characteristics of the plans in place as of November 30, 2022 within the group are detailed in the table below:

Free share plan	February 2020 Plan 2	February 2021 Plan 1	February 2021 Plan 2	February 2022 - Plan 1	February 2022 - Plan 2
Date of authorization by the Extraordinary Shareholders' Meeting	May 02, 19	May 05, 20	May 05, 20	May 06, 21	May 06, 21
Number of bonus shares available to be awarded	156,783	250,000	146,351	250,000	118,447
Date of Board of Directors meeting awarding the shares	Feb-27-20	Feb-26-21	Feb-26-21	Feb-25-22	Feb-25-22
Number of beneficiaries	1	779	1	814	1
Types of shares	Existing	Existing	Existing	Existing	Existing
Number of bonus shares awarded	10,000	103,649	10,000	131,553	10,000
Expired shares	4,250	19,665	0	22,696	0
Outstanding shares as of November 30, 2022	5,750	83,984	10,000	108,857	10 0003
Market value on date of awarding	€37.38	€36.55	€36.55	€33.00	€33.00
Acquisition date	Feb-27-23	Feb-26-23	Feb-26-24	Feb-25-24	Feb-25-25
Availability date	Feb-25-24	Feb-25-25	Feb-25-25	Feb 25 26	Feb 25 26
Initial fair value of plan	196,976	2,121,053	189,985	2,516,007	186,241
Model input data:	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model
• Business year price	-	-	-	-	-
• Loss of liquidity of the shares (% of the forward price)	1%	1%	1%	1%	1%
• Expected dividends (as a % of capitalization)	€2.50 per share	€1.85 to €2.50 per share	€1.85 to €2.50 per share	€1.95 per share	€1.95 per share
• Risk-free interest rate (market rate)	-0.48%	-0.46% to -0.52%	-0.46% to -0.52%	-0.33% to 0.10%	-0.33% to 0.10%
• Securities lending/borrowing rate					
• Discount rate of the forward price	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps
• Turnover rate	0% for the Chair	0% for the Chair, 13.60% for key managers, 22.15%/year for others	0% for the Chair	0% for the Chair, 14.63% for key managers, 18.47%/year for others	0% for the Chair

6.3.2.9. Provisions for liabilities and charges

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Provision for allocation of bonus shares ⁽¹⁾	6,852	5,664
Provision for tax risk	86	2,236
Provision for subsidiary risk ⁽²⁾	8,179	5,804
Other provisions for liabilities and charges	410	420
Provisions for liabilities and charges	15,527	14,124

(1) Provision for the loss that the company will suffer when the Bonus shares are delivered to employees.

(2) Provision for the negative net equity of Kaufman & Broad Bretagne for €8.1 million

<i>(in thousands of euros)</i>	November 30, 2021	Allowance	Used reversals	Unused reversals	November 30, 2022
Provision for Bonus shares granted	5,664	6,852	5,172	492	6,852
Provision for tax risk	2,236			2,150	86
Provision for subsidiary risk	5,804	2,375			8,179
Other provisions for liabilities and charges	420		10		410
PROVISIONS FOR LIABILITIES AND CHARGES	14,124	9,227	5,674	2,150	15,527

6.3.2.10. Financial debt

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Syndicated credit facility	-	-
Bond issue	150,000	150,000
Credit facilities used	-	397
Accrued interest on borrowings	2,359	2,322
Financial debt	152,719	152,719

Kaufman & Broad SA has a syndicated credit facility and a bond issue, the characteristics of which are described below.

Main use of financial debt

<i>(in thousands of euros)</i>	Capacity	Use as of November 30, 2022	Maturity	Interest rate ⁽¹⁾
Bond issue	150,000	150,000	50 million at maturity 2024 100 million at maturity 2025	2.879% Fixed 3.204% Fixed
RCF ⁽²⁾	250,000	-		E ⁽³⁾ +162.5 to 277.5 BPS
Total	250,000	150,000		

(1) E = Euribor is, for a given maturity, the fixing, calculated each business day, of an average rate at which a sample of about 50 major banks established in Europe lend unsecured to other major banks.

(2) Revolving credit facility.

(3) The applicable margin depends on the level of the leverage ratio achieved and on the levels of the CSR Criteria defined in the documentation.

Bond issue

On 18 May 2017, Kaufman & Broad issued its first €150 million Euro PP bond issue as part of a private placement with institutional investors in Europe. This private placement consists of a €50 million, 7-year tranche (maturing in May 2024) at an annual fixed rate of 2.879% payable on May 31 of each year, and a €100 million, 8-year tranche (maturing in May 2025) at an annual fixed rate of 3.204% payable on May 31 of each year.

Moreover, this transaction enables the group to diversify its financing sources, benefit from positive market conditions, and substantially prolong the average maturity of its debt.

Adjustment of financial ratios

For accounting periods starting in November 2018, until the redemption of the bond issue, the group is subject to compliance with 2 ratios, calculated on a consolidated basis, the levels of which have been defined as follows:

Ratios at end of each half-year period	Threshold as of November 30, 2022	Ratio as of November 30, 2022
Leverage ratio ⁽¹⁾	≤ 3.0	N/A
Debt-to-equity ratio ⁽²⁾	≤ 2.5	N/A

(1) Or net financial debt (a) divided by EBITDA (b) where:

(A) financial debt means gross financial debt less cash and cash equivalents, and excludes certain subordinated debt and certain off balance sheet commitments;

(B) EBITDA is defined as consolidated net income before income taxes, financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses), other non-recurring income and expenses, excluding calculated expenses (including in particular depreciation, amortization, and provisions, fair value adjustments, income or expenses related to non-monetary compensation of employees), and capital gains or losses on disposals of assets, and less net income from minority interests.

(2) Or net financial debt (a) divided by adjusted equity (c):

(C) Adjusted shareholders' equity = consolidated shareholders' equity as of November 30, 2016 + cumulative consolidated income from December 1 2016 to the end of the quarter in question - dividends paid over the period in question + cumulative impairment charge from December 1 2016 to the end of the quarter in question.

Senior Credit Agreement

Kaufman & Broad SA signed a €250 million Syndicated Credit Agreement with an initial maturity of 5 years on January 31, 2019. This loan replaces the existing senior and RCF loans representing respectively €50 million and €100 million. The establishment of this Corporate line enabled the company to extend the maturity of its resources and to improve their cost, while also granting greater flexibility in use, in line with its needs and opportunities, and supplementing its available cash flow. The option to extend the contract by one year as initially provided for in the contract signed in January 2019, maturing on January 31, 2025, was authorized by the lenders in May 2020.

As a result, as of November 30, 2021, the group had syndicated loans consisting of a revolving credit line (the "Revolving Credit") for a principal amount of €250 million. As of November 30, 2021, this line had not been drawn.

Furthermore, the 2019 Senior Credit Agreement anticipates that the applicable Margin for each Advance considered shall be determined (i) according to the level of the applicable Financial Gearing Ratio on each test date, and (ii) according to the Annual CSR Criteria levels, a positive or negative inciting mechanism then being applied to the applicable margin.

Adjustment of financial ratios

For accounting periods beginning in November 2019, until the maturity of the Syndicated Credit Agreement, the group is subject to compliance with two ratios, calculated on a consolidated basis, the levels of which have been defined as follows:

Ratios at end of each half-year period	Threshold as of November 30, 2022	Ratio as of November 30, 2022
Leverage ratio ⁽¹⁾	≤ 3.0	-0.83
Debt-to-equity ratio ⁽²⁾	≤ 2.0	-0.21

(1) Or net financial debt (a) divided by EBITDA (b) where:

(A) financial debt means gross financial debt less cash and cash equivalents, and excludes certain subordinated debt and certain off balance sheet commitments;

(B) EBITDA is defined as consolidated net income before income taxes, financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses), other non-recurring income and expenses, excluding calculated expenses (including in particular depreciation, amortization, and provisions, fair value adjustments, income or expenses related to non-monetary compensation of employees), and capital gains or losses on disposals of assets, and less net income from minority interests.

(2) Or net financial debt (a) divided by adjusted equity (c):

(C) Adjusted shareholders' equity = consolidated shareholders' equity as of November 30, 2017 + cumulative consolidated income from December 1, 2017 to the end of the quarter in question - dividends paid over the period in question + cumulative impairment charge from December 1, 2017 to the end of the quarter in question.

Finally, the 2019 Syndicated Credit Agreement provides that in the event of a change of control of Kaufman & Broad SA, the total commitments will be automatically canceled and all outstanding advances as well as any accrued interest, any costs of resigning and any other amounts due in respect of the financing documents will automatically become due and payable on the date of such change of control. Under the terms of the 2019 Syndicated Credit Agreement, a

change of control means any event in which one or more persons, acting alone or in concert, come to hold control of the Borrower within the meaning of Article L. 233-3 of the French Commercial Code without this event having been recommended by the Board of Directors of the Borrower; it being specified that the term "in concert" has the meaning given to it by Article L. 233-10 of the French Commercial Code.

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Maturity

<i>(in thousands of euros)</i>	November 30, 2022	< 1 year	Maturity from 1 to 5 years	More than 5 years
Bond issue	150,000		150,000	
Credit facilities used	-	-		
Accrued interest	2,359	2,359		
Gross financial debt	152,359	2,359	150,000	

6.3.2.11. Other liabilities

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Value-added tax	5,378	15,807
Income tax expense	-	17,018
Other taxes and duties	85	83
Other creditors	400	400
Current accounts ⁽¹⁾	14,429	9,576
Other liabilities	20,292	42,884

(1) This amount corresponds for 7.2 million euros to current accounts of companies that are members of the consolidated VAT scope (compared to €5.6 million as of November 30, 2021), and for €0.48 million to advances of funds granted by group companies (compared to €0.1 million as of November 30, 2020).

<i>(in thousands of euros)</i>	November 30, 2022	Within 1 year	1 to 5 years	More than 5 years
Value-added tax	5,378	5,378		
Income tax expense	-	-		
Other taxes and duties	85	85		
Other creditors	400	400		
CURRENT ACCOUNTS	14,429	9,606	4,823	

6.3.2.12. Receivables and payables with companies with which the Company has an equity interest

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Loans and advances to subsidiaries and affiliates	202,101	230,840
Other receivables	72,424	73,794
Current accounts	-14,430	-9,576
Receivables and payables related companies	260,095	295,058

6.3.2.13. Accrued expenses and accrued income

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Loans and borrowings	-2,359	-2,322
Trade payables and related accounts	-654	-1,133
Tax and social security liabilities		
Total payables	-3,013	-3,455

The amount appearing in trade payables mainly corresponds to fees not yet invoiced.

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Other receivables ⁽¹⁾	8,253	6,811
Total accrued income	8,253	6,811

(a) These are invoices to be issued as part of the free share plans for employees of the Kaufman & Broad group.

6.3.2.14. Revenue

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Services provided	3,449	2,692
Total	3,449	2,692

Revenue mainly corresponds to the re-invoicing of operating expenses incurred in 2022 by Kaufman & Broad SA on behalf of group companies or some of these shareholders, namely Artimus Participation, and the re-invoicing to GIE Kaufman & Broad, a structure employing employees of the Kaufman & Broad group, of expenses related to the future delivery of Bonus shares granted during the year.

6.3.2.15. Other purchases and external charges

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Legal fees and origination	-296	-634
Audit fees	-316	-290
Internal services	-546	-569
Other expenses	-555	-720
Total	1,713	2,213

6.3.2.16. Profits granted and losses borne

This item includes net income from program support companies of €44.9 million as of November 30, 2022, compared to €54.5 million as of November 30, 2021, including share of losses of €3.3 million as of November 30, 2022, compared to €3 million as of November 30, 2021.

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6.3.2.17. Net financial income

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Dividends received ⁽¹⁾	9,082	7,840
Net change in provisions ⁽²⁾	-1,364	-1,903
Financial income related to the early repayment of Senior B and C lines		
Net interest expense ⁽³⁾	-243	-908
Total	7,475	5,029

(1) Dividends and financial income consist of dividends received from Kaufman & Broad Europe, Kaufman & Broad R novation, SMCI D veloppement, and Kaufman & Broad Marketing & revenues.

(2) In 2022, this amount includes an allocation of €2.3 million for K & B Bretagne and a reversal of €1 million for K & B Financing.

(3) The financial interest borne corresponds to interest on the financial debt and on intra-group current accounts.

6.3.2.18. Exceptional items

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Other non recurring expenses, net ⁽¹⁾	-2,318	-2,993
Total	-2,318	-2,993

(1) The exceptional result includes the €2 million capital loss on treasury shares delivered under the March 2020 bonus share plan and covered by a reversal of the provision of the same amount (see note 6.2.2.8).

6.3.2.19. Off-balance sheet

Interest rate hedges

The interest rate risk hedging is ensured through instruments listed on regulated markets or over-the-counter, with top-tier arrangements. Given the repayment of senior debt during the half year, the residual swap was redeemed early in 2019.

Off-balance sheet commitments received

Unused syndicated lines of credit

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Unused RCF line ⁽¹⁾	250,000	250,000

(1) The revolving credit facility (RCF) for a maximum amount of €250 million with an initial maturity of 5 years until January 2024 was extended over the six months to the end of January 2025. It was set up in January 2019 to finance the group's general and working capital requirements. This line was used from January 2022 to enable the group to meet its immediate cash requirements and then repaid progressively until July 31, 2022.

Pledges and liens securities

Under an agreement, Kaufman & Broad SA acted as guarantor for the benefit of one of its partners, up to a limit of €4 million excluding VAT and until a first demand bank guarantee was provided in accordance with the commitments entered into by two of its subsidiaries in the agreement. Conversely, the main shareholder of this partner acted as a joint and several guarantor of its subsidiary's commitments to joint ventures, up to the same amount and until the provision of a bank guarantee on first demand compliant by it.

Off-balance sheet commitments given

Guarantees and bonds issued

<i>(in thousands of euros)</i>	November 30, 2022	November 30, 2021
Fixed asset indemnities and works guarantees	31,315	27,768
Counter guarantees granted ⁽¹⁾	43,601	35,683
VEFA price restitution guarantee	-	-
Total	74,916	63,451

(1) These are various sureties and guarantees granted by Kaufman & Broad SA mainly a rental guarantee on the rents of the head office and a guarantee of €4 million granted under a protocol with a partner.

In addition, financial completion guarantees are provided to customers as part of VEFA revenues by Kaufman & Broad SA subsidiaries. Kaufman & Broad requests a financial institution, mutual guarantee body or insurance company to issue a completion guarantee to Kaufman & Broad customers. These bonds are arranged on a transaction-by-transaction basis and have a term comparable to the term for completion of the program.

In return for these guarantees, Kaufman & Broad generally gives these financial institutions or insurance companies a mortgage promise, a commitment not to sell shares of the companies carrying these programs and a pledge of unborn receivables on the selling prices.

6.3.3. Tax consolidation and deferred tax position

The company opted for the tax consolidation regime from the financial Fiscal Year ended November 30, 1990, in accordance with Article 223 of the French General Tax Code, for a period of 5 years. The Company has renewed this option six times, which is therefore valid until the end of 2025.

<i>(in millions of euros)</i>	Pre-tax income	Tax adjustments ⁽¹⁾	Tax result	Losses carried forward	Taxable income	Kaufman & Broad SA theoretical tax	Effect of tax consolidation income/ (expense)	Recognized tax income/ (expense)	Net income
Current	54,456	-18,784	35,672	-	35,672	-10,265	10,821	556	55,012
Exceptional	-2,318		-2,318	-	-2,318	673		673	-1,644
Total	52,138	-18,784	33,354	-	33,354	-9,592	10,821	1,229	53,368

(1) Tax adjustments mainly include the deduction of dividends received from subsidiaries and the 2022 restatement of the recognition of income and the percentage of completion margin recorded in the accounting result but neutralized for the calculation of taxable income upon completion.

Due to the difference in the method of recognizing the margin on programs in accounting (on completion) and taxation (on completion), a material unrealized tax position results. As an indication, it should be noted that the impact of differences in the recognition of real estate programs between the tax and consolidated financial statements on a percentage of completion basis amounts to €105 million, i.e. an unrealized tax of 27.2 million euros as of November 30, 2022.

6.3.4. Transactions with related parties

By virtue of the license agreement signed with Kaufman & Broad Europe SAS, Kaufman & Broad SA freely benefits from an operating license for the Kaufman & Broad brands, logos, and domain names in France. All other related party transactions are carried out on an arm's-length basis.

Relations with related parties, including the terms and conditions of executive compensation, remained comparable to those of the 2021 financial year and no unusual transactions, by their nature or amount, occurred during the financial year.

6.3.5. Subsequent events

None

6.3.6. Consolidation

Kaufman & Broad SA is the parent company of Kaufman & Broad SA and its subsidiaries.

6.3.7. Other

Kaufman & Broad SA has no employee.

The total compensation of Directors and corporate officers for 2022 amounts to €1,841,343, including €329,750 for non-executive Directors.

Subsidiaries and affiliates

	Share capital	Shareholders' equity other than share capital before appropriation of income	Share of capital held as a percentage	Gross carrying amount of shares held	Net-book value of shares held	Outstanding loans and advances granted by the Company	Amount of guarantees given by the company	Net revenues for the last financial year	Accounting result for the last financial year	Dividends received by the Company during the year
A - Detailed information on investments whose gross value exceeds 1% of the capital of Kaufman & Broad SA										
1. Subsidiaries (at least 50% of the share capital held by the company)										
Kaufman & Broad Europe SAS	221,440,548	5,674,766	99.90%	217,436,878	217,436,878	-	-	7,866,816	7,739,727	7,113,794
Kaufman & Broad Homes SAS	2,247,403	2,596,966	100.00%	10,450,195	10,450,195	-	-	37,979,770	-1,732,711	-
Kaufman & Broad Développement SAS	152,449	2,119,016	100.00%	152,449	152,449	-	-	21,177,594	2,268,547	-
Kaufman & Broad Champagne	100,000	1,343,148	100.00%	100,000	100,000	-	-	802,474	-455,991	-
SMCI Développement SAS	762,245	76,225	100.00%	762,245	762,245	-	-	59,550	252,805	812,833
Kaufman & Broad Rénovation SAS	160,000	16,000	100.00%	152,297	152,297	-	-	2,127,610	8,518	98,811
Kaufman & Broad Financement SNC	3,040,500	1,032,750	99.96%	4,307,708	2,236,234	-	-	328,644	-1,836,120	-
Kaufman & Broad Real Estate SAS	205,280	5,205,472	100.00%	30,191,792	30,191,792	-	-	2,018,304	590,287	-
Kaufman & Broad Méditerranée SARL	100,000	-27,673,255	100.00%	100,000	100,000	-	47,769	5,961,326	-2,632,857	-
Kaufman & Broad Savoie SARL	100,000	-7,478,186	100.00%	100,000	100,000	-	780,250	2,902,707	-1,184,926	-
Kaufman & Broad Rhône-Alpes SARL	1,300,000	-23,198,923	100.00%	1,300,000	1,300,000	-	1,666,200	2,122,909	-5,267,686	-
Kaufman & Broad Pyrénées-Atlantiques SARL	100,000	-13,613,837	100.00%	100,000	100,000	-	351,222	1,935,234	-661,135	-
Residences Bernard Teillaud SARL	840,000	16,911,374	100.00%	15,663,729	15,663,729	-	44,750	157,959	-162,074	-
Kaufman & Broad Midi-Pyrénées SARL	2,858,910	2,221,485	100.00%	36,404,834	36,404,834	-	2,723,766	4,849,874	-4,698,933	-
SARL Kaufman & Broad Languedoc-Roussillon	100,000	-8,396,762	99.00%	99,000	99,000	-	1,164,715	1,924,719	-3,417,194	-
SARL Kaufman & Broad Gironde	100,000	-7,332,765	99.00%	1,387,900	1,387,900	-	858,900	4,614,744	-2,852,624	-
Kaufman & Broad Bretagne	1,000,000	-6,792,173	100.00%	5,064,530	-	-	508,900	583,998	-2,394,009	-
Kaufman and Broad Flanders	7,700	-3,013,778	99.90%	449,360	449,360	-	286,437	6,262,063	1,586,977	-
Kaufman and Broad Innovations	1,000	-1,826,467	100.00%	1,000	1,000	-	-	423,274	12,328	-
Kaufman and Broad Marketing and revenues	1,000	100	100.00%	1,000	1,000	-	-	30,529,404	-659,401	1,056,085
Kaufman and Broad Poitou-Charentes	100,000	-2,964,670	100.00%	100,000	100,000	-	121,537	850,949	-909,080	-
Kaufman and Broad Pyrénées-Orientales	100,000	559,584	100.00%	100,000	100,000	-	353,625	72,056	-261,555	-

	Share capital	Shareholders' equity other than share capital before appropriation of income	Share of capital held as a percentage	Gross carrying amount of shares held	Net-book value of shares held	Outstanding loans and advances granted by the Company	Amount of guarantees given by the company	Net revenues for the last financial year	Accounting result for the last financial year	Dividends received by the Company during the year
Kaufman and Grand-Est	100,000	-6,702,865	100.00%	100,000	100,000	-	-	4,046,917	-947,523	-
Kaufman et Broad Bourgogne-Franche-Comté	100,000	-102,823	100.00%	100,000	100,000	-	161,351	2,107,419	451,689	-
Kaufman and Broad Investissement	100,000	-1,483,936	100.00%	100,000	100,000	-	-	-	747,431	-
Serge Mas Immo	1,000	-	99.90%	999	999	-	-	7,361,197	733,141	-
2. Investments (at least 10% to 50% of the share capital held by the company)										
B - Aggregate information on other securities whose gross value does not exceed 1% of the capital of Kaufman & Broad SA										
1. Subsidiaries not included in section A										
SNC Kaufman & Broad Promotion 1	1,000	-	99.00%	990	990	-	-	120 122 28	8,477,454	-
SNC Kaufman & Broad Promotion 2	1,000	-	99.00%	990	990	-	-	-	4,146	-
SNC Kaufman & Broad Promotion 3	1,000	-	99.00%	990	990	-	6,656,800	183,656,185	5,250,749	-
SNC Kaufman & Broad Promotion 4	1,000	-	99.00%	990	990	-	-	52,781,665	9,606,108	-
SNC Kaufman & Broad Promotion 5	1,000	-	99.00%	990	990	-	-	103,917,190	6,169,921	-
SNC Kaufman & Broad Promotion 6	1,000	-	99.00%	990	990	-	2,718,241	129,299,584	8,600,565	-
SNC Kaufman & Broad Promotion 7	1,000	-	99.00%	990	990	-	-	25,708,762	2,458,236	-
SNC Kaufman & Broad Promotion 8	1,000	-	99.00%	990	990	-	-	115,585,075	6,737,060	-
SNC Kaufman & Broad Promotion 9	1,000	-	99.00%	990	990	-	-	-	192	-
Other French subsidiaries (total)				8,263	203					
2. Investments not included in section A in French companies (total)				158,272	203					

6.4. Statutory Auditors' report on the parent company financial statements

Fiscal Year ended November 30, 2022

To the Shareholders' Meeting of Kaufman & Broad S.A.,

Opinion

In compliance with the engagement entrusted to us by *your* Annual General Meeting, we have audited the accompanying financial statements of Kaufman & Broad S.A. for the Fiscal Year ended November 30, 2022.

In our opinion, the financial statements give a true and fair view of the results of operations for the year then ended and of the financial position and assets of the Company at the end of the year, in accordance with French accounting principles.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of opinion

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in accordance with the independence rules set out in the French Commercial Code and the French Code of Ethics for Statutory Auditors for the period from December 1 2021, to the date of our report, and in particular we did not provide any prohibited non audit services referred to in Article 5 (1) of Regulation (EU) no. 537/2014.

Justification of our assessments - Key audit matters

Pursuant to the provisions of Articles L. 823 - 9 and R. 823 - 7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were most significant in our audit of the financial statements of the current period, as well as how we addressed those risks.

These assessments were made in the context of our audit of the financial statements as a whole and in forming our opinion thereon. We do not express an opinion on individual items of these financial statements.

Valuation of equity investments (Notes 6.3.1.2 and 6.3.2.1 to the financial statements)

Risk identified As of November 30, 2022, the net value of equity investments amounted to €317,605K, representing more than 50% of total assets. They are recognized at acquisition cost.

A provision for impairment is recorded when the carrying amount of investments in subsidiaries and affiliates is lower than their acquisition value.

As indicated in Note 6.3.1.2 to the annual financial statements, the carrying amount is determined in relation to the value in use of equity investments based on the share of equity held in each company and the outlook for the subsidiaries concerned.

The assessment of the value in use of equity investments, taking into account the earnings forecasts of the real estate programs developed by the subsidiaries, requires assumptions and estimates from management. In addition, as indicated in Note 6.3.2.1 to the financial statements, the conflict between Russia and Ukraine reinforces the uncertainties already existing during the Covid-19 pandemic (shortages of certain materials leading to higher construction costs and the postponement of certain operations). The valuation of equity investments is therefore considered a key audit matter due to their importance in the annual financial statements and the estimated nature associated with their determination.

Our response We examined the method used to determine the value in use of subsidiaries and reviewed the related internal control procedures.

For a representative sample of securities, we reconciled the equity used by management in its valuations with those appearing in the financial statements of the subsidiaries concerned, which were the subject of an audit or analytical procedures as part of our audit of the consolidated financial statements of the group.

Regarding the outlook for the subsidiaries taken into account, our procedures mainly consisted in:

- Analyzing the consistency of the data and budgetary assumptions used by management to assess the results of real estate transactions with known historical data and development prospects, and in relation to the economic and financial context in which the subsidiaries of your company operate,
- Analyzing the business plan assumptions and, with valuation specialists included in the audit team, the discount rates used by management to value the intangible assets attached to the subsidiaries.

We also assessed the appropriateness of the information provided in the notes to the financial statements with respect to these items.

Assessment of the share of profits and losses of subsidiaries of equity investments (Notes 6.3.1.6. And 6.3.2.1. To the annual financial statements)

Risk identified As of November 30, 2022, the net amount of the share of profits and losses of subsidiaries recognized by your company for the financial year amounts to €44,999K and is presented on the line "Profits granted and losses borne" of the income statement. This net amount includes share of losses of €3,304K.

As indicated in Note 6.3.1.6 to the financial statements, most of your Company's subsidiaries have opted to recognize the revenue and margin of real estate programs using the percentage of completion method in their financial statements. Revenue and margin are recognized in proportion to the technical and commercial progress of each program. The articles of association of these companies, which are mainly in the form of S.C.I. and S.N.C., provide for a clause whereby their results are automatically reported to their partners in the year in which they are realized.

We considered the measurement of the share of profits and losses of subsidiaries to be a key audit matter due to their significant importance in the annual financial statements and the judgment necessary to determine the estimates used to determine the value of the share of profits and losses of subsidiaries, which depend on the progress and forecast margin of the programs carried, in the context of uncertainties specified above and mentioned in Note 6.3.2.1. To the annual financial statements.

Our response We familiarized ourselves with the internal control procedures put in place to assess the share of profits and losses of subsidiaries.

For a representative sample of subsidiaries formed in the form of S.C.I. and S.N.C., our work consisted mainly in examining:

- That the bylaws of these entities effectively include a clause that automatically reports income to their partners in the year in which they are made;
- That the results adopted by management are consistent with those appearing in the financial statements of the subsidiaries concerned, which have been analyzed for the progress and forecast margin of the main programs they carry;
- That the share of ownership applied in the calculation corresponds to that indicated in the respective articles of association of the entities concerned.

We also assessed the appropriateness of the information provided in the notes to the financial statements with respect to these items.

6 Assets, financial report and results at November 30, 2022

Statutory Auditors' report on the parent company financial statements

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law and regulations.

Information given in the management report and in the other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information relating to the payment terms mentioned in Article D. 441-6 of the French Commercial Code.

Corporate governance report

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-09 of the French Commercial Code.

Concerning the information provided pursuant to the provisions of Article L. 22-10-09 of the French Commercial Code relating to compensations and benefits received or granted to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlled by it that are included in the scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information relating to items that your company has considered likely to have an impact in the event of a public tender or exchange offer, provided pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, we have verified their compliance with the source documents provided to us. Based on our work, we have no matters to report on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications or information required by law and regulations

Presentation format of the annual financial statements for inclusion in the annual financial report

In accordance with the professional standard on the Statutory Auditor's procedures relating to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified compliance with this format defined by European Delegated Regulation no. 2019/815 of December 17, 2018, in the presentation of the annual financial statements intended to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chair and Chief Executive Officer.

Based on our work, we conclude that the presentation of the annual financial statements for inclusion in the annual financial report respects, in all material respects, the single European electronic information format.

It is not our responsibility to verify that the annual financial statements that will actually be included by your company in the annual financial report filed with the FMA correspond to those on which we conducted our work.

Appointment of the Statutory Auditors

We were appointed as the Statutory Auditors of Kaufman & Broad S.A. at your Annual General Meeting of May 9, 2021, for KPMG Audit and July 3, 1991, for ERNST & YOUNG Audit.

As of November 30, 2022, KPMG Audit was in the second year of its uninterrupted engagement and ERNST & YOUNG Audit in the 32nd year (of which 23 years since the Company's shares were admitted to trading on a regulated market).

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

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, as applicable, disclosing matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit, with respect to the accounting and financial reporting procedures.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements

Audit objective and approach

Our responsibility is to prepare a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material when, individually or in the aggregate, they can reasonably be expected to influence the economic decisions that users of the financial statements make based on them.

As specified in Article L. 823 - 10 - 1 of the French Commercial Code, our statutory audit does not include assurance on the viability or quality of the management of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. In addition,

- it identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its report. However, subsequent events or circumstances may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, the statutory auditor draws attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, issues a qualified opinion or a disclaimer of opinion;
- evaluates the overall presentation of the financial statements and assesses whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the conclusions of our audit. We also bring to its attention, where applicable, any significant weaknesses in internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014 confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822 - 10 to L. 822 - 14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the related safeguards.

Paris-La Défense, March 17, 2023

The Statutory Auditors

KPMG S.A.
Xavier Fournet

Ernst & YOUNG Audit
Denis Thibon

6.5. Five-year financial summary

Type of indication	2022	2021	2020	2019	2018	2017
1. Financial position at year-end						
A) Share capital	5,619,386	5,645,386	5,742,886	5,742,886	5,684,659	5,479,119
B) Number of shares issued	21,613,022	21,713,023	22,088,023	22,088,023	21,864,074	21,073,535
C) Number of convertible bonds						
2. Comprehensive income from operations						
A) revenues excluding tax	3,448,625	2,692,036	1,839,625	3,304,344	2,842,553	3,604,354
B) Earnings before tax, depreciation, amortization and provisions	52,531,497	58,232,873	42,477,345	107,854,956	105,062,412	68,679,187
C) Income tax	-1,229,432	20,776,484	5,082,377	14,017,152	42,405,115	5,545,300
D) Earnings after tax, depreciation, amortization and provisions	53,368,072	35,690,796	40,913,230	91,362,351	57,170,733	73,114,615
E) Amount of distributed profits ⁽¹⁾	42,503,139	41,560,395	38,034,684	55,220,058	53,547,078	43,619,335
3. Earnings per share						
A) Earnings after tax before depreciation, amortization and provisions	2.68	1.78	1.69	4.25	2.87	3.00
B) Earnings after tax, depreciation, amortization and provisions	2.66	1.69	1.85	4.14	2.61	3.47
C) Dividend per share ⁽¹⁾	2.40	1.95	1.85	1.75	2.50	2.10
4. Personnel						
D) Number of employees	-	-	-	-	-	-
E) Total payroll	-	-	-	-	-	-
F) Amount paid in respect of employee benefits	-	-	-	-	-	-

(1) The data for 2018 includes the amount of €4,856,739 settled by the issue of 150,690 new shares. The data for 2022 are in line with the proposed appropriation of net income proposed at the next Shareholders' Meeting.

6.6. Management report of the Board of Directors

1. Business and situation of Kaufman & Broad SA

1.1. Activity

See Chapter 6.3. Parent company financial statements as of November 30, 2022 - section 6.3.2.1. "Significant events."

1.2. Situation

See Chapter 6.3. Parent company financial statements as of November 30, 2022 - section 6.3.2. "Comments on the financial statements" et seq.

2. Business and situation of the Kaufman & Broad group

See Chapter 2. "Business and situation of the Kaufman & Broad group."

3. Information on risks

See Section 4.1. "Risk factors."

4. Other information

4.1. Analysis of share purchase and sale transactions (L. 225-211 al. 2)

See section 7.2.3.2. "Balance sheet of share purchase and sale transactions."

4.2. Share purchase or subscription option plan - allocation of Bonus shares

See section 3.3. "Employee profit sharing" et seq.

4.3. Management interests

See section 3.2. "Management interests."

4.4. Internal control and risk management system

See section 4.2. "Internal control and risk management system and Insurance."

4.5. Non financial performance statement: Kaufman & Broad's corporate social responsibility

See section 5.1. "Non financial performance statement: Kaufman & Broad's social, environmental and societal responsibility."

5. Ordinary resolutions submitted for the approval of the Shareholders' Meeting of 4 May 2023

See section 8.7. "Agenda and resolutions of the Ordinary and Extraordinary Shareholders' Meeting of 4 May 2023" - from the first to the thirteenth resolutions.

6. Extraordinary resolutions submitted to the Shareholders' Meeting of 4 May 2023

See section 8.7. "Agenda and resolutions of the Ordinary and Extraordinary Shareholders' Meeting of 4 May 2023" - from the 14th to the 16th resolutions.

Appendices to the Board of Directors' report

Appendix 1 Summary table of securities transactions carried out by corporate officers and their close relatives during the last financial year

See section 7.2.3.5. "Summary table of securities transactions carried out by corporate officers and their close relatives during the last financial year."

Subsidiaries and affiliates

See Chapter 6.3. Parent company financial statements as of November 30, 2022 - Notes to the parent company financial statements in section 6.3.7. "Subsidiaries and affiliates." See Chapter 6.1 - Scope of consolidation in Section 6.1.5. "Notes to the financial statements" Note 12 "List of consolidated companies."

Five-year financial summary

See section 6.5. "Five-year financial summary."



7 Information about the issuer, share capital and shareholder structure

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7 Information about the issuer, share capital and shareholder structure

General information about the Company

7.1. General information about the Company

7.1.1. Company name and registered office

Corporate name: Kaufman & Broad SA

Registered office: 17, quai du Président Paul Doumer

CS 90001 - 92672 Courbevoie Cedex - France

Telephone: +33 (0) 1 41 43 43 43

7.1.2. Legal form and applicable legislation

The Company is a French public limited company (Société Anonyme) with a Board of Directors, governed in particular by the provisions of Book II of the French Commercial Code.

7.1.3. Date of incorporation and term of the company

The company was incorporated by private deed on June 28, 1968, and registered with the Nanterre Trade and Companies Register on October 29, 1968. The company was incorporated for a period of 99 years and will expire on October 29, 2067, except in the event of early dissolution or extension.

7.1.4. Corporate purpose

The Company's corporate purpose, as defined in Article 3 of the Bylaws, consists, directly or indirectly, both in France and abroad, of:

- The acquisition of any land, whether built or not, with or without demolition, for the construction of new buildings of any kind (apartments, single family homes, offices, shops, etc.) and their resale, completed or in a future state of completion, in block or in lots, to any natural or legal person;
- The study and implementation of any housing development project and housing groups, whether or not governed by the status of co-ownership, any urban development project and any program for the rehabilitation or renovation of existing buildings;
- The creation of all files, the execution of all administrative procedures and formalities on its own behalf or on behalf of landowners, the obtaining of all administrative authorizations, the conclusion of any promise of sale, or before contract, the study and preparation of all works contracts and service contracts with all companies, architects, design offices and masterpieces, and more generally, all technical, legal, financial, commercial, and advertising transactions that may promote the implementation and sale of real estate transactions;
- Construction on behalf of landowners of any kind, in the form of property development contracts, delegated project management contracts, assistance to Master of Construction or any other service contract;
- The ownership, leasing or management of all buildings, whether or not built by the company, for the purposes of its business;
- Any industrial, commercial or financial transactions, movable or immovable property, that may be directly or indirectly related to the corporate purpose or to any similar or related purpose;
- The participation of the company in all companies or companies created or to be created, which may be directly or indirectly related to the corporate purpose or to all similar or related purposes, in particular to companies or companies whose purpose would be likely to contribute to the achievement of the corporate purpose, and by any means, in particular through the creation of new companies, contributions, mergers, alliances, acquisitions of interests in any type of companies or Economic Interest groups;
- Any partnership or other transactions with any company that may be directly or indirectly related to the corporate purpose or to any similar or related purpose, or that may facilitate its expansion or development or make it more profitable;
- Incidentally, the acquisition and sale by any means, and in particular by contribution, subscription, purchase or exchange or otherwise, and the management of a portfolio of securities, whether listed or unlisted, as well as shares, interests, movable and immovable rights of any kind;
- All services, studies, services, provision, interpretation, technical or legal assistance, expertise, and advice arising from them;
- Independently, and in general, the administrative, economic, commercial and technical assistance of all organizations, enterprises, communities, private or public, and individuals in all fields;
- In any form whatsoever, all transactions directly or indirectly related to the above purposes, including, but not limited to, association with any natural or legal persons or bodies, the acquisition of interests in existing undertakings, the creation of new undertakings, the merger of companies, the representation of any French or foreign firms or companies;
- And generally, all scientific, technical, industrial, commercial, financial, movable or real property transactions directly or indirectly related to the above purposes or to any similar or related purposes, or likely to facilitate its extension or development or to make it more remunerative.

7.1.5. Trade and Companies Register

The company is registered under number 702,022,724, RCS Nanterre.

7.1.6. Consultation of documents

All the legal documents relating to the company to be made available to shareholders in accordance with applicable regulations, as well as all the documents mentioned and used as a basis for the communication of the Kaufman & Broad group, can be consulted at the registered office: 127, avenue Charles de Gaulle in Neuilly sur Seine, France or on the website www.kaufmanbroad.fr.

7.1.7. Fiscal year

The financial year begins on December 1 of a year and ends on November 30 of the following year.

7.1.8. Distribution of profits

After approval of the financial statements and recognition of the existence of distributable sums, at least five percent (5%) is deducted to constitute the legal reserve fund until this fund has reached one-tenth of the share capital.

The balance of said profits, less prior losses and plus retained earnings, constitutes distributable profit.

The Ordinary Shareholders' Meeting may deduct from this distributable profit all amounts it deems appropriate, either to be carried forward to the following financial year, or to be transferred to one or more general or special reserve funds for which it determines the allocation or use.

The distribution of dividends must take place within nine (9) months after the end of the financial year, unless this period is extended by authorization of the President of the Commercial Court.

Since the group's refinancing under the Senior Credit Agreement signed on April 4, 2016, the Company is no longer required to comply with the "Financial Covenants" ratio to be able to pay dividends. The Company's dividend policy is described in section 7.5.1. "Distribution policy."

7.1.9. General Meetings

Shareholders' decisions are taken at General Meetings. The Ordinary General Meeting is called upon to take all decisions that do not amend the Bylaws (unless otherwise provided for by law).

The Extraordinary General Meeting has the power to amend the Bylaws (unless otherwise provided by law).

Shareholders' Meetings are held at the registered office or at any other place indicated in the notice of the meeting.

Shareholders' Meetings are convened by the Board of Directors under the conditions and within the time limits set by law. All shareholders have the right to attend Shareholders' Meetings in person or by proxy, upon proof of identity and ownership of at least one share, in the form and at the places indicated in the notice of meeting. All shareholders may be represented at all Shareholders' Meetings under the conditions provided for by law. They may also vote by post in accordance with the law.

For the purposes of calculating the *quorum* and majority, shareholders who participate in the Meeting by video-conference or by means of telecommunication enabling their identification and whose nature and conditions of application are determined by decree are deemed to be present. These provisions are provided for in Article 18 of the Company's Bylaws.

All shareholders may be represented by their spouse, registered (PACSé) partner, another shareholder or any natural or legal person of their choice at all Shareholders' Meetings. They may also vote by post in accordance with the law.

The Shareholders' Meeting is chaired by the Chair of the Board of Directors or, in their absence, by the Vice Chair or, in their absence, by a Director appointed by the Board of Directors. The duties of the tellers shall be performed by the two shareholders present and accepting them, who have the greatest number of votes, both in their personal name and as proxies. The Bureau shall appoint the Secretary, who may be chosen from outside the members of the Meeting.

7 Information about the issuer, share capital and shareholder structure

General information about the Company

7.1.10. Double voting rights

The voting rights attached to shares are in principle proportional to the capital they represent. However, the Extraordinary Shareholders' Meeting of January 21, 2000, granted double voting rights to all fully paid-up shares that have been registered in the name of the same shareholder for at least two years (as well as to all shares resulting from these same shares). Bonus shares resulting from a capital increase through the capitalization of reserves, profits or premiums will benefit from double voting rights as soon as they

are issued, insofar as they are allocated to shares already benefiting from this right. The double voting right ceases for any share that has been converted into bearer form or transferred, except for any transfer from registered form to registered form as part of an estate or family donation.

The cancellation of double voting rights is the responsibility of an Extraordinary General Meeting, which can only be decided with the authorization of a Special Meeting of the holders of this right.

7.1.11. Disclosure thresholds

Pursuant to Article 7 of the bylaws, any natural or legal person, acting alone or in concert, who comes to hold, directly or indirectly, through one or more legal entities it controls, within the meaning of Article L. 233-3 of the French Commercial Code, a number of shares representing a proportion of the share capital or voting rights equal to or greater than 2% or any multiple of this percentage, including beyond the reporting thresholds provided for by legal and regulatory provisions, must inform the company of the total number of shares and voting rights it owns, as well as the securities giving future access to the capital and the voting rights potentially attached thereto, by registered letter with acknowledgment of receipt within five trading days of passing the threshold.

In addition, pursuant to Article L. 233-7 of the French Commercial Code, any natural or legal person, acting alone or in concert, who comes to hold, directly or indirectly, a number of shares representing more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, three-tenths, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the existing capital or voting rights of the company must inform the company by registered letter with acknowledgment of receipt, indicating in particular the total number of shares and voting rights that they hold, at the latest before the close of trading on the fourth trading day following the date on which the threshold is passed.

The methods for calculating the passing of these thresholds, as well as the content of the declarations to be made to the company and the Financial Markets Authority are specified by the applicable laws and regulations.

The obligation to inform the Company also applies when the shareholder's interest in the capital or voting rights falls below each of the aforementioned thresholds.

If they have not been duly declared, the shares exceeding the fraction that should have been declared in accordance with the legal provisions identified above are deprived of voting rights for any Shareholders' Meeting held until the expiry of a period of two years following the date on which the notification is regularized. The legal penalties applicable in the event of failure to disclose the crossing of legal thresholds also apply in the event of failure to disclose the crossing of statutory thresholds, provided that one or more shareholders holding at least 5% of the capital or voting rights have made the request, and that this has been recorded in the minutes of the Shareholders' Meeting.

The crossing of thresholds is detailed in Section 7.3.1. "Company shareholding as of November 30, 2021 and changes over three years" in the paragraph "Crossing of thresholds."

7.2. General information concerning the share capital

7.2.1. Provisions of the bylaws governing changes in the share capital and rights attached to shares

Any change in the share capital or the rights attached to its component securities is subject to the legal provisions, as the Bylaws do not provide for any specific requirements.

7.2.2. Rights, privileges and restrictions attached to shares

The group's share capital as of November 30, 2022, consisted of 21,613,022 shares with the same rights and privileges (see Section 7.1.8. "Distribution of profits"), subject to the existence of double voting rights (see section 7.1.10. "Double voting rights"). Only the shares held by Kaufman & Broad are deprived during the period of self holding of their voting rights and the rights to have a share of the profits and any *liquidation* surplus.

Pursuant to the authorization granted at the Shareholders' Meeting of May 5, 2022, the Board of Directors' meeting of January 27, 2023, decided to reduce its share capital by canceling 500,000 treasury shares, thus increasing the number of shares comprising the Company's share capital. Following the cancellation of the 500,000 treasury shares held by the company on January 31, 2023, the number of shares comprising the share capital is now 21,113,022 shares for a share capital of €5,489,385.72.

The voting rights attached to shares are in principle proportional to the capital they represent. However, the Extraordinary Shareholders' Meeting of January 21, 2000, granted double voting rights to all fully paid-up shares that have been registered in the name of the same shareholder for at least two years (as well as to all shares resulting from these same shares). Bonus shares resulting from a capital increase through the capitalization of reserves, profits or premiums will benefit from double voting rights as soon as they are issued, insofar as they are allocated to shares already benefiting from this right. The double voting right ceases for any share that has been converted into bearer form or transferred, except for any transfer from registered form to registered form as part of an estate or family donation.

The cancellation of double voting rights is the responsibility of an Extraordinary General Meeting, which can only be decided with the authorization of a Special Meeting of the holders of this right.

7.2.3. Acquisition by the company of its own shares

The sixth resolution submitted to and approved by the Combined Shareholders' Meeting of May 9, 2001, authorized the implementation of a share buyback program representing up to 10% of the number of shares comprising the Company's share capital. The authorization granted to the Board of Directors to purchase the Company's own shares was renewed by the Shareholders' Meeting of May 5, 2022, in its 13th resolution for a period of 18 months. The authorization was granted to the Board of Directors during this Shareholders' Meeting by the 14th resolution to cancel shares held by the company following the repurchase of its own shares for 26 months.

7.2.3.1. Share buyback program authorized by the Shareholders' Meeting of May 5, 2022

The 13th resolution submitted to and approved by the Combined Shareholders' Meeting of May 5, 2022, authorized the Board of Directors, for a period of 18 months, to purchase the Company's own shares. The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the report of the Board of Directors, authorizes the Board of Directors, with the power to delegate as provided by law, in accordance with the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code, to have the Company buy back its own shares.

This authorization may be used for the purposes of:

- The market making or liquidity of the share by an investment services provider through a Liquidity Agreement in accordance with market practice accepted by the ANG on July 1, 2021;
- The acquisition of shares for the purpose of holding them and subsequently delivering them as payment or exchange in connection with external growth transactions;
- The allocation or sale of shares to employees and/or corporate officers (under the conditions and in accordance with the procedures provided for by law), in particular under a stock option plan, a free share plan or a company savings plan;
- The allocation of shares by delivery of shares upon the exercise of rights attached to securities giving the right to the allocation of Company shares through redemption, conversion, exchange, presentation of a warrant or in any other way;
- The possible cancellation of the shares acquired, subject to the adoption of the nineteenth resolution of an extraordinary nature appearing on the agenda of the Shareholders' Meeting of today;
- More generally, the execution of any transaction that is or will become authorized by the regulations in force, in particular if it is part of a market practice that may come to be accepted by the Financial Markets Authority.

7 Information about the issuer, share capital and shareholder structure

General information concerning the share capital

The acquisition, sale, or transfer transactions described above may be carried out by any means compatible with the law and the regulations in force, including the use of derivative financial instruments and by the acquisition or sale of blocks. The portion of the program carried out as a block may reach the entire share buyback program.

Unless previously authorized by the Shareholders' Meeting, the Board of Directors may not use this authorization as from the date on which a third party files a public offer for the Company's shares, until the end of the offer period.

The Shareholders' Meeting sets the maximum number of shares that may be acquired under this resolution at 10% of the share capital, adjusted for transactions subsequent to this meeting affecting the share capital, it being specified that (i) in the context of the use of this authorization, the number of treasury shares must be taken into account so that the Company remains at all times within the limit of a number of treasury shares held up to 10% of the share capital and (ii) that the number of treasury shares held to be delivered as payment or exchange in the context of a merger, spin-off, or contribution may not exceed 5% of the share capital.

The Shareholders' Meeting decides that the total amount allocated to these acquisitions may not exceed €127,878,138 and decides that the maximum purchase price may not exceed €60 per share.

In the event of a capital increase by capitalizing additional paid in capital, reserves, profits or other items in the form of the allocation of Bonus shares during the period of validity of this authorization, as well as in the event of a stock split or reverse-stock split, the Shareholders' Meeting delegates to the Board of Directors the power to adjust, if necessary, the maximum unit price referred to above to take into account the impact of these transactions on the value of the share.

The Shareholders' Meeting grants the Board of Directors, with the option to delegate as provided by law, all necessary powers to:

- decide to implement this authorization;
- set the terms and conditions under which, if applicable, the rights of holders of securities giving access to the share capital, share subscription or purchase options or performance share allotment rights will be protected in accordance with legal, regulatory or contractual provisions;
- place all stock market orders and enter into all agreements in particular, to keeping registers of purchases and revenues of shares, in accordance with the regulations in force;
- make all declarations and complete all other formalities and, in general, do whatever is necessary.

The Board of Directors will inform the shareholders at the Annual Ordinary Meeting of all transactions carried out pursuant to this resolution.

This authorization is granted for a period of 18 months from the date of this meeting.

It replaces the authorization previously granted by the Shareholders' Meeting of May 6, 2021, in its 18th resolution.

Liquidity contract

With effect from October 22, 2018, and for one year, renewable automatically, Kaufman & Broad has entrusted the financial institution Rothschild Martin Maurel with the implementation of a Liquidity Agreement in accordance with the provisions of the legal framework in force. For the implementation of this agreement, the following resources were allocated to the liquidity account, €283,138.17 and 32,765 Kaufman & Broad SA shares.

At November 30, 2022, the liquidity account had the following resources: 6,000 shares and €1,379,091.09 not invested in shares.

7.2.3.2. Summary of share purchase and sale transactions

As part of the implementation of the Liquidity Agreement, the volumes and transaction prices during the 2022 financial year break down as follows:

Number of shares purchased:	258,274 shares
Average purchase price:	€28.46
Number of shares sold:	256,274 shares
Average revenues price:	€28.34
Total trading costs:	€48,357

As of November 30, 2022, the group held 1,053,314 treasury shares (representing 4.87% of the Company's share capital), of which 231,974 shares (representing 1.07% of the Company's share capital) intended to cover the free share allocations of February 2020, February 2021 and February 2022 authorized by the Shareholders' Meetings of May 2, 2019, May 5, 2020, and May 6, 2021, of which 500,000 shares intended to reduce the Company's share capital decided by the Board of Directors on January 27, 2023 (representing 2.31% of the Company's share capital), 149,700 shares (representing 0.69% of the Company's share capital) intended to cover the allocation of Bonus shares of February 2023 and an amount of 165,640 shares (representing 0.77% of the Company's share capital) to ensure the other objectives of the share buyback plan (as defined by the share buyback program authorized by the Shareholders' Meeting of the Company) and finally 6,000 shares held under the Liquidity Agreement (representing less than 0.03% of the Company's share capital).

On 10 October 2018, Kaufman & Broad entrusted Rothschild Martin Maurel with the task of assisting it in achieving certain objectives of its share buyback program as authorized by the Shareholders' Meeting of May 2, 2019. As part of the implementation of its share buyback program, the company entrusted Rothschild Martin with an irrevocable independent financial services mandate to repurchase its own shares up to an amount of €8,000,000 (eight million euros) between October 11, 2018, and February 15, 2019. The redemption price may not exceed the maximum redemption price set by the Combined Shareholders' Meeting of May 3, 2018. On December 18, 2018, Kaufman & Broad decided to increase this amount from €8,000,000 to €10,000,000. On February 8, 2019, this mandate was extended until July 20, 2019. On July 19, 2019, the mandate was again extended until October 31, 2019 for a total buyback budget of €10,000,000 set by the Combined Shareholders' Meeting of May 2, 2019. On October 31, 2019, Kaufman & Broad decided to renew the term of office until February 28, 2020, bringing the redemption price to €10,000,000 within the limits of the Shareholders' Meeting of May 2, 2019. On February 24, 2020, the company decided to extend the mandate entrusted to Rothschild Martin Maurel until July 31, 2020, for the buyback amount authorized by the Shareholders' Meeting of May 2, 2019.

On March 10, 2020, Kaufman & Broad SA decided to increase the total amount to be acquired under the mandate entrusted to Rothschild Martin Maurel to €2,000,000. On March 24, 2020, Kaufman & Broad SA decided to allocate an additional €5,000,000 to the amount of the share buyback program entrusted to Rothschild Martin Maurel.

Finally, following the announcement by Kaufman & Broad SA of the implementation of its share buyback program under the conditions provided for in the 13th resolution of the Shareholders' Meeting of May 5, 2022, on July 22, 2022, Kaufman & Broad SA renewed, for a period of 12 months, the irrevocable mandate entrusted to an investment services provider acting independently to repurchase its own shares within the limit of a maximum number of shares representing 7.7% of the share capital of Kaufman & Broad SA, depending on market conditions.

7.2.3.3. Summary of free share grants

In accordance with the authorizations of the Shareholders' General Meetings of May 2, 2019, May 5, 2020, and May 6, 2021 of Kaufman & Broad SA, it was decided to set up share allocation plans for employees of Kaufman & Broad SA and related companies in particular, to involve them in the development of the company.

The ownership of the shares granted under the various allocation plans detailed below is transferred at the end of the vesting period, either after a period of two years following the date of allocation by the Board of Directors for the plans, February 27, 2020, (1st Plan),

February 26, 2021 (1st Plan) and February 25, 2022 (1st Plan), or after a period of three years following the date of allocation by the Board of Directors for the plans February 27, 2020 (2nd Plan), February 15, 2021 (2nd Plan), and February 25, 2022 (2nd Plan).

In addition, the beneficiaries of these plans may not by any means transfer the ownership of the shares actually acquired before the expiry of the holding period or within a period of one year or two years according to the plans above.

During the financial year, the Board of Directors decided to implement a new free share plan on February 25, 2022, under the authorization of the Shareholders' Meeting of May 6, 2021.

The main characteristics of the plans in place as of November 30, 2022 within the group are detailed in the table below:

Bonus shares	February 27, 2020, Plan 2	February 16, 2021, Plan 1	February 26, 2021, Plan 2	February 25, 2022, Plan 1	February 25, 2022, Plan 2
Date of authorization by the Extraordinary Shareholders' Meeting	05/02/2019	05/05/2020	05/05/2020	05/06/2021	05/06/2021
Number of bonus shares available to be awarded	156,783	250,000	146,351	250,000	118,447
Date of Board of Directors' meeting granting the shares	02/27/2020	02/26/2021	02/26/2021	02/25/2022	02/25/2022
Total number of shares granted	10,000	103,217	10,000	131,553	10,000
Number of beneficiaries	1	779	1	814	1
Date of transfer of ownership of Bonus shares	02/27/2023	02/26/2023	02/26/2024	02/25/2024	02/25/2025
Date of sale of Bonus shares	02/27/2024	02/26/2025	02/26/2025	02/25/2026	02/25/2026
Expired shares	4,250	18,315	0	14,913	0
Shares outstanding	5,750 ⁽¹⁾	85,334	10,000	116,640	10,000

(1) At its meeting on January 27, 2023, the Board of Directors, acting on the recommendation of the Compensation and Nomination Committee, decided to grant Nordine Hachemi a total of 5,750 shares as long-term compensation in the form of performance shares (2020-2022 period)

7.2.3.4. Special reports on stock options and Bonus shares presented to the Shareholders' Meeting of May 4, 2023

7.2.3.4.1. Status of share subscription and purchase options (L. 225-184 al. 1) granted to employees and corporate officers

None.

7.2.3.4.2. Bonus shares granted during the financial Fiscal Year ended November 30, 2022 to the corporate officers of Kaufman & Broad SA by Kaufman & Broad SA and by companies related to it under the conditions provided for in Article L. 225-197-2

Table 6 FMA Nomenclature

Bonus shares granted during the year to each corporate officer by the issuer and by any group company (list of registered shares)	Plan number and date	Number of shares granted during the year ^(a)	Share price at grant date	Value of shares according to the method used for the consolidated financial statements	Acquisition date	Availability date
Nordine Hachemi						
Of which 2022 Plan (1 st Plan) ^(a)	02/25/2022	15,000	33.00	399,262	02/25/2024	02/25/2026
Of which 2022 Plan (2 nd Plan) ^(b)	02/25/2022	10,000	33.00	186,241	02/25/2025	02/25/2026

(a) On February 25, 2022, the Board of Directors granted 15,000 performance shares to the Chair and Chief Executive Officer for 2022, provided that they were still in office at the time of their final vesting in 2024. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- the achievement of quantitative criteria consisting of criteria reflecting short term performance such as Revenue, EBITDA, NIGS, and WCR, and criteria anticipating future performance, such as the number of Housing orders and the number of lots of Commitment Committees;
- the achievement of qualitative criteria composed of criteria related to team management, the quality of the social climate in the company, the control of operating expenses (including payroll), the return on equity, the adaptation of the company to technological changes and the proper control of risks.

At its meeting of January 27, 2023, the Board of Directors noted the achievement of the performance conditions applicable to the 14,550 performance shares corresponding to an overall performance of 97%.

(b) At its meeting on February 25, 2022, the Board of Directors renewed the Chair and Chief Executive Officer's long term compensation based on the grant of 10,000 performance shares to the Chair and Chief Executive Officer and providing for a three year vesting period and a one year holding period. The Board also decided that these shares were subject to long term performance conditions assessed over the 2022-2024 period (CSR performance - Quality, Goods, and Services - level of employee share ownership - TSR).

7 Information about the issuer, share capital and shareholder structure

General information concerning the share capital

7.2.3.4.3. Bonus shares granted during the year to corporate officers by controlled companies within the meaning of Article L. 233-16 by virtue of the offices and functions they hold there

None.

7.2.3.4.4. Bonus shares granted during the financial Fiscal Year ended November 30, 2022 by the company and by companies or groupings affiliated to it under the conditions set out in Article L. 225-197-2 to each of the Company's ten employees other than corporate officers receiving the largest number of shares

Company employees	Number	Share price grant date	Date of grant of shares	Beneficiary company
Shares granted during the year to the ten group employees receiving the largest number of shares ^(a)	20,300	33.00	02/25/2022	Kaufman & Broad SA

(a) 20,300 shares under the 1st 2022 Plan, subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the short term (fiscal year).

Ownership of these shares will be transferred at the end of the vesting period, i.e. after a period of 2 years following the grant date as defined by the regulations established for this grant. The opening share price on the grant date was €33.00 on February 25, 2022.

7.2.3.4.5. Bonus shares granted during the financial Fiscal Year ended November 30, 2022 by the company and by companies or groupings affiliated to it under the conditions set out in Article L.225-197-2 to all beneficiary employees per category of beneficiaries

Category	Number of beneficiaries	Number of shares granted
Executive Corporate Officer ^(a)	1	15,000
Member of the Management Committee	12	18,200
Directors of profit centers/central functions	27	18,300
Service Managers	147	38,150
Other employees	627	41,903
Total ^(b)	814	131,553

(a) On February 25, 2022, the Board of Directors granted 15,000 performance shares to the Chair and Chief Executive Officer for 2022, provided that they were still in office at the time of their final vesting in 2024. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- the achievement of quantitative criteria consisting of criteria reflecting short term performance such as Revenue, EBITDA, NIGS, and WCR, and criteria anticipating future performance, such as the number of Housing orders and the number of lots of Commitment Committees;
- The achievement of qualitative criteria composed of criteria related to team management, the quality of the social climate in the company, the control of operating expenses (including payroll), the return on equity, the adaptation of the company to technological developments and the proper control of risks.

On January 27, 2023, the Board of Directors definitively granted 14,550 performance shares, corresponding to a total performance of 97%.

(b) The definitive allocation of certain shares was subject to performance conditions for 2022. Of the 74,840 shares granted on February 25, 2022, 65,882 were definitively granted based on the performance achieved.

Ownership of these shares will be transferred at the end of the vesting period, i.e. after a period of 2 years following the grant date as defined by the regulations established for this grant. The opening share price on the grant date was €33.00 on February 25, 2022.

7.2.3.5. Summary table of securities transactions by corporate officers and their close relatives during the last financial year

Name and surname	Chaussade Jean Louis
Positions held within the issuing body	Director
Transactions carried out by person related to the person above	-
Description of the financial instrument	Equities
Total number of financial instruments sold	-
Weighted average price	€0
Total amount of transfers	€0
Total number of financial instruments acquired	400
Weighted average price	€30.30
Total acquisitions	€12120.00

7.2.3.6. Summary table of securities transactions by corporate officers and their close relatives carried out post financial year 2022

None.

7.2.4. Share capital

As of November 30, 2022, the share capital amounted to €5,619,385.72 and was divided into 21,613,022 fully paid-up shares with a par value of €0.26 each. At the date of this document, following the cancellation of 500,000 treasury shares on January 31, 2023, the Company's share capital now amounts to €5,489,385.72 divided into 21,113,022 shares with a par value of €0.26 each.

7.2.5. Capital authorized but not issued

A summary of the authorizations granted by the Extraordinary Shareholders' Meeting to the Board of Directors to increase the Company's share capital by issuing shares or securities giving access to said capital is provided in Chapter 9 "Appendix" Section 9.4. "Summary table of authorizations to increase the share capital currently in force."

7.2.6. Non-equity securities

The Board of Directors has an authorization granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of May 6, 2021, to issue securities entitling holders to the allocation of debt securities for a period of 26 months, up to a maximum nominal amount of 3% of the share capital. This authorization has not been used to date.

7.2.7. Other securities giving rights to capital

The company has set up various free share and stock option plans (see in particular Sections 3.3.3. "Share purchase or subscription option plans - Allocation of Bonus shares - Allocation of share subscription warrants" and 7.2.3.3. "Balance sheet of free share grants" and Section 9.4. "Summary table of authorizations to increase the share capital currently in force").

7 Information about the issuer, share capital and shareholder structure

General information concerning the share capital

7.2.8. Table of changes in share capital

Transactions	Number of shares issued	Capital variation total	Issuance premium per share	Cumulative issue premium	Successive amounts of share capital	Cumulative number of shares	Nominal value
November 30, 1997	-	-	-	29,992,949 F	19,414,200 F	194,142	100 F
21 January 2000	-	-	-	-	-	-	-
Segment of the par value of the shares by thirty	5,630,118	-	-	29,992,949 F	19,414,200 F	5,824,260	3.3333 F
January 21, 2000	-	-	-	-	-	-	-
Conversion of share capital into euros ^(a)	-	€10,696.89	-	€4,572,395.60	€2,970,372.60	5,824,260	€0.51
February 7, 2000	-	-	-	-	-	-	-
Capital increase in cash by public offering	5,130,000	€2,616,300	€22.49	€119,946,095.60	€5,586,672.60	10,954,260	€0.51
February 7, 2000	-	-	-	-	-	-	-
Capital increase in favor of Kaufman & Broad Actionnariat FCPE ^(d)	18,937	€9,657.87	€21.34	€120,350,211.18	€5,596,330.47	10,973,197	€0.51
February 10, 2000	-	-	-	-	-	-	-
Distribution of share premium ^(b)	-	-	-	€34,669,383.34	-	10,973,197	€0.51
March 8, 2000	-	-	-	-	-	-	-
Sur-allocation (Greenshoe) ^(c)	165,390	€84,348.90	€22.49	€38,389,004.44	€5,680,679.37	11,138,587	€0.51
March 8, 2000	-	-	-	-	-	-	-
Allocation of issuance costs	-	-	-	€35,729,089.28	-	11,138,587	€0.51
April 19, 2006	-	-	-	-	-	-	-
Capital increase by deduction from retained earnings	-	€111,385.87	-	€35,729,089.28	€5,792,065.24	11,138,587	€0.52
Two-for-one stock split	11,138,587	-	-	€35,729,089.28	€5,792,065.24	22,277,174	€0.26
December 3, 2007	-	-	-	-	-	-	-
Distribution of reserves	-	-	-	€975,128.67	€5,792,065.24	22,277,174	€0.26
July 8, 2009	-	-	-	-	-	-	-
Capital reduction	-692,516	-€180,054.16	-	€975,128.67	€5,612,011.08	21,584,658	€0.26
February 10, 2016	-	-	-	-	-	-	-
Capital reduction	-747,619	-€194,380.94	-	€975,128.67	€5,417,630.14	20,837,039	€0.26
May 31, 2017	-	-	-	-	-	-	-
Capital increase	947,136	€246,255.36	€29.87	€29,266,080.99	€5,663,885.50	21,784,175	€0.26
Capital reduction	-947,136	-€2,462,55.36	-	€29,266,080.99	€5,417,630.14	20,837,039	€0.26
November 30, 2017	-	-	-	-	-	-	-
Capital increase in favor of FCPE KB Actions 2017 ^(d)	236,496	€61,488.96	€30.85	€36,561,982.59	€5,479,119.10	21,073,535	€0.26

Information about the issuer, share capital and shareholder structure 7

General information concerning the share capital

Transactions	Number of shares issued	Capital variation total	Issuance premium per share	Cumulative issue premium	Successive amounts of share capital	Cumulative number of shares	Nominal value
May 31, 2018							
Capital increase distribution dividends 2017	790,539	€205,540.14	€37.60	€66,080,708.85	€5,684,659.24	21,864,074	€0.26
May 06, 2019							
Capital reduction	-210,732	- €54,790.32	€34.10	€58,895,185.72	€5,629,868.92	21,653,342	€0.26
June 14, 2019							
Capital increase distribution dividends 2018	150,690	€39,179.40	€31.97	€63,712,745.02	€5,669,048.32	21,804,032	€0.26
November 30, 2019							
Capital increase in favor of FCPE KB Actions 2019 ^(d)	283,991	€73,837.66	€27.32	€71,471,379.14	€5,742,885.98	22,088,023	€0.26
February 05, 2021							
Capital reduction	-375,000	- €97,500.00	33.01	€59,093,757.56	€5,645,385.98	21,713,023	€0.26
November 30, 2021							
			-	€59,093,757.56	€5,645,385.98	21,713,023	€0.26
February 1, 2022							
Capital reduction	-400,000	€-104,000.00	€-35.25	€44,995,223.35	€5,541,385.98	21,313,023	€0.26
Capital increase in favor of FCPE KB Actions 2022 ^(d)	299,999	€77,999.74	€18.99	€50,691,604.36	€5,619,385.72	21,613,022	€0.26
November 30, 2022							
			-	€50,691,604.36	€5,619,385.72	21,613,022	€0.26
January 31, 2023							
	-500,000	€-130,000.00	€-29.34	€36,023,309.50	€5,489,385.72	21,113,022	€0.26
January 31, 2023							
				€36,023,309.50	€5,489,385.72	21,113,022	€0.26

(a) Conversion of the par value of the share capital into euros and rounding of the total amount by a capital increase with incorporation of reserves of €10,696.89.

(b) Pursuant to the 6th and 8th resolutions of the Shareholders' Meeting of January 21, 2000, the amount of €85,680,827.84 is allocated solely to the Company's existing shareholders on the date of the Shareholders' Meeting of January 21, 2000, in proportion to their shareholdings on that date.

(c) As the offer to individuals and institutional investors was oversubscribed, the capital increase of February 7, 2000, was supplemented by a new increase for the exercise of the overallocation option.

(d) See section 3.3.2. "group savings plan."

The Company's share capital was impacted by the cancellation of 500,000 treasury shares on January 31, 2023, bringing the number of shares from 21,613,022 to 21,113,022, representing share capital of €5,489,385.72.

7 Information about the issuer, share capital and shareholder structure

Current breakdown of share capital and voting rights

7.3. Current breakdown of share capital and voting rights

7.3.1. Shareholding structure as of November 30, 2022, and changes over three years

The ownership structure of our Company as of November 30, 2022, is as follows:

Shareholders as of November 30, 2022	Number of shares	Percentage of share capital	Percentage of voting rights exercisable at Shareholders' Meetings	Theoretical percentage of voting rights
Shareholders				
Public ^(a)	10,626,600	49.17%	38.61%	37.21%
Rolloy family (Promogim)	4,588,428	21.23%	27.00%	26.02%
Artimus Participations ^(b)	2,324,423	10.75%	16.62%	16.02%
Prédica/Spirica	1,766,629	8.17%	12.63%	12.17%
Employees ^(c)	1,253,698	5.80%	5.14%	4.95%
Kaufman & Broad SA	1,053,244	4.87%	0.00%	3.63%
Total	21,613,022	100.00%	100.00%	100.00%

(a) The shares held by the Directors are included in the "Public" section of the shareholder structure as of November 30, 2022.

(b) Company held by certain executives and employees of the group and chaired by Mr. Nordine Hachemi, Chair and Chief Executive Officer of Kaufman & Broad SA (which also held more than 27% of the share capital and voting rights of Artimus Participations).

(c) Includes the shares held in the Kaufman & Broad Actionnariat and "KB Actions" mutual funds as well as the individual shares held in the securities register by Kaufman & Broad employees present in the company's workforce at the date.

At year end, employee profit sharing as defined in Article L. 225-102 of the French Commercial Code represented 3.63% of the Company's share capital.

As of November 30, 2022, the total number of shares with double voting rights was 7,408,742 shares representing 16,603,023 exercisable votes at Shareholders' Meetings (including double votes). Thus, on the same date, the total number of theoretical voting rights of the company is 29,021,764 and the total number of voting rights exercisable at Shareholders' Meetings is 27,968,520 (the difference corresponding to the number of treasury shares held by the company deprived of voting rights).

The number of registered shareholders is 1,085 individuals or legal entities.

As of November 30, 2022, the number of shares held by the members of the Board of Directors was 102,255 shares representing 163,598 votes.

To the best of the Company's knowledge, with the exception of funds managed by Prédica, Artimus Participations, the Rolloy Family and funds managed by Henderson Global Investors Limited, there are no other shareholders holding more than 5% of the share capital or voting rights.

Shareholders at 28 February 2023	Number of shares ^(d)	Percentage of share capital	Percentage of voting rights exercisable at Shareholders' Meetings	Theoretical percentage of voting rights
Shareholders				
Public ^(a)	10,610,258	50.25%	38.42%	37.77%
Rolloy family (Promogim)	4,588,428	21.73%	26.86%	26.40%
Artimus Participations ^(b)	2,324,423	11.01%	16.54%	16.26%
Prédica/Spirica	1,766,629	8.37%	12.57%	12.36%
Employees ^(c)	1,338,115	6.34%	5.61%	5.52%
Kaufman & Broad SA	485,169	2.30%	0.00%	1.70%
Total	21,113,022	100.00%	100.00%	100.00%

(a) The shares held by the Directors are included in the "Public" section of the shareholder structure as of February 28, 2023.

(b) Company held by certain executives and employees of the group and chaired by Mr. Nordine Hachemi, Chair and Chief Executive Officer of Kaufman & Broad SA (which also held more than 27% of the share capital and voting rights of Artimus Participations SAS).

(c) Includes the shares held in the Kaufman & Broad Actionnariat and "KB Actions" mutual funds as well as the individual shares held in the securities register by Kaufman & Broad employees present in the company's workforce at the date.

(d) The number of Company shares was impacted by the cancellation of 500,000 treasury shares on January 31, 2023, bringing the number of shares from 613,022 to 21,113,022 shares

The Company is not aware of any significant change in its shareholding structure since 28 February 2023.

Disclosure threshold on shares held in the control of Kaufman & Broad SA

- ✓ In a letter dated February 4, 2022, Artimus Participations declared that, following the decision of the Board of Directors of Kaufman & Broad SA of January 26, 2022 to reduce Kaufman & Broad SA from a total of 400,000 shares, which became effective on February 1, 2022, it had exceeded, on that date, the statutory threshold of 18% in voting rights with 4,648,846 votes out of the 25,685,812 theoretical voting rights (i.e. 18.10%) and 18.37% of the voting rights exercisable at Shareholders' Meetings. As of February 1, 2022, Artimus Participations held 10.91% of the share capital (i.e. a total of 2,324,423 shares) and 18.10% of the theoretical voting rights of Kaufman & Broad SA.
 - ✓ In a letter dated February 11, 2022, Promogim groupe SAS declared that, on February 1, 2022, it had exceeded the statutory threshold of 16% of the voting rights of Kaufman & Broad SA and that it held 4,140,444 Kaufman & Broad SA shares and voting rights, i.e. 19.43% of the share capital and 16.12% of the theoretical voting rights of the company. Promogim groupe SAS specifies the nature of the threshold crossing: Liability breach resulting from an increase or reduction in the number of shares or voting rights (here reduction in the number of shares and theoretical voting rights). The number of theoretical voting rights was brought to the attention of Promogim groupe SAS on February 7 by the publication of the document "Monthly information on the total number of voting rights and shares comprising the share capital" on the Kaufman & Broad website.
 - ✓ In a letter dated March 11, 2022, and in accordance with Article L. 233-7 of the French Commercial Code, Schroders PLC declared that on March 10, 2022, it had exceeded the statutory threshold of 2.00% of the share capital of Kaufman & Broad SA, holding financial instruments equivalent to 412,250 shares.
 - ✓ In a letter dated April 21, 2022, Promogim groupe SAS declared that, on April 21, 2022, it had exceeded the 20% voting rights threshold in Kaufman & Broad SA and that it held 4,265,000 shares and 5,569,668 voting rights in Kaufman & Broad SA, i.e. 20.01% of the share capital and 20.58% of the theoretical voting rights in the company.
- In accordance with Article L. 233-7 of the French Commercial Code, Promogim groupe SAS specifies:
- The acquisitions were made on the market and financed by the available cash of Promogim groupe SAS;
 - That it is not party to any action in concert with regard to Kaufman & Broad SA;
 - That it plans to continue its purchases of Kaufman & Broad SA shares according to opportunities and market conditions;
 - That it does not intend to acquire control of Kaufman & Broad SA;
 - That the investment of Promogim groupe SAS constitutes a long-term financial investment demonstrating its confidence in the management and outlook of the group, of which Promogim groupe SAS does not intend to modify the strategy; that it does not plan to carry out the transactions referred to in Article 223-17 I, 6° of the FMA General Regulation;
 - That it is not a party to the agreements and instruments mentioned in 4° and 4° bis of Article L. 233-9 of the French Commercial Code;
 - That it is not party to any temporary transfer agreement relating to the Kaufman & Broad SA shares or voting rights;
 - That it does not intend to request the appointment of directors."
- ✓ In a letter dated April 21, 2022, Promogim groupe SAS declared that, on April 21, 2022, it had exceeded the threshold of 20% of the share capital of Kaufman & Broad SA and held 4,265,000 shares and 5,569,668 voting rights Kaufman & Broad SA, i.e. 20.01% of the share capital and 20.58% of the theoretical voting rights of the company.
 - ✓ In accordance with Article L.233-7 of the French Commercial Code, Promogim groupe SAS specifies:
 - The acquisitions were made on the market and financed by the available cash of Promogim groupe SAS;
 - That it is not party to any action in concert with regard to Kaufman & Broad SA;
 - That it plans to continue its purchases of Kaufman & Broad SA shares according to opportunities and market conditions;
 - That it does not intend to acquire control of Kaufman & Broad SA;
 - That the investment of Promogim groupe SAS constitutes a long-term financial investment demonstrating its confidence in the management and outlook of the group, of which Promogim groupe SAS does not intend to change the strategy of Kaufman & Broad SA;
 - That it does not intend to acquire control of Kaufman & Broad SA;
 - That the investment of Promogim groupe SAS constitutes a long-term financial investment demonstrating its confidence in the management and outlook of the group, of which Promogim groupe SAS does not intend to change the strategy of Kaufman & Broad SA;
 - That it does not plan to carry out the transactions referred to in Article 223-17 I, 6° of the FMA General Regulation;
 - That it is not a party to the agreements and instruments mentioned in 4° and 4° bis of Article L. 233-9 of the French Commercial Code;
 - That it is not party to any temporary transfer agreement relating to the Kaufman & Broad SA shares or voting rights;
 - That it does not intend to request the appointment of directors."
 - ✓ In a letter dated April 28, 2022, and in accordance with Article L.233-7 of the French Commercial Code and the articles of association of Kaufman & Broad SA, Pental group Limited declares that it exceeded the 2.00% threshold on April 27, 2022, as it has 476,674 voting rights equivalent to 1.76%. Pental group Limited also informs that it holds 476,674 shares representing 2.24% of the total shares of Kaufman & Broad SA.
 - ✓ In a letter dated May 3, 2022, Artimus Participations declared that, on April 30, 2022, it had fallen below the statutory threshold of 18% in voting rights with 4,648,846 votes out of the 27,157,238 theoretical voting rights (i.e. 17.12%) and 17.42% of the voting rights exercisable at the general meeting. Artimus Participations also declares that, as of April 30, 2022, it holds 10.91% of the share capital (i.e. a total of 2,324,423 shares) and 17.12% of the theoretical voting rights of Kaufman & Broad SA.
 - ✓ In a letter dated May 10, 2022, Promogim groupe SAS declared that, on May 5, 2022, it had exceeded the statutory threshold of 22% of the voting rights of Kaufman & Broad SA and that it held 4,265,000 shares and 6,000,755 voting rights Kaufman & Broad SA, i.e. 20.01% of the share capital and 22.05% of the theoretical voting rights of the company.
 - ✓ In a letter dated June 15, 2022, and in accordance with Article L. 233-7 of the French Commercial Code, Amundi confirmed that it held 508,152 voting rights of Kaufman & Broad SA in their mutual funds, representing a 1.81% stake, which led to the crossing of the statutory threshold of 2.00% in terms of voting rights).
 - ✓ In a letter dated June 21, 2022, Promogim groupe SAS declared that, on June 16, 2022, it had exceeded the statutory threshold of 24% of the voting rights of Kaufman & Broad SA and that it held 4,417,334 shares and 6,741,757 voting rights Kaufman & Broad SA, i.e. 20.73% of the share capital and 24.01% of the theoretical voting rights of the company.
 - ✓ In a letter received on July 13, 2022, Promogim groupe SAS (22 rue de Bellevue, 92100 Boulogne Billancourt), a company 100% owned by the Christian Rolloy family, declared that on July 8, 2022, it had exceeded the statutory threshold of 25% of the voting rights of Kaufman & Broad SA and held 4,582,026 shares and 7,544,381 voting rights Kaufman & Broad SA, i.e. 21.50% of the share capital and 26.27% of the theoretical voting rights of the company.

7 Information about the issuer, share capital and shareholder structure

Current breakdown of share capital and voting rights

In the same letter, the following declaration of intent was made:

In accordance with Article L. 233-7 of the French Commercial Code, Promogim groupe SAS specifies:

- The acquisitions were made on the market and financed by the reinvestment of the cash dividend paid by Kaufman & Broad SA for the 2021 financial year to Promogim groupe SAS;
- That it is not party to any action in concert with regard to Kaufman & Broad SA;
- That it plans to continue its purchases of Kaufman & Broad SA shares according to opportunities and market conditions;
- That it does not intend to acquire control of Kaufman & Broad SA;
- That the investment of Promogim groupe SAS constitutes a long term investment demonstrating its confidence in the management and outlook of the group, whose strategy Promogim groupe SAS does not intend to change;
- That it does not plan to carry out the transactions referred to in Article 223-17 I, 6° of the FMA General Regulation;
- That it is not a party to the agreements and instruments mentioned in 4° and 4° bis of Article L. 233-9 of the French Commercial Code;
- That it is not party to any temporary transfer agreement relating to the Kaufman & Broad SA shares or voting rights;
- It does not intend to request the appointment of directors.

✓ In a letter dated October 13, 2022 and in accordance with Article L. 233-7 of the French Commercial Code, Amundi confirmed that it held 538,643 voting rights in Kaufman & Broad SA in the "KB ACTIONS" collective investment fund, representing a 2.52% stake, thus exceeding the statutory threshold of 2.00% in terms of shares, i.e. 2.49% of the share capital of Kaufman & Broad SA

Since the financial Fiscal Year ended November 30, 2022, the Company has not been informed of any threshold crossings.

At the date of this document, Kaufman & Broad SA has not been informed of any threshold crossings other than those previously declared, whether legal or statutory, or by other companies holding more than 5% of the share capital.

Kaufman & Broad SA shares held by the Directors as of February 28, 2023

Number of shares Number of voting rights

Shareholders

Sylvie Charles	250	500
Jean Louis Chaussade	678	956
Yves Gabriel	250	500
Michel Giannuzzi	250	250
Nordine Hachemi	111,068	183,874
Sophie Lombard	283	533
Annalisa Loustau Elia	250	250
Michel Paris	1,289	1,578
Lucile Ribot	270	540
Aline Stickel	3,017	5,364
Total	117,605	194,345

7.3.2. Changes in the ownership structure over the last three fiscal years

Change in ownership structure over 3 years as of November 30,	2022		2021		2020	
	Number of shares	% of share capital	Number of shares	% of share capital	Number of shares	% of share capital
Shareholders						
Public ^(a)	10,626,600	49.17%	11,768,143	54.20%	13,287,324	60.16%
Rolloy family (Promogim)	4,588,428	21.23%	4,140,444	19.07%	2,962,355	13.41%
Artimus Participations ^(b)	2,324,423	10.75%	2,324,423	10.71%	2,324,423	10.52%
Prédica/Spirica	1,766,629	8.17%	1,766,629	8.14%	1,766,629	8.00%
Employees ^(c)	1,253,698	5.80%	1,039,629	4.79%	1,032,187	4.67%
Kaufman & Broad SA	1,053,244	4.87%	673,755	3.10%	715,105	3.24%
Total	21,613,022	100.00%	21,713,023	100.00%	22,088,023	100.00%

(a) The shares held by the Directors are included in the "Public" section of the shareholder structure as of November 30, 2022.

(b) Company held by certain executives and employees of the group and chaired by Mr. Nordine Hachemi, Chair and Chief Executive Officer of Kaufman & Broad SA (which also held more than 27% of the share capital and voting rights of Artimus Participations SAS).

(c) Includes shares held in the Kaufman & Broad Actionnariat and KB Actions mutual funds.

Changes in voting rights over 3 years as of November 30,

Owners	2022	2021	2020
Shareholders			
Public ⁽¹⁾	38.61%	48.44%	52.24%
Rolloy family (Promogim)	27.00%	16.29%	11.54%
Artimus Participations ⁽²⁾	16.62%	18.29%	18.10%
Prédica/Spirica	12.63%	13.90%	13.77%
Employees ⁽³⁾	5.14%	3.07%	4.35%
Total	100.00%	100.00%	100.00%
Total voting rights exercisable at Shareholders' Meetings	27,968,520	25,412,682	25,664,496
Total theoretical voting rights	29,021,764	26,086,437	26,379,601

(1) The shares held by the Directors are included in the "Public" section of the shareholder structure as of November 30, 2022.

(2) Company held by certain executives and employees of the group and chaired by Mr. Nordine Hachemi, Chair and Chief Executive Officer of Kaufman & Broad SA (which also held more than 27% of the share capital and voting rights of Artimus Participations SAS).

(3) Includes shares held in the Kaufman & Broad Actionnariat and KB Actions mutual funds.

7.3.3. Legal entities holding control of the company

7.3.3.1. Shareholders' agreement

There are no shareholders' agreements signed by group companies with non group contracting parties. As part of the co promotion operations, a memorandum of understanding is signed between the partners to specify the distribution of roles and the fees to be billed for these service providers.

7.3.3.2. Pledge

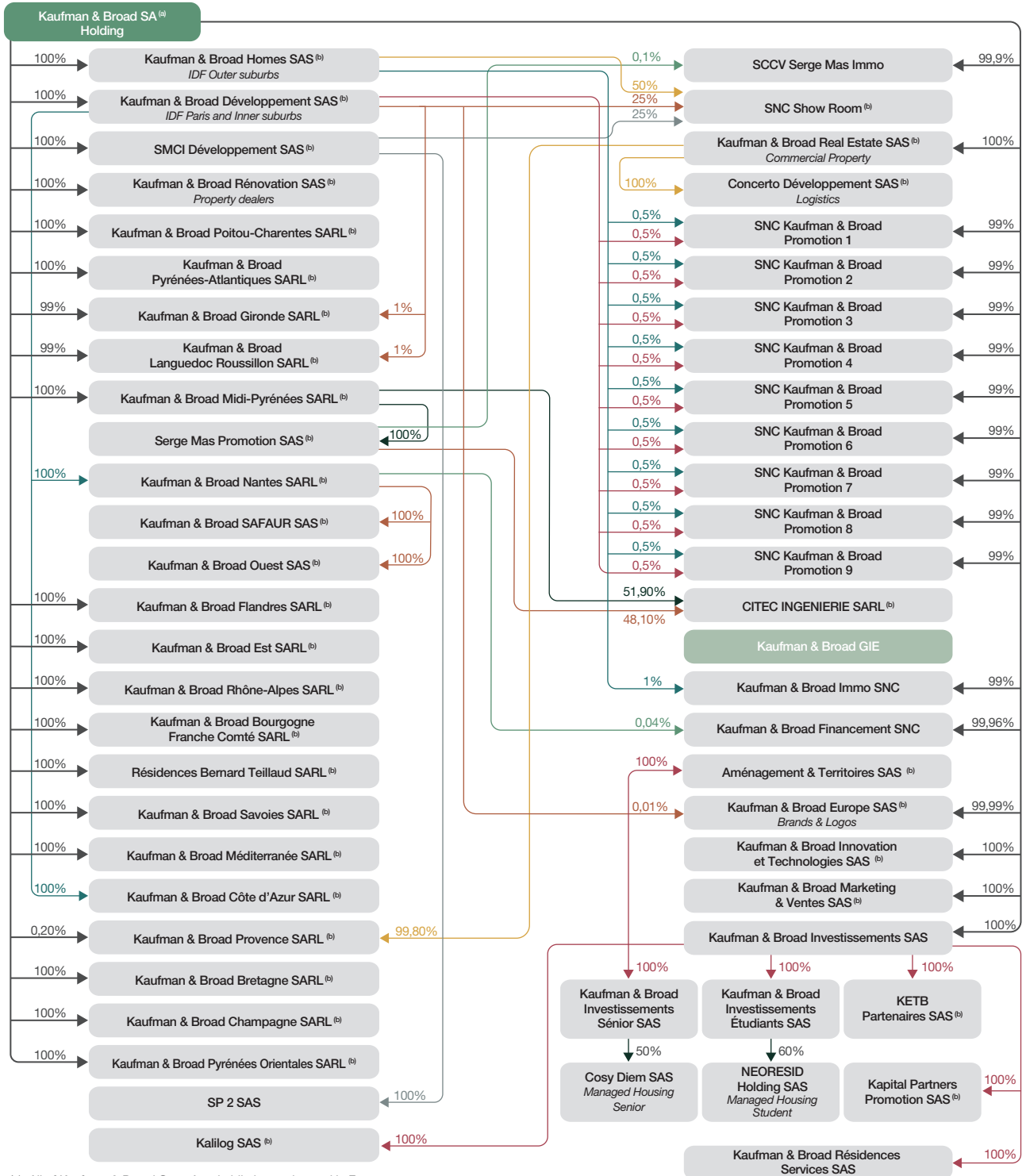
To the Company's knowledge, there are no pledges of its shares.

7 Information about the issuer, share capital and shareholder structure

Current breakdown of share capital and voting rights

7.3.4. Group organization chart

The organizational chart of the companies held by Kaufman & Broad SA, the holding company, as of November 30, 2022, in France, their percentage of share capital and voting rights is shown in the following diagram:



(a) All of Kaufman & Broad Group's subsidiaries are located in France.
 (b) Operational Group companies that are members of the economic interest grouping (GIE).

7.3.4.1. Related party agreements

The terms and conditions of the agreements entered into between the group's various entities are described in section 6.1.5. "Notes To The Financial Statements" Note 4.4 "Executive compensation (related parties)", paragraph "Terms and conditions of related party transactions."

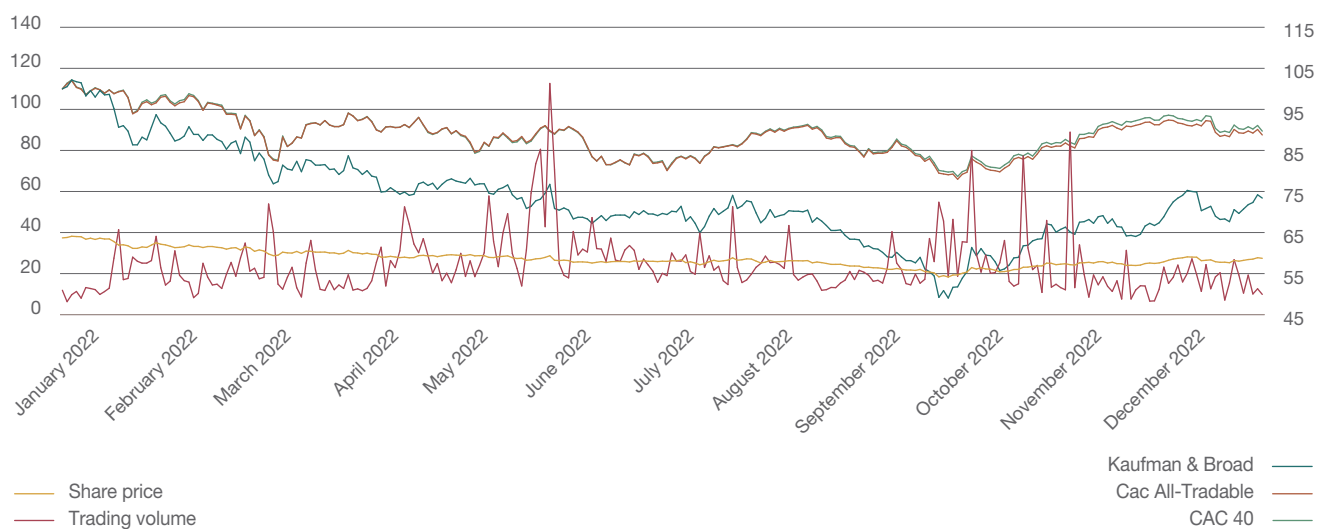
7.4. Trading in the Company's shares

From January 1 to December 31, 2022, the CAC All Tradable fell by 10.97% while the Kaufman & Broad SA share fell by 25.20%.

2022	Cumulative monthly prices	Number of days	Average price	Cumulative volume of securities	Average volume of securities	Average capital volume	Cumulative capital volume
January	747.25	21	35.58	391,777	18,656	651,955	13,691,055
February	659.20	20	32.96	387,721	19,386	640,889	12,746,879
March	696.30	23	30.27	450,104	19,570	591,934	13,614,483
April	543.25	19	28.59	502,688	26,457	716,355	14,301,114
May	619.25	22	28.15	857,191	38,963	1,093,115	24,048,539
June	569.75	22	25.90	682,696	31,032	804,038	17,688,845
July	548.70	21	26.13	502,670	23,937	626,752	13,161,786
August	582.00	23	25.30	470,663	20,464	520,723	11,976,620
September	466.79	22	21.22	562,787	25,581	533,214	11,730,714
October	478.40	21	22.78	595,537	28,359	453,951	13,457,313
November	548.55	22	24.93	405,729	18,442	457,348	10,061,650
December	562.60	21	26.79	358,306	17,062	456,646	9,589,562

Source: Euronext Paris, data from January 2023 - KOF code - ISIN FR 004007813.

Evolution of the Kaufman & Broad share compared to the CAC 40 and CAC ALL TRADABLE and the volume of the Kaufman & Broad share



7 Information about the issuer, share capital and shareholder structure

Dividends

7.5. Dividends

7.5.1. Distribution policy

Over the past five years, the Company has applied a dividend policy calculated as follows:

Fiscal year in which the dividend was distributed	Nature	Distribution per share (in euros)	Total amount (in euros)
2018	Dividends ^(a)	2.50	54,660,185.00
2019	Dividends ^(b)	1.75	38,654,040.25
2020	Dividends ^(c)	1.85	40,169,092.55
2021	Dividends ^(d)	1.95	41,560,394.85
2022	Dividends ^(e)	2.40	50,671,252.80

(a) Gross dividends calculated based on 21,864,074 shares (including that relating to treasury shares held by the group).

(b) Gross dividends calculated based on 22,088,023 shares (including that relating to treasury shares held by the group).

(c) Gross dividends calculated based on 21,713,023 shares (including that relating to treasury shares held by the group).

(d) Gross dividends calculated based on 21,313,023 shares (including that relating to treasury shares held by the group).

(e) Gross dividends calculated based on 21,113,023 shares (including that relating to treasury shares held by the group).

Note: The amount of distributed profits including the issuance of new shares is indicated in section 6.6 "Results of the last five years" of this document.

Since the refinancing of the Senior Credit Agreement, successively through a €150 million Euro PP bond issued on May 18, 2017 (the "Bond Loan") followed by a €250 million syndicated loan agreement entered into on January 30, 2019 (the "Senior Credit Agreement"), the Company is no longer required to comply with the "Financial Covenants" ratio to be able to pay dividends. In addition, these financial liabilities and the breakdown of the group's financial debt are described in Note 6 "Financing and financial instruments" to the group's consolidated financial statements as of November 30, 2022.

Cash payment of the dividend for the financial Fiscal Year ended November 30, 2021

The Ordinary and Extraordinary Shareholders' Meeting of Kaufman & Broad SA, held on May 5, 2022 under the chairmanship of Nordine Hachemi, decided to distribute a total dividend of €1.95 per share for the financial Fiscal Year ended November 30, 2020. The cash dividend was paid on June 3, 2022.

Cash payment of the dividend for the financial Fiscal Year ended November 30, 2022

The Board of Directors of Kaufman & Broad SA, held on February 27, 2023, decided to propose to the Shareholders' Meeting to be held on May 4, 2023, the payment of a dividend of €2.40 per share.

7.5.2. Limitation period

Unclaimed dividends are forfeited to the French State after a period of five years from the date of payment.



8

Additional
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8.1. Person responsible for the Universal Registration Document

Mr. Nordine Hachemi

Chief Executive Officer of Kaufman & Broad SA

8.2. Statement by the person responsible for the Universal Registration Document

I certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position, and results of the company and all the companies

included in the consolidation and that the management report (Section 6.7.) Presents a true and fair view of the business development, results and financial position of the company and all the companies included in the consolidation, as well as a description of the main risks and uncertainties they face.

Courbevoie, March 31, 2023

The Chair and Chief Executive Officer

8.3. Head of Financial Communication and Investor Relations

Mr. Bruno Coche

Chief Financial Officer

Kaufman & Broad SA

17, quai du Président Paul Doumer

92672 Courbevoie Cedex

Telephone: +33 (0) 1 41 43 43 43

Fax: +33 (0) 1 41 43 46 64

E-mail: infos-invest@ketb.com

Website: www.kaufmanbroad.fr

The group's financial statements are reviewed by the Statutory Auditors twice a year: Full audit of annual results and limited review of half year results. The group issues communications on its projected financial data each quarter.

The publication schedule is as follows:

- First quarter results, April 13, 2023 after trading;
- First half results, July 12, 2023 after trading;
- Third quarter results, October 2, 2023 after trading;
- Annual results, in January 2024.

(This agenda may be subject to change).

8.4. Information included by reference

Pursuant to Article 19 of Regulation (EU) No. 2017/1129 of the Commission of the European Parliament and of the Council, the following information is incorporated by reference in this universal registration document:

- The consolidated and annual financial statements and the corresponding audit reports appearing respectively in sections 6.1., 6.3., 6.2. et 6.5. of the 2020 Registration Document filed with the FMA on March 31, 2021, under number D.21-0239;
- The financial information contained in sections 2.1., 2.2. and 1.1.2.1. Of the 2020 Registration Document filed with the FMA on March 31, 2021, under number D.21-0239;

- The consolidated and annual financial statements and the corresponding audit reports appearing respectively in sections 6.1., 6.3., 6.2. and 6.5. of the 2021 Registration Document filed with the FMA on March 31, 2022 under number D.22-0223;
- The financial information contained in sections 2.1., 2.2. and 1.1.2.1. Of the 2021 Registration Document filed with the FMA on March 31, 2022 under number D.22-0223.

The parts not included in these documents are either irrelevant to the investor or covered in another part of the universal registration document.

8.5. Person responsible for auditing the financial statements

8.5.1. Statutory Auditors

Ernst & Young Audit

1-2, place des Saisons -92400 Courbevoie - Paris La Défense 1, represented by Mr. Denis Thibon, who took office on April 16, 2015, will expire at the Shareholders' Meeting called to approve the financial statements for the Fiscal Year ended November 30, 2026.

KPMG S.A.

Tour Eqho -2, avenue Gambetta -92066 Paris La DÉFENSE CEDEX, represented by Mr. Xavier fournet, who took office on May 6, 2021, will expire at the Shareholders' Meeting called to approve the financial statements for the Fiscal Year ended November 30, 2026.

8.5.2. Alternate Statutory Auditors

None.

8.6. Fees paid by the group to the Statutory Auditors and members of their networks

See section 6.1.5. "Notes to the financial statements," Note 10 "Fees paid to the Statutory Auditors" to the group's consolidated financial statements for the Fiscal Year ended November 30, 2022, set out in Chapter 6.1. "Consolidated financial statements as of November 30, 2022" of this Universal Registration Document.

8.7. Agenda and resolutions of the Shareholders' Meeting of May 4, 2023

Ordinary and Extraordinary Shareholders' Meeting of May 4, 2023

AGENDA

- Review and approval of the annual financial statements for the Fiscal Year ended November 30, 2022;
- Appropriation of net income for the Fiscal Year ended November 30, 2022;
- Review and approval of the consolidated financial statements for the Fiscal Year ended November 30, 2022;
- Review and approval of the agreements referred to in Article L. 225 - 38 of the French Commercial Code;
- Approval of the compensation policy for the Chair and Chief Executive Officer;
- Approval of the Directors' compensation policy;
- Approval of the amendment to the 2022 compensation policy for the Chair and Chief Executive Officer approved by the Shareholders' Meeting of May 5, 2022, and authorization to pay the exceptional bonus for the financial Fiscal Year ended November 30, 2022;
- Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the financial Fiscal Year ended November 30, 2022 or granted for the same financial year to the Chair and Chief Executive Officer;
- Approval of the information referred to in Article L.22-10-9 -I of the French Commercial Code;
- Ratification of the transfer of the registered office;
- Authorization to be granted to the Board of Directors, for 18 months, to buy back the Company's own shares;

Extraordinary decisions

- Authorization to be granted to the Board of Directors, for 26 months, to cancel shares held by the Company following the repurchase of its own shares;
- Delegation of authority to be granted to the Board of Directors, for 26 months, to increase the share capital by capitalization of reserves or premiums;
- Delegation of authority to be granted to the Board of Directors, for 26 months, to issue ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company with maintenance of the shareholders' preferential subscription right;
- Delegation of authority to be granted to the Board of Directors, for 26 months, to issue ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company, with cancellation of shareholders' preferential subscription rights, in the context of public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code;
- Delegation of authority to be granted to the Board of Directors, for 26 months, to issue ordinary shares, and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities, and/or securities giving access to equity securities to be issued by the Company, with cancellation of shareholders' preferential subscription rights, in the context of public offers referred to in paragraph 1 of Article L.411-2 of the French Monetary and Financial Code;

8

Additional information

Agenda and resolutions of the Shareholders' Meeting of May 4, 2023

- Authorization to be granted to the Board of Directors, for 26 months, in the event of the issue of ordinary shares, and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities, and/or securities giving access to equity securities to be issued by the Company with cancellation of the shareholders' preferential subscription right, to set the issue price in accordance with the terms set by the general meeting within the limit of 10% of the share capital;
- Authorization to be granted to the Board of Directors, for 26 months, to increase the number of securities to be issued in the event of a capital increase with or without shareholders' preferential subscription rights;
- Delegation of authority to be granted to the Board of Directors, for 26 months, to issue shares or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities in consideration for contributions in kind of equity securities or securities giving access to the capital within the limit of 10% of the share capital;
- Delegation of authority to be granted to the Board of Directors, for 26 months, to issue shares and/or equity securities giving access to other equity securities or to the allocation of debt securities as consideration for securities tendered to any public exchange offer initiated by the Company;
- Delegation of authority to be granted to the Board of Directors, for 26 months, to issue shares and/or securities giving access to equity securities to be issued by the Company with cancellation of shareholders' preferential subscription rights, to members of the group's Company Savings Plan (s) for an amount of 3% of the share capital;
- Authorization to be granted to the Board of Directors, for 38 months, to allocate bonus shares to be issued or existing to employees and/or executive corporate officers of the Company and related entities;
- Setting the general ceilings of the delegations of authority at a nominal amount of (i) €2,220,000 for all capital increases through the issue of shares or equity securities giving access to other equity securities or securities giving access to equity securities to be issued, (ii) €543,000 for capital increases through the issue of shares or equity securities giving access to other equity securities or securities giving access to equity securities to be issued with cancellation of preferential subscription rights and (iii) €500,000,000 for the issue of debt securities giving access to the allocation of a capital or debt security; setting of special ceilings for capital increases that may result from the allocation of Bonus shares;

Ordinary decision

- Powers to carry out formalities.

TEXT OF THE RESOLUTIONS

Ordinary Decisions

FIRST RESOLUTION

(Review and approval of the parent company financial statements for the Fiscal Year ended November 30, 2022)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the Board of Directors' report and the Statutory Auditors' report, approves the annual financial statements for the Fiscal Year ended November 30, 2022, including the balance sheet, income statement and notes, as presented by the Board of

Directors, as well as the transactions reflected in these financial statements and summarized in these reports, showing a net profit of €53,368,072.07.

The General Meeting acknowledges that no expense or expense referred to in Article 39-4 of the French General Tax Code was incurred by the Company for the Fiscal Year ended November 30, 2022.

SECOND RESOLUTION

(Appropriation of net income for the Fiscal Year ended November 30, 2022)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the report of the Board of Directors, decides to allocate

Profit for the Fiscal Year ended November 30, 2022, amounting to	€53,368,072.07
Increased by retained earnings equal to	€333,345,795.20
A total of	€386,713,867.27
The payment of a dividend of	€50,671,252.80
The balance is	€336,042,614.47

Retained earnings will be allocated to retained earnings from €333,345,795.20 to €336,042,614.47.

Dividends corresponding to shares held by the company on the payment date will be allocated to *retained earnings*

The net dividend paid per share will be €2.40. This dividend will be paid no later than June 30, 2023.

In accordance with the provisions of Article 243 bis of the French General Tax Code, the General Meeting notes that it is recalled that during the last three financial years the dividend⁽¹⁾ distributions were as follows:

Year	Dividend	Eligibility for the allowance
2019	€1.75/share	YES
2020	€1.85/share	YES
2020	€1.95/share	YES

THIRD RESOLUTION

(Review and approval of the consolidated financial statements for the Fiscal Year ended November 30, 2022)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the report of the Board of Directors and the report of the Statutory Auditors, approves the consolidated financial statements for the Fiscal Year ended November 30, 2022, including

the consolidated balance sheet, income statement and notes, as presented by the Board of Directors, as well as the transactions reflected in these financial statements and summarized in these reports, which show a net profit (group share) of €49,008,000.

FOURTH RESOLUTION

(Review and approval of the agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code)

The Shareholders' Meeting, acting in accordance with the quorum and majority requirements applicable to Ordinary Shareholders' Meetings, having reviewed the Statutory Auditors' special report on the agreements referred to in Articles L. 225-38 and L.225-40 to L.

225-42 of the French Commercial Code, approves this report in all its provisions and notes that no new agreement was entered into during the financial Fiscal Year ended November 30, 2022.

FIFTH RESOLUTION

(Approval of the compensation policy for the Chair and Chief Executive Officer)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the Board of Directors' report on corporate governance prepared in accordance with Article L 225-37 of the French Commercial Code, describing the elements of the compensation

policy for corporate officers, approves, pursuant to Article L.22-10-8 II of the French Commercial Code, the compensation policy for the Chair and Chief Executive Officer of the Company, as presented in section 2.1 of the aforementioned report, included in section 8.9 of the 2022 Universal Registration Document of the Company.

(1) Amount (s) eligible for the 40% tax allowance for individuals domiciled in France for tax purposes, as indicated in Article 158-3-2° of the French General Tax Code.

SIXTH RESOLUTION***(Approval of the Directors' compensation policy)***

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the report on corporate governance referred to in Article L.225-37 of the French Commercial Code, describing the elements of the compensation policy for corporate officers, approves,

pursuant to Article L. 22-10-08 II of the French Commercial Code, the Compensation policy for directors, as presented in section 2.1 of the aforementioned report, included in section 8.9 of the 2022 Universal Registration Document of the Company.

SEVENTH RESOLUTION***(Approval of the amendment to the 2022 compensation policy for the Chair and Chief Executive Officer approved by the General Shareholders' Meeting of May 2022 and authorization to pay the exceptional bonus for the financial Fiscal Year ended November 30, 2022)***

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the corporate governance report referred to in Article L.225-37 of the French Commercial Code, pursuant to Article L.22-10-8 II of the French Commercial Code, (i) approves the amendment to the compensation policy for the Chair and Chief Executive Officer approved by the General Meeting of Shareholders

of May 5, 2022, as described in paragraph 2.1.3 of the aforementioned report, included in section 8.9 of the Company's 2022 Universal Registration Document, and (ii) authorizes the payment to the Chair and Chief Executive Officer of the exceptional bonus for the financial Fiscal Year ended November 30, 2022, as presented in paragraph 2.1.3 of the aforementioned report.

EIGHTH RESOLUTION***(Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the financial Fiscal Year ended November 30, 2022 or granted for the same financial year to the Chair and Chief Executive Officer)***

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total

compensation and benefits of any kind paid during the previous financial year or granted for the same financial year to the Chair and Chief Executive Officer of the Company, as presented in paragraph 2.2.1 of the aforementioned report, included in section 8.9 of the 2022 Registration Document of the Company.

NINTH RESOLUTION***(Approval of the information referred to in Article L.22-10-9-I of the French Commercial Code)***

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-34-I of the French Commercial Code,

the information referred to in Article L. 22-10-9-I of the French Commercial Code as presented in the aforementioned report, included in Section 8.9 of the Company's 2022 Universal Registration Document.

TENTH RESOLUTION***(Ratification of the transfer of the registered office)***

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, ratifies the decision taken by the Board of Directors on July 11, 2022, in

accordance with Article 4 of the Bylaws, to transfer the Company's registered office to 17 quai du Président Paul Doumer 92400 Courbevoie.

ELEVENTH RESOLUTION***(Authorization to be granted to the Board of Directors, for a period of eighteen months, to buy back the Company's own shares)***

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the report of the Board of Directors, authorizes the Board of Directors, with the power to delegate as provided by law, in accordance with the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code, to have the Company buy back its own shares.

This authorization may be used for the purposes of:

- The market making or liquidity of the share by an investment services provider through a liquidity contract in accordance with market practice accepted by the FMA on July 1, 2021,
- The acquisition of shares for the purpose of holding them and subsequently delivering them as payment or exchange in connection with external growth transactions,
- The allocation or sale of shares to employees and/or corporate officers (under the terms and conditions provided for by law), in particular under a stock option plan, a free share plan or a company savings plan,
- The allocation of shares by delivery of shares at the time of the exercise of rights attached to securities giving the right, by redemption, conversion, exchange, presentation of a warrant, or in any other way, to the allocation of Company shares,
- The possible cancellation of the shares acquired, subject to the adoption of the 12th resolution of an extraordinary nature appearing on the agenda of the General Meeting of today;
- More generally, the execution of any transaction that is or will become authorized by the regulations in force, in particular if it is part of a market practice that may come to be accepted by the FMA.

The acquisition, sale, or transfer transactions described above may be carried out by any means compatible with the law and the regulations in force, including the use of derivative financial instruments and by the acquisition or sale of blocks. The portion of the program carried out as a block may reach the entire share buyback program.

Unless previously authorized by the Shareholders' Meeting, the Board of Directors may not use this authorization as from the date on which a third party files a public offer for the Company's shares, until the end of the offer period.

The General Meeting sets the maximum number of shares that may be acquired under this resolution at 10% of the share capital, adjusted for transactions subsequent to this meeting affecting the share capital, being specified that (i) in the context of the use of this authorization, the number of treasury shares must be taken into account so that the Company remains at all times within the limit of a number of treasury shares held up to 10% of the share capital and (ii) that the number of treasury shares held to be delivered as payment or exchange in the context of a merger, spin off or contribution may not exceed 5% of the share capital.

The General Meeting decides that the total amount allocated to these acquisitions may not exceed €105,565,110 and decides that the maximum purchase price may not exceed €50 per share.

In the event of a capital increase by capitalizing additional paid-in capital, reserves, profits or other items in the form of the allocation of Bonus shares during the period of validity of this authorization, as well as in the event of a stock split or reverse stock split, the General Meeting delegates to the Board of Directors the power to adjust, if necessary, the maximum unit price referred to above to take into account the impact of these transactions on the value of the share.

The Shareholders' Meeting grants the Board of Directors, with the option to delegate as provided by law, all necessary powers to:

- decide to implement this authorization,
- set the terms and conditions under which, if applicable, the rights of holders of securities giving access to the share capital, share subscription or purchase options or performance share allotment rights will be protected in accordance with legal, regulatory, or contractual provisions,
- place all stock market orders, enter into all agreements with a view, in particular, to keeping registers of purchases and revenues of shares, in accordance with the regulations in force,
- make all declarations and complete all other formalities and, in general, do whatever is necessary.

The Board of Directors shall inform the shareholders at an annual ordinary meeting of all transactions carried out pursuant to this resolution.

This authorization is granted for a period of 18 months from the date of this meeting.

It replaces the authorization previously granted by the Shareholders' Meeting of May 5, 2022 in its 13th resolution

Extraordinary decisions

TWELFTH RESOLUTION

(Authorization to be granted to the Board of Directors, for 26 months, to cancel shares held by the Company following the repurchase of its own shares)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, authorizes the Board of Directors, in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code to cancel, at its sole discretion, on one or more occasions, all or part of the Company's shares that the Company holds or would hold pursuant to Article L. 22-10-62 above and to reduce the share capital by the total nominal amount of the shares thus canceled, within the limit, per 24 month period, of 10% of the share capital adjusted for capital increase transactions subsequent to this meeting affecting the share capital.

The General Meeting grants full powers to the Board of Directors to carry out the capital reduction (s), deduct the difference between the repurchase price of the canceled shares and their par value from all reserve and premium accounts, make the consequential amendments to the Bylaws, reallocate the portion of the legal reserve that has become available as a result of the capital reduction, as well as make all declarations to the FMA, complete all other formalities and, in general, do all that is necessary.

This authorization is granted for a period of twenty six months from this date.

It replaces the authorization previously granted by the Shareholders' Meeting of May 5, 2022 in its 14th resolution.

THIRTEENTH RESOLUTION

(Delegation of authority to be granted to the Board of Directors, for 26 months, to increase the share capital by capitalization of reserves or premiums)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the report of the Board of Directors, in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L.22-10-49, and L. 22-10-50 of the French Commercial Code:

- 1) Delegates to the Board of Directors, with the power to sub delegate, its authority, on one or more occasions, to proceed in the proportion and at the times it deems appropriate, to the capitalization of all or part of the profits, reserves or premiums, the capitalization of which will be possible under the law and the Bylaws, in the form of the allocation of free ordinary shares or an increase in the par value of existing shares or by the joint use of these two methods;
- 2) Sets the validity of this delegation of authority at twenty-six (26) months from the date of this meeting;
- 3) Decides that the Board of Directors may not, unless previously authorized by the General Meeting, make use of this delegation of authority as from the date of the filing by a third party of a public offer for the Company's shares, until the end of the offer period;
- 4) Grants full powers to the Board of Directors, with the option to delegate such powers to the Chief Executive Officer, or with the latter's consent, to a Deputy Chief Executive Officer, to implement this delegation, under the conditions set by law, and in particular to decide that fractional rights will not be negotiable, that the corresponding shares will be sold in accordance with the procedures provided for by the applicable regulations, and that the proceeds of the sale will be allocated to the holders of the rights;
- 5) Takes note that this resolution replaces the authorization previously granted by the Shareholders' Meeting of May 6, 2021, in its 20th resolution.

FOURTEENTH RESOLUTION

(Delegation of authority to be granted to the Board of Directors, for 26 months, to issue ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company with maintenance of shareholders' preferential subscription rights)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with the provisions of the French Commercial Code and in particular Articles L. 22-10-49, L. 225-129, L. 225-129-2, and L. 228-92:

- 1) Delegates to the Board of Directors, with the power to sub delegate, its authority to issue, on one or more occasions, in the proportions and at the times it deems appropriate, in France and/or abroad, in euros, or in any other currency, ordinary shares, equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or any other securities, including subscription warrants or acquisition warrants issued independently, giving access to equity securities to be issued by the Company, in the forms and conditions that the Board of Directors deems appropriate; being specified that the issue of preference shares and securities giving access immediately or in the future to preference shares is excluded from this delegation;
- 2) Sets the validity of this delegation of authority at twenty-six (26) months from the date of this meeting;
- 3) Resolves that if the Board of Directors uses this delegation of authority:

The maximum nominal amount (excluding share premium) of the capital increases that may be carried out as a result of the issue of shares or securities referred to in 1 above is set at €2,220,000, being specified:

- That in the event of a capital increase by capitalizing additional paid in capital, reserves, profits or other items in the form of the allocation of Bonus shares during the period of validity of this delegation of authority, the aforementioned nominal amount will be adjusted by the application of a multiplier coefficient equal to the ratio between the number of shares making up the capital after the transaction and what this number was before the transaction;
- To the above cap will be added the nominal amount of the shares to be issued to preserve the rights of holders of securities giving access to the share capital, share subscription, and/or purchase options or free share allocation rights;
- The nominal amount of any capital increase carried out pursuant to this delegation will be deducted from the overall nominal cap provided for capital increases in the 23rd resolution;

In addition, the total maximum nominal amount of issues of debt securities on the Company giving access to the share capital or to a debt security may not exceed €500,000,000 or the equivalent value

at this date of this amount in any other currency; it being specified that this amount will be deducted from the overall nominal cap for issues of debt securities on the Company giving access to the share capital or to a debt security provided for in the 23rd resolution;

- 4) Decides that if this delegation of authority is used:
 - The shareholders will have a preferential subscription right and may subscribe on an irreducible basis in proportion to the number of shares then held by them, the Board having the option to introduce a reducible subscription right and to provide for an extension clause exclusively intended to satisfy subscription orders on a reducible basis that could not have been served;
 - If the subscriptions on an irreducible basis and, where applicable, on a reducible basis have not absorbed the entire issue, the Board of Directors may in particular offer to the public, in whole or in part, the shares and/or securities not subscribed;
- 5) Decides that the Board of Directors may not, unless previously authorized by the General Meeting, make use of this delegation of authority as from the date of the filing by a third party of a public offer for the Company's shares, until the end of the offer period;
- 6) Grants full powers to the Board of Directors, with the option to delegate such powers to the Chief Executive Officer, or with the latter's consent, to a Deputy Chief Executive Officer, to implement, under the conditions set by law, this delegation, charge the costs of the capital increases against the amount of the related premiums and deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital after each increase;
- 7) Notes that, in the event of the use of this delegation of authority, the decision to issue securities giving access to the Company's share capital will, in favor of the holders of these securities, automatically entail the waiver by the shareholders of their preferential subscription rights to the equity securities to which these securities will give entitlement;
- 8) Decides that the Board of Directors may suspend the exercise of the rights attached to the securities issued, for a maximum period of three months, and will take any useful measure in respect of the adjustments to be made in accordance with the laws and regulations in force and, where applicable, contractual stipulations to protect the holders of rights attached to securities giving access to the Company's share capital;
- 9) Notes that this authorization replaces the delegation granted to the Board of Directors by the Shareholders' Meeting of May 6, 2021 in its 21st resolution.

FOURTH RESOLUTION

(Delegation of authority to be granted to the Board of Directors, for 26 months, to issue ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company, with cancellation of shareholders' preferential subscription rights, in the context of public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129, L. 225-129-2, L.22-10-49, L. 22-10-51, L. 22-10-52, and L.228-92:

- 1) Delegates to the Board of Directors, with the power to sub delegate, its authority to issue, on one or more occasions, in the proportions and at the times it deems appropriate, ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or other securities, including equity warrants or acquisition warrants issued independently, giving access to the Company's share capital or giving entitlement to debt securities, in the forms and conditions that the Board of Directors deems appropriate, it being specified that the issue of preference shares and securities giving immediate or future access to preference shares is excluded from this delegation;
- 2) Sets the validity of this delegation of authority at twenty-six (26) months from the date of this meeting;
- 3) Decides that if the Board of Directors uses this delegation of authority:

The maximum nominal amount (excluding issue premiums) of capital increases that may be carried out as a result of the issue of shares or securities referred to in 1 above is set at €543,000, being specified:

- That in the event of a capital increase by capitalizing additional paid in capital, reserves, profits or other items in the form of the allocation of Bonus shares during the period of validity of this delegation of authority, the aforementioned total nominal amount will be adjusted by the application of a multiplier coefficient equal to the ratio between the number of shares making up the capital after the transaction and what this number was before the transaction;
- To the above cap will be added the nominal amount of the shares to be issued to preserve the rights of holders of securities giving access to the share capital, share subscription, and/or purchase options or free share allocation rights;
- The nominal amount of any capital increase carried out pursuant to this delegation shall be deducted from the overall nominal cap of €2,220,000 provided for all capital increases and the nominal cap of €543,000 provided for capital increases without preferential subscription rights in the 23rd resolution;

In addition, the total maximum nominal amount of issues of debt securities on the Company giving access to the share capital or to a debt security may not exceed €500,000,000 or the equivalent value at this date of this amount in any other currency; being specified that this amount will be deducted from the overall nominal cap for issues of debt securities on the Company giving access to the share capital or to a debt security provided for in the 23th resolution;

- 4) Decides to cancel shareholders' preferential subscription rights to shares and other securities that may be issued by the Company pursuant to this resolution;
- 5) Decides that with respect to the issues carried out pursuant to this delegation, the Board of Directors may grant shareholders a priority subscription period, on an irreducible and possibly reducible basis, which does not give the right to the creation of negotiable rights, and therefore delegates to the Board of Directors, with the possibility of sub-delegation under the legislative and regulatory conditions, the power to set this period and its terms, in accordance with the provisions of Article L.22-10-51 of the French Commercial Code;
- 6) Decides that the amount of the consideration paid and/or to be paid subsequently to the Company for each of the shares issued or to be issued under this delegation, taking into account, in the event of the issue of autonomous share subscription warrants, the issue price of the said warrants, will be at least equal to the minimum price provided for by the regulations in force on the day of the issue (i.e. to date, the weighted average price of the Company's share over the last three trading days on the Euronext Paris regulated market preceding the start of the public offer within the meaning of Regulation (EU) No. 2017/1129 of 14 June 2017, possibly reduced by a maximum discount of 10%);
- 7) Decides that the Board of Directors may suspend the exercise of the rights attached to the securities issued, for a maximum period of three months, and will take any useful measure in respect of the adjustments to be made in accordance with the laws and regulations in force and, where applicable, contractual stipulations to protect the holders of rights attached to securities giving access to the Company's share capital;
- 8) Decides that the Board of Directors may not, unless previously authorized by the General Meeting, make use of this delegation of authority as from the date of the filing by a third party of a public offer for the Company's shares, until the end of the offer period;
- 9) Grants full powers to the Board of Directors, with the option to delegate such powers to the Chief Executive Officer, or with the latter's consent, to a Deputy Chief Executive Officer, to implement, under the conditions set by law, this delegation, charge the costs of the capital increases against the amount of the related premiums and deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital after each increase;
- 10) Notes that, in the event of the use of this delegation of authority, the decision to issue securities giving access to the Company's share capital will, in favor of the holders of these securities, automatically entail the waiver by the shareholders of their preferential subscription rights to the equity securities to which these securities will give entitlement;
- 11) Notes that this authorization replaces the delegation granted to the Board of Directors by the Shareholders' Meeting of May 6, 2021 in its 22nd resolution.

SIXTH RESOLUTION

(Delegation of authority to be granted to the Board of Directors, for 26 months, to issue ordinary shares, and/or equity securities giving access to other equity securities or giving right to the allocation of debt securities, and/or securities giving access to equity securities to be issued by the Company, with cancellation of shareholders' preferential subscription rights, in the context of public offers referred to in Paragraph 1 of Article L.411-2 of the French Monetary and Financial Code)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with the provisions of the French Commercial Code and in particular Articles L. 225-129, L. 225-129-2, L. 22-10-49, L. 22-10-52, L. 228-92, and L. 228-93:

- 1) Delegates to the Board of Directors its authority, with the power to sub-delegate, to issue, on one or more occasions, in the proportions and at the times it deems appropriate, ordinary shares, equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities, and/or other securities, including equity warrants issued independently, giving access to equity securities to be issued by the Company, in the forms and conditions that the Board of Directors deems appropriate, being specified that the issue of preference shares and securities giving access immediately or in the future to preference shares is excluded from this delegation;
- 2) Sets the validity of this delegation of authority at twenty-six (26) months from the date of this meeting;
- 3) Decides that if the Board of Directors uses this delegation of authority:

The maximum nominal amount (excluding issue premiums) of capital increases that may be carried out as a result of the issue of shares or securities referred to in 1 above is set at €543,000, being specified:

- That in the event of a capital increase by capitalizing additional paid in capital, reserves, profits or other items in the form of the allocation of Bonus shares during the period of validity of this delegation of authority, the aforementioned nominal amount will be adjusted by the application of a multiplier coefficient equal to the ratio between the number of shares making up the capital after the transaction and what this number was before the transaction;
- To the above cap will be added the nominal amount of the shares to be issued to preserve the rights of holders of securities giving access to the share capital, share subscription, and/or purchase options or free share allocation rights;
- The issue will be limited to 20% of the share capital adjusted for transactions subsequent to this meeting affecting the share capital, per year;
- The nominal amount of any capital increase carried out pursuant to this delegation shall be deducted from the overall nominal cap of €2,220,000 provided for all capital increases and the nominal cap of €543,000 provided for capital increases without preferential subscription rights in the 23rd resolution;

In addition, the maximum nominal amount of issues of securities representing debts on the Company giving access to equity securities to be issued by the Company may not exceed

€500,000,000 or the equivalent value to date of this amount in any other currency; being specified that this amount will be deducted from the overall nominal cap for issues of securities representing debts on the Company giving access to the capital or to a debt security provided for in the 23rd resolution;

- 4) Decides to cancel shareholders' preferential subscription rights to shares and other securities that may be issued by the Company pursuant to this resolution;
- 5) Decides that the amount of the consideration paid and/or to be paid subsequently to the Company for each of the shares issued or to be issued under this delegation, taking into account, in the event of the issue of autonomous share subscription warrants, the issue price of the said warrants, will be at least equal to the minimum price provided for by the regulations in force on the day of the issue (i.e. to date, the weighted average price of the Company's share over the last three trading days on the Euronext Paris regulated market preceding the start of the public offer within the meaning of Regulation (EU) No. 2017/1129 of 14 June 2017, possibly reduced by a maximum discount of 10%);
- 6) Decides that the Board of Directors may suspend the exercise of the rights attached to the securities issued, for a maximum of three months, and will take any useful measure in respect of the adjustments to be made in accordance with the laws and regulations in force and, where applicable, contractual stipulations to protect the holders of rights attached to securities giving access to the Company's share capital;
- 7) Decides that the Board of Directors may not, unless previously authorized by the General Meeting, make use of this delegation of authority as from the date of the filing by a third party of a public offer for the Company's shares, until the end of the offer period;
- 8) Grants full powers to the Board of Directors, with the option to delegate such powers to the Chief Executive Officer, or with the latter's consent, to a Deputy Chief Executive Officer, to implement, under the conditions set by law, this delegation, charge the costs of the capital increases against the amount of the related premiums and deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital after each increase;
- 9) Notes that, in the event of the use of this delegation of authority, the decision to issue securities giving access to the Company's share capital referred to in 1 above will automatically entail, in favor of the holders of the securities issued, the waiver by the shareholders of their preferential subscription right to the equity securities to which the securities issued will give entitlement.
- 10) Takes note that this authorization replaces the delegation granted to the Board of Directors by the Shareholders' Meeting of May 6, 2021 in its 23rd resolution.

SEVENTEENTH RESOLUTION

(Authorization to be granted to the Board of Directors, for 26 months, in the event of the issue of ordinary shares, and/or equity securities giving access to other equity securities or giving right to the allocation of debt securities, and/or securities giving access to equity securities to be issued by the Company with cancellation of the preferential subscription right of the shareholders, to set the issue price according to the terms set by the general meeting within the limit of 10% of the share capital)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with the provisions of Article L. 22-10-52 of the French Commercial Code, authorizes the Board of Directors, in the event of the implementation of the 15th and 16th resolutions, to derogate from the pricing conditions provided for in said resolutions and to set it in the following manner:

- The issue price of the ordinary shares shall be at least equal to the choice of the Board of Directors, (i) the weighted average price of the Company's shares on the Euronext Paris regulated market on the day preceding the date on which the issue price is set, less a maximum discount of 10%, or (ii) the weighted average price of the Company's shares on the Euronext Paris regulated market over a maximum period of 6 months preceding the date on which the issue price is set, less a maximum discount of 10%;

- The issue price of equity securities giving access by any means, immediately or in the future, to the Company's share capital will be such that the amount immediately received by the Company, plus, where applicable, the amount that may be received subsequently by it, is for each share of the Company issued as a result of the issue of these securities, at least equal to the amount referred to above;
- The maximum nominal amount of the capital increase resulting from the implementation of this resolution may not exceed 10% of the share capital per 12 month period as well as the ceilings set by the 23rd resolution from which it is deducted.

This authorization is granted for a period of twenty-six (26) months from the date of this General Meeting.

It replaces the delegation granted to the Board of Directors by the General Meeting of May 6, 2021 in its 24th resolution.

EIGHTEENTH RESOLUTION

(Authorization to be granted to the Board of Directors, for 26 months, to increase the number of securities to be issued in the event of a capital increase with or without shareholders' preferential subscription rights)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, delegates to the Board of Directors, in the context of issues decided pursuant to the delegations granted to the Board of Directors under the previous resolutions (14th, 15th and 16th resolutions), its authority to increase the number of

securities to be issued provided for in the initial issue, under the conditions of Articles L.225-135-1 and R. 225-118 of the French Commercial Code, within the limits of the caps provided for in this resolutions and for the duration provided for in this resolutions.

This authorization replaces the delegation granted to the Board of Directors by the Shareholders' Meeting of May 6, 2021 in its 25th resolution.

NINETEENTH RESOLUTION

(Delegation of authority to be granted to the Board of Directors, for 26 months, to issue shares or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities in consideration for contributions in kind of equity securities or securities giving access to capital within the limit of 10% of the share capital)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with Article L. 22-10-53 of the French Commercial Code:

- Delegates to the Board of Directors, with the option to sub-delegate, the necessary powers to issue, within the limit of 10% of the current share capital of the Company, shares of the Company or equity securities giving access to the share capital in consideration for contributions in kind granted to the Company and consisting of equity securities or securities giving access to the share capital, where the provisions of Article L.22-10-54 of the French Commercial Code are not applicable,
- Decides that the issues of shares carried out pursuant to this delegation shall be deducted from the ceilings referred to in the 23rd resolution below,
- Notes that the shareholders of the Company will not have preferential subscription rights to the shares that would be issued pursuant to this delegation, the latter being exclusively intended to

remunerate contributions in kind and notes that this delegation entails the waiver by the shareholders of their preferential subscription rights to the shares of the Company to which the securities that would be issued pursuant to this delegation may give entitlement,

- Decides that the Board of Directors may not, unless previously authorized by the General Meeting, make use of this delegation of authority as from the date of the filing by a third party of a public offer for the Company's shares, until the end of the offer period;
- Authorises the Board of Directors, to implement this authorization, to approve the value of the contributions, to charge the costs of the capital increases against the amount of the premiums relating to these increases and to amend the Bylaws accordingly.

This delegation of authority is granted for twenty six (26) months from the date of this meeting.

This authorization replaces the delegation granted to the Board of Directors by the Shareholders' Meeting of May 6, 2021 in its 26th resolution.

TWENTIETH RESOLUTION

(Delegation of authority to be granted to the Board of Directors, for 26 months, to issue shares and/or equity securities giving access to other equity securities or to the allocation of debt securities as consideration for securities contributed to any public exchange offer initiated by the Company)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to extraordinary general meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with Articles, L. 22-10-54, L.225-129, and L. 228-92 of the French Commercial Code:

- Delegates to the Board of Directors, with the power to sub-delegate, its authority to decide, on one or more occasions, the issue of shares and/or equity securities giving access to other equity securities, or the allocation of debt securities, in consideration for securities tendered to any public exchange offer initiated in France or abroad in accordance with local rules (for example in the context of an Anglo-American-type reverse merger) by the Company
- Resolves that the total nominal amount (excluding issue premiums) of capital increases that may be carried out by issuing shares or securities giving access to the Company's share capital or, provided that the primary security is a share, giving the right to the allocation of debt securities, may not exceed €543,000, being specified:
- That in the event of a capital increase by capitalizing additional paid in capital, reserves, profits or other items in the form of the allocation of Bonus shares during the period of validity of this delegation of authority, the aforementioned total nominal amount (excluding issue premiums) will be adjusted by applying a multiplier coefficient equal to the ratio between the number of shares making up the capital after the transaction and what was this number before the transaction,
- To the above cap will be added the nominal amount of the shares to be issued to preserve the rights of holders of securities giving access to the share capital, share subscription and/or purchase options or free share allocation rights.

- Decides that the issues of shares and/or securities giving access to a portion of the Company's share capital or giving entitlement to the allocation of debt securities pursuant to this delegation shall be deducted from the ceilings referred to in the 23rd resolution below,
- Notes that the shareholders of the Company will not have preferential subscription rights to the shares and/or securities that would be issued pursuant to this delegation, the latter being exclusively intended to remunerate securities contributed to a public exchange offer initiated by the Company,
- Takes note that the price of the shares and securities that would be issued under this delegation will be determined based on the legislation applicable to a public exchange offer,
- Decides that the Board of Directors may not, unless previously authorized by the General Meeting, make use of this delegation of authority as from the date of the filing by a third party of a public offer for the Company's shares, until the end of the offer period;
- Authorizes the Board of Directors, with the power to sub-delegate under the conditions set by law, to implement this authorization and to charge the costs of the share capital increases against the amount of the premiums relating to these increases.

This delegation of authority is granted for twenty six (26) months from the date of this meeting.

This authorization replaces the delegation granted to the Board of Directors by the General Meeting of May 6, 2021 in its 27th resolution.

TWENTY FIRST RESOLUTION

(Delegation of authority to be granted to the Board of Directors, for 26 months, to issue shares and/or securities giving access to equity securities to be issued by the Company with cancellation of shareholders' preferential subscription rights, in favor of members of the group's Company Savings Plan (s) for a maximum amount of 3% of the share capital)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to extraordinary general meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with Articles L. 225-129-2, L. 225-138, L. 225-138-1 of the French Commercial Code, and L. 3332-1 et seq. of the French Labor Code and also to comply with the provisions of Article L. 225-129-6 of the French Commercial Code:

- 1) Delegates to the Board of Directors, with the option to sub-delegate, its authority to (i) increase, on one or more occasions, the share capital by issuing shares and/or securities giving access to equity securities to be issued by the Company reserved for members of the group's Employee Savings Plans (PEE) and (ii) to allocate, where applicable, performance shares or securities giving access to the capital in full or partial replacement of the discount referred to in 3. below under the conditions and limits provided for in Article L. 3332-21 of the French Labor Code, being specified that, where necessary, the Board of Directors may replace all or part of this capital increase with the sale, under the same conditions, of securities already issued by the Company;
- 2) Decides that the number of shares that may result from all the shares issued pursuant to this delegation, including those resulting from shares or securities giving access to the share capital potentially allocated free of charge in full or partial replacement of the discount under the conditions set by Article L.3332-18 et seq. of the French Labor Code, shall not exceed 3% of the share capital; being specified that the nominal amount of any capital increase carried out pursuant to this delegation shall be deducted from the overall nominal cap of €2,220,000 provided for capital increases in the twenty-third resolution below. To the shares thus issued will be added, where applicable, the number of additional shares to be issued to preserve, in accordance with the law, the rights of holders of securities giving access to the Company's share capital;
- 3) Decides that (i) the issue price of the new shares may not be higher than the average of the opening prices of the share during the twenty trading days preceding the date of the decision of the Board of Directors or the Chief Executive Officer setting the opening date of the subscription, nor more than 30% lower than this average; it being specified that the Board of Directors or the Chief Executive Officer may, where applicable, reduce or eliminate the discount that may be used to take into account, in particular, the legal and tax regimes applicable outside France or choose to substitute in whole or in part for this maximum discount of 30% the free allocation of shares and/or securities

giving access to the capital and that (ii) the issue price of securities giving access to the capital will be determined under the conditions set by Article L. 3332-21 of the French Labour Code;

- 4) Decides to cancel, in favour of members of the group savings plan (s), the shareholders' preferential subscription right to the shares or securities giving access to the Company's share capital that may be issued pursuant to this delegation and to waive all rights to the shares and securities giving access to the share capital that may be allocated free of charge pursuant to this resolution;
- 5) Delegates full powers to the Board of Directors, with the option to sub-delegate under the conditions provided for by law, in particular to:
 - Decide whether the shares must be subscribed directly by the employees who are members of the group's savings plans or whether they must be subscribed through a company mutual fund (FCPE) or a SICAV d'Actionariat Salaré (SICAVAS);
 - Determine the companies whose employees may benefit from the subscription offer;
 - Determine whether it is necessary to grant employees a time limit for the payment of their shares;
 - Set the terms of membership of the group's EPE (s), establish or amend the regulations;
 - Set the opening and closing dates of the subscription and the issue price of the securities;
 - Within the limits set by Article L. 3332-18 et seq. of the French Labour Code, to allocate bonus shares or securities giving access to the share capital and to set the nature and amount of reserves, profits or premiums to be incorporated into the share capital;
 - Determine the number of new shares to be issued and the reduction rules applicable in the event of oversubscription;
 - Charge the costs of the share capital increases, and the issuance of other securities giving access to the share capital, to the amount of the premiums related to these increases and deduct from this amount the sums necessary to bring the legal reserve to one tenth of the new capital after each increase.

This delegation of authority is granted for a period of (twenty six) 26 months from the date of this meeting.

This authorisation replaces the delegation granted to the Board of Directors by the Shareholders' Meeting of 5 May 2022 in its 15th resolution.

TWENTY SECOND RESOLUTION

(Authorisation to be granted to the Board of Directors, for a period of thirty eight months, to allocate bonus shares to be issued or existing to employees and/or executive corporate officers of the Company and related entities)

The Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with Articles L. 225-197-1, L. 225-197-2, L. 22-10-59 and L. 22-10-60 of the French Commercial Code:

- Authorises the Board of Directors to allocate, on one or more occasions, free ordinary shares to be issued or existing in the Company to employees or executive corporate officers of the Company and of French and foreign companies or economic interest groupings related to it under the conditions set out in Article L. 225-197-2 of the French Commercial Code or certain categories thereof,
- Decides that, without prejudice to the possible impact of the adjustments referred to below, the total number of Bonus shares granted may not exceed 250,000 shares, it being specified that the number of shares granted to executive corporate officers may not exceed 50,000 shares;
- Decides that the allocation of shares to their beneficiaries will be definitive either (i) at the end of a vesting period of a minimum of one year, the beneficiaries then having to keep said shares for a minimum period of one year from the date of their definitive allocation, or (ii) at the end of a minimum vesting period of two years, and in this case without a minimum holding period. It is understood that the Board of Directors will have the option to choose between these two possibilities and to use them alternately or concurrently, and may, in the first case, extend the vesting and/or holding period, and in the second case, extend the vesting period and/or set a holding period.

It is specified, however, that the allocation will be final in advance in the event of the death or disability of a beneficiary corresponding to the classification in the second or third of the categories provided for in Article L. 341-4 of the French Social Security Code.

- Decides that the definitive allocation of shares to corporate officers must be subject to the achievement of performance conditions defined by the Board of Directors;

- Decides that the definitive allocation of shares to employee beneficiaries may be subject to the achievement of performance conditions defined by the Board of Directors;
- Sets the period of validity of this authorisation at thirty eight (38) months from the date of this meeting;
- Notes that if the allocation relates to shares to be issued, this authorisation automatically entails, in favour of
- Beneficiaries of Bonus shares, waiver by shareholders of their preferential subscription rights.
- The General Meeting grants full powers to the Board of Directors, in accordance with the laws and regulations in force and the provisions of this resolution, to implement this resolution and in particular:
- Set the performance conditions and, where applicable, the criteria for the allocation of shares, draw up the list (s) of beneficiaries of the allocations,
- Set, subject to the minimum period indicated above, the holding period of the shares, bearing in mind that it will be the responsibility of the Board of Directors for the shares that may be granted to the executive corporate officers referred to in Article L.225-197-1, II paragraph 4 of the French Commercial Code, either to decide that these shares may not be sold by the interested parties before the termination of their duties, or to set the quantity of these shares that they will be required to keep in registered form until the termination of their duties,
- Decide whether, in the event of transactions involving the share capital that take place during the vesting period of the shares granted, to adjust the number of shares granted in order to preserve the rights of the beneficiaries and, in this case, determine the terms of this adjustment,
- Complete all formalities and, in general, do all that is necessary.

This authorisation terminates the authorisation granted to the Board of Directors under the 16th resolution of the Shareholders' Meeting of 5 May 2022, to grant Bonus shares of the Company to employees and executive corporate officers.

TWENTY THIRD RESOLUTION

(Setting the general ceilings of the delegations of authority at a nominal amount of (i) €2,220,000 for all capital increases through the issue of shares or equity securities giving access to other equity securities or securities giving access to equity securities to be issued, (ii) €543,000 for capital increases through the issue of shares or equity securities giving access to other equity securities or securities giving access to equity securities to be issued with cancellation of preferential subscription rights and (iii) €500,000,000, for issues of debt securities giving entitlement to the allocation of a capital or debt security; setting of special ceilings for capital increases that may result from the allocation of Bonus shares)

The General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings, having reviewed the report of the Board of Directors, resolves to set as follows the overall limits of the amounts of issues that may be decided pursuant to the delegations of authority to the Board of Directors resulting from the previous resolutions:

- The overall nominal limit for all capital increases through the issue of shares or equity securities giving access to other equity securities or securities giving access to equity securities to be issued is set at a nominal amount (excluding issue premiums) of €2,220,000, plus the nominal amount of the capital increases to be carried out to preserve, in accordance with the law and, where applicable, the rights of the holders of these securities. In the event of a capital increase through the capitalisation of additional paid in capital, reserves, profits or other items in the form of the allocation of Bonus shares during the period of validity of said delegations of authority, the aforementioned maximum nominal amount (excluding issue premiums) shall be adjusted by applying a multiplier coefficient equal to the ratio between the number of shares making up the share capital after the transaction and what this amount was before the transaction;
- The overall nominal limit of the capital increases without preferential subscription rights carried out pursuant to the

fifteenth, sixteenth, seventeenth, eighteenth, nineteenth and twentieth resolutions submitted to this Shareholders' Meeting is set at a nominal amount (excluding issue premiums) of €543,000 (which in turn is deducted from the overall nominal limit of all the aforementioned capital increases of €2,220,000), plus the nominal amount of the capital increases to be carried out in order to preserve, in accordance with the law and, where applicable, the rights of the holders of these securities. In the event of a capital increase through the capitalisation of additional paid in capital, reserves, profits or other items in the form of the allocation of Bonus shares during the period of validity of said delegations of authority, the aforementioned maximum nominal amount (excluding issue premiums) shall be adjusted by applying a multiplier coefficient equal to the ratio between the number of shares making up the share capital after the transaction and what this amount was before the transaction;

- The total maximum nominal amount of issues of securities representing debts on the Company giving access to the share capital or to a debt security may not exceed €500,000,000 or the equivalent of this amount in any other currency;
- It being specified that the amount of capital increases resulting or likely to result from the delegation granted by the 13th resolution is added to the ceilings above mentioned.

Ordinary decision

TWENTY FOURTH RESOLUTION

(Powers to carry out formalities)

The Shareholders' Meeting grants full powers to the bearer of an original, copy or extract of these documents to carry out all legal formalities relating to the above resolutions.

APPENDIX TO THE CORPORATE GOVERNANCE REPORT

Kaufman & Broad S.A.

Internal Charter on regulated agreements and commitments and on the procedure for evaluating current agreements entered into under normal conditions

This Charter (the "Charter") falls within the framework of (i) the regulations applicable to free and regulated agreements and commitments set by Articles L.225-38 et seq. of the French Commercial Code, as in force following the law n° 2019-486 of 22 May 2019 on the growth and transformation of companies (known as the "Pacte Law") and the order n° 2019-1234 dated 27 November 2019 on the Compensation of corporate officers of listed companies as well as (ii) the recommendation of the Autorité des marchés financiers (the "AMF") n° 2012-05 of 2 July 2012, as amended on 5 October 2018 (the "AMF Recommendation").

The Charter was approved by the Board of Directors of Kaufman & Broad SA ("KBSA") on 27 February 2020 and is included in KBSA's

Corporate Governance Report, available on its website (www.kaufmanbroad.fr) and included in KBSA's Universal Registration Document.

The purpose of the Charter is to describe, in accordance with the provisions of Article L.22-10-10 of the French Commercial Code, the procedure implemented by KBSA within the group (as defined below) pursuant to the provisions of Article L.22-10-1 of said Code, enabling the regular assessment of whether agreements relating to ordinary operations and concluded under normal conditions meet these conditions.

The Charter applies to KBSA and its subsidiaries subject to regulated agreements regulations (together the "group").

1. Reminder of applicable regulations

On a preliminary basis, it should be noted that, in accordance with the provisions of Article L.225-38 of the French Commercial Code, regulated agreements, agreements entered into between, on the one hand, the company, and, on the other hand, (i) directly or through an intermediary, its Chief Executive Officer, one of its directors, one of its shareholders holding a fraction of voting rights greater than 10% or, in the case of a shareholder company, the company controlling it within the meaning of Article L.233-3 of the French Commercial Code or (ii) an entity having a "common manager" with the company. Agreements in which one of the persons referred to in (i) above is indirectly concerned also constitute regulated agreements. These agreements, referred to as "regulated agreements," are then subject to *the subsequent approval* of the Shareholders' Meeting in accordance with the provisions of Article L.225-40 of the French Commercial Code.

However, in accordance with the provisions of Article L.255-39 of the French Commercial Code, agreements relating to ordinary operations and concluded under normal conditions and agreements between a company and its 100% -direct or indirect subsidiary do not require prior authorisation by the Board of Directors or approval by the Shareholders' Meeting.

Finally, pursuant to the provisions of Article L.225-43 of the French Commercial Code, the conclusion of certain agreements is prohibited, on pain of nullity, in particular loans, overdrafts in current or other accounts, sureties or endorsements, entered into with or for the benefit of any director (other than a legal entity), the Chief Executive Officer and the representatives of the legal entities directors of said company as well as the spouses, ascendants and descendants of the aforementioned executives and any intermediary.

2. Practise of agreements within the group

2.1. Criteria used to define an agreement relating to ordinary transactions entered into under normal conditions

(a) Concept of current transactions

The group assesses the concept of a current transaction with regard to compliance with the corporate purpose of the company concerned and the nature of the transaction, which must be similar to other transactions already carried out by the company.

Repetition and/or habit constitute a presumption of commonality but are not by themselves determinative. The group also takes into account, in particular, the circumstances of the conclusion of the agreement, its financial and legal consequences, its duration or the usual practices for companies in a similar situation.

(b) Concept of normal conditions

The group assesses the notion of normal conditions with regard to the conditions customary by the company in its relations with third parties, so that the interested party does not derive from the transaction an advantage that he would not have had if he had been a supplier or a customer of the company. It is also necessary to ensure that the conditions applied are comparable to those of the same type of transactions in other companies engaged in real estate development.

The normal nature of the conditions is assessed by reference to a market price or customary market conditions (within or outside the group) and the general economics of the contract, which invites to take into consideration not only the price itself but more generally all the conditions to which the transaction is concluded, such as settlement periods or the granting of guarantees.

2.2. Types of agreements entered into under normal conditions within the group

The group considers that agreements relating to ordinary operations entered into under normal conditions (as defined in paragraph 2.1 (b) above) constitute:

- Agreements with low financial stakes, provided that the agreement is not a significant issue for the contracting parties;
- Agreements between group companies relating in particular to the following transactions, provided that (i) these agreements are entered into in a common economic, social or financial interest assessed according to a policy developed for the entire group, (ii) are not deprived of any consideration or do not break the balance between the respective commitments of the companies concerned and (iii) do not exceed the financial possibilities of the company that bears the responsibility for them:
 - Agreements related to the group's real estate development activities, such as the construction of buildings (property development contracts, sale on completion), technical management and marketing and any other related agreements usual for this type of transaction;
 - Tax consolidation agreements for which the parent company provides compensation in the event that the daughter leaves the tax consolidation scope;

- The sale or lending of the Company's shares to a corporate officer in the performance of his/her duties;
- Lending and assistance agreements relating to the financing and re-invoicing of financial instruments;
- Lease or sub-lease agreements,
- Cash management and/or loans/current accounts/borrowings,
- Service agreements (particularly in the areas of human resources, insurance, brand licenses, IT, management, communication, finance, legal, accounting and purchasing);
- Acquisitions and/or disposals of non-significant assets or securities.

The above list, which is not exhaustive and is purely illustrative, has been drawn up on the basis of the agreements entered into regularly within the group to date and is intended to be supplemented as the group's practises continue. In any event, the characterisation of the standard nature of an agreement is assessed on a case by case basis, with the support of the group's Legal Department, where appropriate, in conjunction with KBSA's Statutory Auditors.

2.3. Criteria used by the group to define a regulated agreement

The group considers that the procedure for prior authorisation of regulated agreements applies when an agreement occurs between a company and one of the persons covered by the control procedure and does not constitute a free or prohibited agreement, as defined above.

This procedure does not apply to mergers and acquisitions, demergers and partial asset transfers subject to the legal regime governing demergers between two companies with common executives. On the other hand, the contribution transaction not subject to the legal regime of splits must be subject to the procedure of regulated agreements at the contributing company but not at the beneficiary company whose general meeting of shareholders is consulted.

2.4. Specific regime applicable to executive compensation

The determination of executive compensation in respect of their corporate office and the components of compensation due as a result of the termination of their office do not fall within the scope of the procedure provided for in Article L. 225-38 of the French Commercial Code but within the competence of the Board of Directors in accordance with Articles L. 22-10-16 and L. 22-10-17 of

the French Commercial Code and, for KBSA, a company whose shares are admitted to trading on a regulated market, to the approval of the Shareholders' Meeting, in accordance with the provisions of Articles L.22-10-8 and L.22-10-34 of the French Commercial Code ("*say on pay*" regime).

3. Procedures for assessing and controlling agreements

3.1. Procedure for assessing current agreements entered into under normal conditions

(a) Prior information to the Board of Directors

In accordance with Article 14 of the Rules of Procedure of the Board of Directors of KBSA, each director undertakes to inform the Chairman of the Board of Directors of the conclusion of any agreement relating to ordinary operations and concluded under normal conditions that he has entered into or to which he would be interested, within the month of the conclusion of this one.

(b) Annual assessment by the Board of Directors

The Board of Directors of KBSA has set up an annual evaluation procedure for current agreements entered into under normal conditions.

As part of this assessment, the Board of Directors, which meets during the review of the annual financial statements, reviews the criteria for determining current agreements entered into under normal conditions defined above in order to ensure that they are always appropriate and in line with market practices, and specifically analyses the normal nature of the financial conditions of the agreements it assesses. Agreements that no longer meet these criteria, which are therefore reclassified as regulated agreements, are then subject to the approval of the Board of Directors, as described in paragraph 3.2 below.

In accordance with the provisions of Article L.22-10-12 of the French Commercial Code, persons directly or indirectly interested in the agreement do not participate in its assessment.

3.2. Procedure for controlling related party agreements

(a) Prior information to the Board of Directors

In accordance with Article 14 of the Internal Rules of the Board of Directors of Kaufman & Broad SA and the provisions of Article L. 225-40 of the French Commercial Code, each Director undertakes to inform the Chairman of the Board of Directors of any draft conclusion of a regulated agreement, so as to allow consultation of the Board of Directors in accordance with the provisions of Article L. 225-38 of the French Commercial Code.

(b) Prior authorisation granted by the Board of Directors

Any conclusion, modification, renewal (including in the event of tacit renewal) and termination of related party agreements must be subject to the prior approval of the Board of Directors, in accordance with the provisions of Article L.225-38 of the French Commercial Code.

Each related party agreement is authorised by a specific decision of the Board of Directors, it being specified that the persons directly or indirectly interested in the agreement do not take part in the deliberations or vote on the requested authorisation and the Board of Directors must also justify the interest of this agreement for the company, in particular with regard to the financial conditions attached to it. Pursuant to Article R. 225-30 of the French Commercial Code, these reasons are sent to the statutory auditors and are included in their report. The absence of reasons may lead the statutory auditors to report this irregularity in their special report (Article L. 823-12 of the French Commercial Code) and to inform the AMF (Article L. 621-22 French Monetary and Financial Code).

KBSA may decide, in accordance with proposal No. 4.6 of the AMF recommendation, to appoint an independent expert whenever the conclusion of a regulated agreement is likely to have a "very significant impact on the balance sheet or results of the company and/or the group." This expert appraisal will be mentioned in the statutory auditors' special report and made public, subject where appropriate to elements that could undermine the secrecy of business.

In the event of the absence of prior authorisation of related party agreements, the group also ensures, in accordance with proposal No. 4.7 of the AMF recommendation, that they are ratified by the Board before they are approved by the Annual Shareholders' Meeting, except in specific cases in which the directors are all in conflict of interest.

(c) Approval of related party agreements by the Shareholders' Meeting

Regulated agreements are subject to the approval of the Shareholders' Meeting following their conclusion, it being specified that, in accordance with proposal No. 4.11 of the AMF Recommendation, the group submits any significant regulated agreement authorised and entered into after the closing date of the financial year, to the approval of the next meeting provided that the Statutory Auditors have had the opportunity to analyse these agreements and commitments within a time frame compatible with the issue of their report.

In addition, in accordance with proposal No. 4.13 of the AMF Recommendation, the group ensures that the statutory auditors' special report on related party agreements is included in its Universal Registration Document, in order to allow a shareholder to quickly access the relevant information.

(d) Publication on Kaufman & Broad SA's website

In accordance with the provisions of Article L.22-10-13 of the French Commercial Code, information relating to regulated agreements is published on KBSA's website at the latest at the time of their conclusion. This information will include the nature of the relationship with the interested party, the name of the interested party and the date and value of the transaction concerned.

(e) Annual review of related party agreements by the Board of Directors

In accordance with the provisions of Article L.225-40-1 of the French Commercial Code, the Board of Directors is informed of and reviews every year all agreements and commitments entered into and authorised in previous financial years that remained in force during the last financial year, without however requiring a new authorisation.

As such, it declassifies any agreement when its regulated nature has become irrelevant.

8.8. Report of the Board of Directors on corporate governance (Articles L. 225-37 et seq. of the French Commercial Code)

1. Corporate governance

See section 3.1. "Members of the administrative and management bodies."

1.1. Corporate Governance Code

See section 3.1.1.2.1. "Corporate Governance Code."

1.2. Operating procedures of the Board of Directors

1.2.1. Rules governing the composition of the Board of Directors

See section 3.1.1.2.2. "Rules governing the composition of the Board of Directors."

1.2.2. Other provisions of the Articles of Association and Internal Rules

See section 3.1.1.2.3. "Other provisions of the Articles of Association and Internal Rules."

1.2.3. Duties of the Board of Directors

See section 3.1.1.2.5. "Duties of the Board of Directors."

1.2.4. Duties and powers of the Lead Independent Director

See section 3.1.1.2.7. "Duties and powers of the Lead Independent Director."

1.2.5. Meetings and deliberations of the Board of Directors

See section 3.1.1.2.4. "Meetings and deliberations of the Board of Directors."

1.3. Specialised Committees of the Board of Directors

1.3.1. Audit Committee (composition as of November 30, 2022, missions, functioning, compensation of members, meetings and work during the financial year ended November 30, 2022)

See sections 3.1.2.1. "Audit Committee" and 3.1.2.1.2. "Composition of the Audit Committee," 3.1.2.1.3. "Missions of the Audit Committee," 3.1.2.1.4. "Functioning of the Audit Committee" 3.1.2.1.7. "Meetings of the Audit Committee in 2022."

1.3.2. Compensation and Nomination Committee (composition as of November 30, 2022, missions, compensation of members, meetings and work during the financial year ended November 30, 2022)

See sections 3.1.2.2. "Compensation and Nomination Committee" and 3.1.2.2.1. "Composition and missions," and 3.1.2.2.3. "Compensation and Nomination Committee meetings in 2022."

1.2.6. Independence of Directors

See section 3.1.1.2.8. "Independence of Directors."

1.2.7. Shares held by Directors

See sections 3.1.1.1. "Composition of the Board of Directors" (Summary table), See section 3.1.1.2.9. "Shares held by the Directors" and 7.3.1. Shareholding structure of the Company as of November 30, 2022 and changes over three years (Table "Ownership of Kaufman & Broad SA shares by the Directors as of 28 February 2023").

1.2.8. Operation of the Board of Directors

See sections 3.1.1.1. "Composition of the Board of Directors" and 3.1.1.2.11 Annual evaluation of the Board of Directors - 3.1.1.2.12. "Meetings of the Board of Directors in 2022" and 3.1.1.2.13. "Description of the diversity policy within the Board of Directors within the meaning of Article L. 225-37-4 6° of the French Commercial Code."

1.2.9. Directors' compensation

See sections 3.1.1.2.10. "Compensation allocated (formerly directors' fees) to the Directors" and 3.2.1.1. "Compensation of members of administrative bodies" (see Table 3 AMF nomenclature).

1.3.3. Investment Committee

See sections 3.1.2.3. "Investment Committee" and 3.1.2.3.1. "Removal of the Investment Committee."

1.3.4. CSR Committee

See section 3.1.2.4 "CSR Committee" and 3.1.2.4.1 "CSR Committee meetings in 2022."

1.4. Operating procedures of management bodies

See section 3.1.1.2.6. "Operating procedures of management bodies."

2. Compensation and benefits granted to corporate officers

2.1. Compensation policies

See section 8.7 "Agenda and text of the resolutions to be submitted to the Combined General Meeting of 4 May 2023" and section 8.9 "Appendix to the Corporate Governance Report" of this Universal Registration Document.

2.1.1. Principles and decision making processes used to determine, revise and implement the group's policy

See section 8.9. I.1 "Principles and decision making processes used to determine, revise and implement the group's compensation policy."

2.1.2. Components of the compensation of the Chairman and Chief Executive Officer

See section 8.9. I.2 "Components of the Chairman and Chief Executive Officer's compensation."

2.1.3. Components of Directors' compensation

See section 8.9. I.3 "Components of Directors' compensation."

2.2. Compensation and benefits granted to corporate officers during the financial year ended November 30, 2022

See section 3.2.7. "Components of compensation due or awarded for the year ended November 30, 2022 to Mr. Nordine Hachemi, Chairman and Chief Executive Officer, submitted to the shareholders' vote "(see table" Compensation components ").

See section 3.2.1.2.2. "group compensation policy" (see "AMF Nomenclature" tables).

2.2.1. Chairman and Chief Executive Officer

See section 8.9. II.1 "Chairman and Chief Executive Officer."

2.2.2. Directors

See section 8.9. II.2 "Directors."

2.3. Other information

2.3.1. Ratio between the level of compensation of the Chairman and Chief Executive Officer and the average and median compensation of the group's employees

See section 8.9. III.1 "Ratio between the level of compensation of the Chairman and Chief Executive Officer and the average and median compensation of the group's employees."

2.3.2. Annual changes in the Compensation, the performance of the company, the average Compensation on a full-time equivalent basis of the employees of the company other than the executives and the ratios referred to above over the last five years "

See section 8.9. III.2 "Annual changes in the Compensation, the performance of the company, the average Compensation on a full-time equivalent basis of the employees of the company other than the executives and the aforementioned ratios over the last five years."

3. Other information

3.1. Draft agenda and resolutions prepared by the Board of Directors to be submitted to the Shareholders' Meeting of 4 May 2023

See section 8.7. "Agenda and resolutions of the Shareholders' Meeting of 4 May 2023."

3.2. Related party agreements - current - commitments - Related party transactions

3.2.1. Agreements governed by Article L. 225-38 of the French Commercial Code

See section 8.9 IV.2.1 "Agreements referred to in Article L. 225-38 of the French Commercial Code "

3.2.3. Commitments authorised pursuant to Article L. 225-42-1 of the French Commercial Code

See section 8.9 IV.2.3 "Commitments authorised pursuant to Article L. 225-42-1 of the French Commercial Code "

3.2.2. Current agreements

See section 8.9 IV.2.2 "Current agreements"

3.3. Terms of participation of shareholders in General Meetings

3.3.1. Notice of and participation in General Meetings

See section 7.1.9. "Shareholders' Meetings."

3.3.2. Exercise of voting rights, double voting rights, limitations on voting rights

See section 7.1.10.. "Double voting rights."

3.4. Delegations and authorisations in force granted by the Shareholders' Meeting regarding capital increases

3.4.1. Summary table of authorisations to carry out capital increases in force

See section 9.4. "Summary table of authorisations to increase the share capital currently in force."

3.5. Factors likely to have an impact in the event of a public offer

3.5.1. Capital structure

See section 7.2.4. "Share capital."

3.5.2. Shareholding structure at November 30, 2022 and changes over three years

See sections 7.3.1. "Shareholding structure at November 30, 2022 and changes over three years" and 7.3.2. "Changes in share ownership over the past three years."

3.5.3. Statutory restrictions on the exercise of voting rights

See section 7.1.11. "Crossing of thresholds."

3.5.4. Rights, preferences and restrictions attached to shares

See sections 7.1.10. "Double voting rights" and 7.2.2. "Rights, preferences and restrictions attached to shares."

3.5.5. Investments in the Company

See section 7.3.4. "group organization chart."

3.5.6. Shareholders' agreement

See section 7.3.3.1. "Shareholders' Agreement."

3.5.7. Powers of the Board of Directors to increase the share capital and to buy back shares

See sections 7.2.3. "Acquisition by the company of its own shares" and 9.4. "Summary table of authorisations to increase the share capital currently in force."

3.5.8. Change of control clauses

See section 4.1.3.4. "Risks related to restrictive clauses of financing contracts."

8.9. Compensation and benefits granted to corporate officers

I. Compensation policy

The following developments constitute the compensation policy for the Company's executive corporate officers, particularly for 2023. In particular, they describe the components of fixed and variable compensation and explain the decision making process followed for its determination, revision and implementation.

In accordance with the provisions of Article L. 22-10-08 -II of the French Commercial Code, the compensation policy presented below is subject to the approval of the Combined Shareholders' Meeting of 4 May 2023. It should be noted that the last annual approval of the Compensation policy for the corporate officers of Kaufman & Broad S.A. took place at the Combined General Meeting of Shareholders of 5 May 2022.

I.1. Principles and decision-making processes used to determine, revise and implement the group's compensation policy

The Company has set up a group compensation policy that supports all employees by (i) a base salary, which remunerates the holding of a position and is attractive to attract and retain talent, and (ii) a variable portion, which remunerates individual and collective performance based on the achievement of ambitious objectives set while being limited by a maximum level avoiding excessive risk taking, in accordance with the Company's corporate interest. This variable portion is based on annual or even biennial criteria, allowing it not to have a short term vision only. In addition, this variable portion is supplemented by a universal free share grant, which involves all group employees in creating value over the medium/long-term, in support of the group's commercial strategy and sustainability. In addition to their variable compensation, the Chairman and Chief Executive Officer, the members of the Executive Committee and the regional and agency directors are also granted Bonus shares, the vesting of which is subject, in accordance with the principles of good governance, to performance conditions.

In this context, on the occasion of the Company's free float extension (re IPO) carried out in May 2016, senior executives (including the Chairman and Chief Executive Officer) and certain group employees contributed their shares from the 2014 and 2016 free share allocation plans to Artimus Participations, the management investment structure in the Company, set up in connection with this transaction. Thus, through this company, which brings together executives and employees of the Company, the PEG and individually, the group's employees held approximately 15% of the Company's share capital as of November 30, 2022, thus becoming the first shareholders of their company. This configuration ensures a long-term alignment of interests with the company's shareholders and management, with the Chairman and Chief Executive Officer holding, directly or indirectly, approximately 3% of the capital of Kaufman & Broad SA as of the date of this report.

It is in this context of recognition of sustainable, long-term and collective performance that the philosophy of the compensation policy for the executive corporate officer is reflected in these developments.

The compensation policy for the executive corporate officer, i.e., at the date of this report, Mr. Nordine Hachemi in his capacity as Chairman and Chief Executive Officer of the Company, is approved by the Board of Directors after examination and opinion of the Compensation and Nomination Committee. The Board of Directors applies the recommendations of the AFEP/MEDEF Code, amended in January 2020 and December 2022, relating to the compensation of executive corporate officers of listed companies. In this context, the Board of Directors sets the principles for determining the compensation of the Chairman and Chief Executive Officer, paying particular attention to the following principles:

- Principle of balance and measurement: It is ensured that each element of the Chairman and Chief Executive Officer's compensation is clearly justified and that none of these elements is disproportionate.
- Principle of competitiveness: It ensures that the Chairman and Chief Executive Officer's compensation is competitive, notably through sector-based compensation surveys.
- Principle of alignment of interests: The Compensation policy is a management tool designed to attract, motivate and retain the talent needed by the Company, but also meets the expectations of shareholders and other stakeholders of the Company, particularly in terms of the link with performance.
- Performance principle: The compensation of the Chairman and Chief Executive Officer is closely linked to the Company's performance, in particular by means of a variable compensation measured each year. The payment of this variable portion is subject to the achievement of objectives remunerating immediate performance and preparing for the future and ensuring the sustainability of the group and whose impact is measurable over an (i) annual (change in revenue, EBITDA, net income group share, WCR) and (ii) biennial period (number of orders and number of lots of commitment committees).

The Chairman and Chief Executive Officer's compensation includes a fixed portion and a variable portion based on a certain number of objectives determined on an annual basis. At the end of each financial year, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, sets the amount of its gross fixed annual compensation for the following financial year as well as the ceiling of its variable annual compensation for the following financial year and the quantitative criteria on the basis of which this latter will be calculated. At the beginning of each financial year, the Board of Directors, on the proposal of the Compensation and Nomination Committee, determines the amount of its variable annual compensation due for the previous financial year based on the results of the previous financial year and the achievement of its quantitative and qualitative objectives, and sets the objectives of the qualitative part of its variable annual compensation for the current financial year.

In addition, in order to associate the Chairman and Chief Executive Officer with long-term performance, a portion of its compensation is made up of performance shares. This component of the compensation is directly linked to the group's performance since the number of shares definitively granted to the Chairman and Chief Executive Officer, at the end of the vesting period, depends on the group's performance, according to certain criteria (see paragraphs I.2.2 (b) and 3 below).

At its meeting on 24 February 2023, the Board of Directors approved two plan regulations defining the terms and conditions for the allocation of Bonus shares, namely:

- a first regulation applicable to group executives and employees ("First Plan 2023"),

Excerpt from the regulation of the First Plan 2023 (Article 5 - conditions relating to the availability of shares):

.../...

"If at any time during the Acquisition Period, there occurs.....

In the case of an executive, the termination of his/her duties in respect of his/her corporate office (resignation or dismissal) linking him/her to KAUFMAN & BROAD SA, one of the companies or entities controlled by KAUFMAN & BROAD SA within the meaning of Article L. 233-3 of the French Commercial Code or GIE KAUFMAN & BROAD, the Beneficiary will no longer be eligible to receive the Bonus shares, and will lose all rights granted under the plan, as from the notification of his resignation, or the date of the Board of Directors deciding his/her dismissal, as the case may be. This condition includes the case in which the employer ceases to be a Subsidiary of KAUFMAN & BROAD SA.

In the event of the death of the Beneficiary during the Acquisition Period, his/her beneficial owner (s) under the estate devolution may request, within 6 months of the date of death, the allocation of shares.

In the event of a Disability occurring during the Acquisition Period, the right to the Bonus shares will take effect immediately and the Bonus shares will be automatically delivered to the person concerned, within a short period from the termination of the employment contract due to this Disability.

In the event of retirement during the Acquisition Period, he/she will remain eligible to receive the Bonus shares and will retain all the rights granted under the plan. The operating rules of this Regulation shall continue to apply.

-A second plan ("Second Plan 2023") applicable only to the Chairman and Chief Executive Officer ("the Beneficiary"),

Excerpt from the regulations of the Second Plan 2023 (Article 5 - conditions relating to the availability of shares):

.../...

"If, at any time during the Acquisition Period, the termination of the duties of the executive corporate officer in respect of his corporate office (resignation or dismissal) occurs, the Beneficiary will no longer be eligible to receive the Bonus shares, and will lose all the rights granted under the Plan.

In the event of the death of the Beneficiary during the Acquisition Period, his/her beneficiary(ies) entitled to the estate devolution may request, within 6 months of the date of death, the allocation of the Shares.

In the event of a Disability occurring during the Acquisition Period, the right to the Bonus shares will take effect immediately and the Bonus shares will be automatically delivered to the person concerned, within a short period from the termination of the employment contract due to this Disability.

In the event of retirement during the Acquisition Period, he/she will remain eligible to receive the Bonus shares and will retain all the rights granted under the Plan. The operating rules of this Regulation shall continue to apply. "

For the year ended November 30, 2023, the Compensation and Nomination Committee proposed to the Board of Directors on 24 February 2023 to maintain the various components of the compensation policy unchanged from that approved at more than 90% by the Shareholders' Meeting of 5 May 2022.⁽¹⁾

It should be noted that in order to emphasise even more strongly the link between the compensation of the Chairman and Chief Executive Officer and the interests of shareholders, the Board of Directors proposes the renewal for 2023 of the long-term plan set up in 2018 and approved by the last shareholders' meeting of 5 May 2022.

1.2. Components of the compensation of the Chairman and Chief Executive Officer

The compensation of the Chairman and Chief Executive Officer includes both fixed and variable compensation, plus long-term compensation.

1. Fixed compensation

The Board of Directors, on the recommendation of the Compensation and Nomination Committee, determines the fixed annual compensation of the Chairman and Chief Executive Officer in light of a detailed study of the fixed and variable compensation of executives of comparable companies carried out by an independent firm on behalf of the Company.

The gross fixed annual portion of the Chairman and Chief Executive Officer's compensation was set by the Board of Directors on 24 February 2023 at €600,000 for 2023, unchanged from 2022.

2. Variable compensation

The variable compensation of the executive corporate officer includes (i) a target and maximum annual variable portion, paid in cash, and (ii) an annual deferred payment portion, in the form of free performance shares.

a) Target annual variable portion and maximum variable portion in cash

The Board of Directors, on the recommendation of the Compensation and Nomination Committee, determines the annual variable compensation of the Chairman and Chief Executive Officer on the basis of quantitative and qualitative criteria. For 2023, the Board of Directors' meeting of 24 February 2023 sets the maximum annual variable portion of the Chairman and Chief Executive Officer's compensation at a gross amount of €700,000 (unchanged from 2022, i.e. 117% of his/her fixed annual compensation) in the event of

⁽¹⁾ *With the exception of the methods for determining the variable compensation of the Chairman and Chief Executive Officer, which may now reach, in the event of outperformance, up to 130% of the variable compensation, compared to 120% previously (see paragraph 1.2.2 (a))*

achievement of the objectives at 100% and, in the event of outperformance, up to 130% of the aforementioned amount, i.e. a maximum gross amount of €910,000 (i.e. approximately 150% of his fixed annual compensation), subject to presence in January 2024.

The Board of Directors considered it appropriate to reward the outperformance of the corporate officer in a difficult economic context by raising it from 120% to 130% of the annual variable compensation.

The variable portion of this compensation will be calculated for 70% of its amount based on quantitative elements and for 30% based on qualitative elements, each with a weighting.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, this variable compensation is subject to a favourable vote at the Ordinary General Shareholders' Meeting to be held in 2024 to approve the financial statements for the year ended November 30, 2023.

- Quantitative criteria:

They are based on indicators that the Board of Directors, on the recommendation of the Compensation and Nomination Committee, deemed most relevant in assessing the group's financial performance. For 2023, the quantitative criteria represent 70% of variable compensation, of which 15% related to revenues, 15% to EBITDA, 15% to net income - group share, 5% to WCR, 10% to annual housing orders and 10% to the number of lots of Commitment Committees for 2023 (*these last two indicators reflect the group's medium term business outlook*).

- Qualitative criteria:

With regard to the non-financial criteria, which represent 30% of the variable compensation for 2023, they are now based on the following qualitative objectives that were adopted by the Board of Directors to set the 2022 compensation of the corporate officer: the management of the group's teams as well as the quality of the social climate in the company; the continued deployment of the CSR policy and the proper control of risks.

b) Annual variable portion with deferred payment in the form of performance shares

The Shareholders' Meeting of 5 May 2022, in its 16th resolution, authorised the Board of Directors to grant, on one or more occasions, bonus shares to employees or executive corporate officers up to a limit of 250,000 shares, including 50,000 shares to the executive corporate officer.

After taking into account the allocations made during the 2022 financial year, 250,000 shares may be granted under the 16th resolution mentioned above, of which a maximum of 50,000 shares to the executive corporate officer.

On 24 February 2023, the Board of Directors used the authorisation granted by this resolution, and thus granted 15,000 performance shares to the Chairman and Chief Executive Officer for 2023, provided that he/she is still in office at the time of their final vesting in 2025 ("First Plan 2023").

On the basis of valuation work carried out by a specialised actuary at the Company's request, based in particular on the Company's share price at 24 February 2023, the benefit corresponding to the 15,000 performance shares to be granted to the Chairman and Chief Executive Officer in respect of his annual variable compensation with deferred payment is estimated at approximately €337,814.

The definitive allocation of performance shares to the corporate officer would be subject to the same performance conditions as those provided for in the annual variable compensation in cash set out in paragraph I.2.2 (a) above.

Thus, in the event that these performance conditions are met, the Chairman and Chief Executive Officer would be entitled to the allocation of performance shares in respect of the annual variable compensation with deferred payment, according to the same ratio and in the same proportions as for the annual variable compensation in cash. In the event that 100% of the performance conditions are met, the maximum number of performance shares attributable, i.e. 15,000 shares, would be allocated to the Chairman and Chief Executive Officer. No additional performance shares would nevertheless be granted in the event of outperformance above 100%.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, the definitive allocation of performance shares in respect of this deferred payment variable compensation is subject to the approval of the Ordinary General Meeting to be held in 2024 to approve the financial statements for the year ended November 30, 2023.

3. long-term compensation

It should be noted that in 2018 the Board of Directors set up a long-term compensation for the Chairman and Chief Executive Officer based on the free allocation of 10,000 performance shares to the latter, providing for a three year vesting period and a one year holding period and performance conditions assessed over the 2018 - 2020 period. This long-term compensation plan was renewed:

- In 2020 by the Board of Directors, with the allocation of 10,000 performance shares to the Chairman and Chief Executive Officer, subject to performance conditions assessed over the period 2020 - 2022,
- In 2021 by the Board of Directors, with the allocation of 10,000 performance shares to the Chairman and Chief Executive Officer, subject to performance conditions assessed over the period 2021 - 2023,
- In 2022 by the Board of Directors, with the allocation of 10,000 performance shares to the Chairman and Chief Executive Officer, subject to performance conditions assessed over the period 2022 - 2024,

On 24 February 2023, the Board of Directors granted 10,000 performance shares to the Chairman and Chief Executive Officer, pursuant to the 16th resolution granted by the Combined General Meeting of Shareholders of 5 May 2022, in respect of the renewal of the long-term compensation plans set up in 2018 and renewed in 2019, 2020, 2021 and 2022 ("Second Plan 2023").

The acquisition of these shares is subject to the following conditions:

- The shares will only vest after a period of three years, i.e. in 2026, and must then be held for a period of one year by the Chairman and Chief Executive Officer;
- long-term performance conditions assessed over the 2023-2025 period (3 years), including CSR performance, the quality of goods and services, the level of employee shareholding in the Company's share capital and TSR. The relative weight of the four conditions is 25% for

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Additional information

Compensation and benefits granted to corporate officers

CSR performance, 25% for Quality of Goods and Services, 20% for employee share ownership, 30% for TSR.

- The CSR performance condition is as follows:
 - To be for 3 years among the top 50 companies in the GAIA index, ⁽¹⁾including 230 companies;
 - Maintain an A- rating in 2025 on the CDP index⁽²⁾ of at least 50 for each financial year;

At the end of each of these three years, it will be noted whether the objective is achieved at 100%, in which case 1/2 of the 25% performance shares attributable will be acquired. Otherwise, no allocation will be made.

- The Quality of Goods and Services condition is as follows:

Obtaining the following scores (base 100) for the composite index measuring the Quality of Goods and Services based on the BVA annual survey commissioned by the Company:

- 68/100 in 2023
- 69/100 in 2024
- 70/100 in 2025

At each of these three years, it will be noted whether the objective is achieved at 100%, in which case 1/3 of the 25% performance shares attributable will be acquired. Otherwise, no allocation will be made.

- The condition related to the level of employee shareholding is as follows:
 - Maintain employee shareholding (through Artimus Participations, the PEE and individually) at a level of at least 10% of the Company's share capital (excluding *specific financial transactions*).
- The TSR condition is achieved in stages, at the following levels and thresholds:
 - Target TSR of between 10% and 15% after three years
 - 0 if the TSR is strictly less than 10%,
 - From 0% to 100%, by linear interpolation, if the TSR is between 10 and 15% after 3 years
 - 100% if the TSR is equal to or greater than 15%.

On the basis of valuation work carried out by a specialised actuary at the Company's request, based in particular on the Company's share price as of 24 February 2023, the benefit corresponding to the 10,000 performance shares to be granted to the Chairman and Chief Executive Officer in respect of his 2023-2025 long-term compensation is estimated at approximately €168.

The table below summarises the calculation and weighting of the various long-term performance criteria:

Criteria	Scale	Objectives	Calculation rules	% of performance shares granted
CSR	25%	<ul style="list-style-type: none"> Remaining 3 years among the top 50 companies in the GAIA index (230 companies) 	1/2	100% otherwise 0
		<ul style="list-style-type: none"> Maintain an A- rating in 2025 on the CDP (Carbon Disclosure Project) 	1/2	100% otherwise 0
Quality Goods and Services	25%	<ul style="list-style-type: none"> Obtain the following score for each of the next 3 years: 		
		–2023: 68/100	1/3	100% otherwise 0
		–2024: 69/100	1/3	100% otherwise 0
		–2025: 70/100	1/3	100% otherwise 0
Level of employee share ownership	20%	Maintain employee shareholding at least 10%		100% otherwise 0
TSR	30%	Target TSR of between 10% and 15% after three years	< 10%	0
			TSR between 10% and 15%	By linear interpolation
			TSR equal to or > 15%	100%

(1) The GAIA index analyses data from a panel of companies every year and assesses their commitment to sustainable development.

(2) The CDP (Carbon Disclosure Project) is an international non-profit organization dedicated to studying the impact of major publicly traded global companies on climate change.

4. Total Compensation

The maximum total compensation of the Chairman and Chief Executive Officer, in respect of the performance of the 2023 financial year, that may be awarded to him/her, including:

- His/her fixed compensation (€600,000);
- His/her variable compensation in cash (maximum of €910,000);
- His/her deferred variable compensation (15,000 shares valued at approximately €337,814).

Thus amounts to approximately €1,847,814, i.e. 32.47% of fixed compensation, 67.53% of variable compensation, of which 72.93% paid in cash and 27.07% paid in the form of performance shares, in line with market practices.

He/she would also benefit from long-term compensation (based on the allocation of 10,000 performance shares valued at approximately €168,581 subject to long-term performance conditions (period 2023-2025) and presence conditions.

In addition, the total number of performance shares granted in 2023 in respect of the deferred variable portion, i.e. 15,000 shares, would represent less than 0.10% of the Company's share capital, in line with market practices. This allocation will also have no dilutive effect, as it will be carried out using existing shares held by the Company.

5. Company car

The Chairman and Chief Executive Officer has a company car with a budget of €1,700 excluding VAT for the year ended November 30, 2022.

6. Pension plan

The Chairman and Chief Executive Officer benefits from a supplementary defined contribution pension plan, pursuant to the provisions of Article 83 of the French General Tax Code; the contribution paid by the company for the Chairman and Chief Executive Officer amounted to €8,775.68 for the 2022 calendar year. These contributions correspond to annual contributions capped at 8% of gross compensation within the limit of eight times the social security ceiling.

See also paragraph 1.7 of the present report.

7. Severance and non-compete indemnities

The severance payment for the Chairman and Chief Executive Officer is equal to 12 months of gross fixed and variable compensation due for the past financial year, increased to 18 months in the event of a takeover of the Company by one or more third parties acting together triggering the obligation to launch a public offer for the Company's shares. Regardless of the date and circumstances of the dismissal, the indemnity will only be due if the Chairman and Chief Executive Officer has received or should have received for each of the two financial years preceding the termination of his/her term of office on average at least 70% of the maximum variable portion (excluding outperformance) of his/her compensation for each of these two financial years, this variable portion being based on both quantitative and qualitative objectives.

No compensation will be paid to the Chairman and Chief Executive Officer in the event of voluntary departure.

The non-compete clause applicable to the Chairman and Chief Executive Officer, for a period of twelve months and covering French territory, gives rise to a gross monthly lump sum compensation equivalent to 50% of the average gross monthly fixed compensation that the Chairman and Chief Executive Officer will have received during the twelve months preceding the termination of his/her term of office (or of the duration of his term of office if it is lower), although the Company may reduce the duration or exempt the Chairman and Chief Executive Officer from this commitment.

8. Insurance for loss of income

The Chairman and Chief Executive Officer is insured in the event of a loss of income resulting from the loss of his/her corporate office. Since 1 July 2014, this insurance has increased the compensation period to 24 months.

Summary table of the fixed and variable components of the Chairman and Chief Executive Officer's compensation

Components of compensation	Principle	Criteria for determination
Fixed compensation	The Chairman and Chief Executive Officer receives fixed compensation in twelve monthly instalments.	The gross annual amount is set at €600,000 for 2023.
Variable compensation	The Chairman and Chief Executive Officer receives variable compensation based on the group's performance. This compensation is paid during the fiscal year following the year in which the performance was recorded. In accordance with the provisions of Article L. 22-10-08 of the French Commercial Code, this variable compensation is subject to the approval by an ordinary general meeting of the components of the Chairman and Chief Executive Officer's compensation under the conditions provided for in Article L. 22-10-34 of the French Commercial Code.	The annual variable portion of the compensation of the Chairman and Chief Executive Officer is €700,000 gross if the objectives are achieved at 100% and, in the event of outperformance until 130% of these objectives is achieved, at a maximum gross amount of €910,000, of which 15% related to revenues, 15% to EBITDA, 15% to net income - group share, 5% to WCR, 10% to annual housing orders, 10% to the number of lots of Commitments Committees for 2023 and 30% related to qualitative objectives, presented above. To this monetary variable portion is added a variable portion paid in the form of Bonus shares (15,000), subject to the achievement of the performance criteria described above and a vesting period of 2 years.
Long-term compensation	In 2018, the Board of Directors proposed the introduction of long-term compensation for the Chairman and Chief Executive Officer based on the free allocation of 10,000 shares to the Chairman and Chief Executive Officer. The long-term compensation plan was renewed for the first time in 2019, 2020, 2021 and 2022. Its renewal is proposed in 2023, for the period 2023-2025.	The definitive grant is subject to the achievement of the objectives detailed in paragraph 3 above and a vesting period of 3 years.
Pension plan	The Chairman and Chief Executive Officer benefits from a supplementary defined contribution pension; the amount of the contribution paid by the company for the Chairman and Chief Executive Officer amounted to €8,775.68 for the 2022 financial year.	The plan is described in paragraph (vi) above
Severance and non-compete compensation	The Chairman and Chief Executive Officer is entitled to a severance payment in the event that the Board decides to terminate his/her duties and to an indemnity intended to compensate him/her for his/her non-compete commitment.	The severance pay and the non-compete compensation are described in paragraph (vii) above.
Company car	The Chairman and Chief Executive Officer has a company car with a budget of €1,700 excluding VaT for the year ended November 30, 2022	Not applicable.
Insurance for loss of income	The Chairman and Chief Executive Officer is insured in the event of loss of income resulting from the loss of his/her corporate office. Since 1 July 2014, this insurance has increased the compensation period to 24 months.	Not applicable.

Draft resolution prepared by the Board of Directors pursuant to Article L. 22-10-34 of the French Commercial Code submitted to the Combined Shareholders' Meeting of 4 May 2023

FIFTH RESOLUTION

(Approval of the compensation policy for the Chairman and Chief Executive Officer)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the report of the Board of Directors on corporate governance prepared in accordance with Article L. 225-37 of the French Commercial Code, describing the elements of the compensation policy for corporate officers, approves, pursuant to

Article L.22-10-8 II of the French Commercial Code, the compensation policy for the Chairman and Chief Executive Officer of the Company, as presented in section 2.1 of the aforementioned report, included in section 8.9 of the 2022 Universal Registration Document of the Company.

I.3. Components of Directors' compensation

The Shareholders' Meeting of 3 May 2018, in its 15th resolution, decided ¹⁰ to set the total amount of compensation allocated to the Board of Directors at €400,000 for the 2018 financial year and for subsequent financial years, until further decision of the Shareholders' Meeting.

On the recommendation of the Nomination and Compensation Committee, the Board of Directors distributes among its members who have no function within the group the compensation allocated to the Board by the Shareholders' Meeting for their duties as directors. Compensation for the position of director is paid on a *pro rata* basis according to physical attendance (or by videoconference) at Board of Directors' meetings during the year. A portion set by the Board and deducted from the amount of compensation allocated to the Board of Directors is paid to Committee members who have no function within the group and, where applicable, to the Lead Independent Director, also taking into account their actual participation in the Committees.

The basic compensation for 2022 was set at €26,800 per year, paid on a *pro rata basis depending* on the physical presence (or via videoconference) at Board meetings during the year, it being understood that Mr. Nordine Hachemi and the director representing employee shareholders will not be entitled to the payment of this compensation.

In addition, the Chairman of each Committee receives fixed annual compensation of €5,000, it being understood that the Chairman of the Audit Committee receives annual compensation of €7,000.

In addition to this basic compensation, an amount of €3,000 is due for each Board Committee meeting attended by the director concerned.

In view of the additional duties entrusted to him/her compared to the other members of the Board of Directors, the Lead Independent Director receives an additional compensation of €17,000 in addition to the compensation awarded to him/her for his/her duties as Director from the 2022 financial year.

I.4. Draft resolution prepared by the Board of Directors pursuant to Article L. 22-10-34 of the French Commercial Code submitted to the Combined Shareholders' Meeting of 4 May 2023

SIXTH RESOLUTION

(Approval of the Directors' compensation policy)

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the report on corporate governance referred to in Article L.225-37 of the French Commercial Code, describing the elements of the compensation policy for corporate officers, approves,

pursuant to Article L. 22-10-08 II of the French Commercial Code, the compensation policy for directors, as presented in section 2.1 of the aforementioned report, included in section 8.9 of the 2022 Universal Registration Document of the Company.

I.5. Modification of the compensation policy for the Chairman and Chief Executive Officer approved by the Shareholders' Meeting of 5 May 2022

At its meeting of 23 March 2022, the Board of Directors, on the proposal of the Compensation and Nomination Committee, decided that, in the event of a favourable decision by the Council of State in 2022, enabling, by implementing the project to redevelop the Austerlitz station district (lots A7/A8) (the "Austerlitz Project"), to generate an additional turnover of at least €300 million and a minimum target Ebitda, a gross amount of €200,000 would be paid to Mr. Nordine Hachemi, Chairman and Chief Executive Officer of the Company, as an exceptional bonus, in view of the importance of this project for the group.

As a reminder, this exceptional bonus is a component of the compensation policy of the Chairman and Chief Executive Officer for the financial year ended November 30, 2022, which was approved by the Combined General Meeting of Shareholders of the Company of 5 May 2022, in its fifth resolution, under the "say on pay *ex ante*" vote. Its principle and terms of payment were also described in the Company's corporate governance report included in its 2021 universal registration document published on 31 March 2022.

At its meeting of 27 January 2023, the Board of Directors, following the recommendations of the Compensation and Nomination Committee, considered, to the extent that, following the decision of the Council of State of 19 October 2022, the construction permit relating to the Austerlitz Project was now cleared of any appeal, that it appears desirable and in the interest of the Company that the exceptional bonus of €200,000 gross related to the Austerlitz Project be paid to the Chairman and Chief Executive Officer, although the criteria for additional

revenue of at least €300 million and minimum target Ebitda were not met for the financial year ended November 30, 2022. The main condition for the payment of the bonus, namely obtaining a favourable decision from the Council of State, was indeed met on that date, allowing the start of work and the implementation of the promises of sale with the purchasers.

Given the time lag in the work, certain technical and financial adjustments to these contracts were also made necessary, so that their terms of execution remain satisfactory for the group and the various stakeholders; which delayed the generation of related revenue in December 2022 at the beginning of the first quarter of the financial year ending November 30, 2023, without revenue generated at the end of the financial year ending November 30, 2022.

It appears that the priority objective for the group was to preserve the best possible execution conditions for these contracts, and therefore not to hasten their implementation before the end of the financial year, even if this would lead to the absence or almost absence of revenue relating to the Austerlitz Project recognized for the financial year ended November 30, 2022 (making it impossible in any case to reach the criterion of €300 million of turnover referred to above).

Following the exercise of the option for the acquisition of land at the end of November 2022, the signature of all acts (*contracts relating to land acquisitions, the completion of property development contracts, etc.*) in December 2022 and the last VEFA contract in February 2023 will allow for the recognition of cumulative revenue of more than €300 million, which will allow the recognition, over the financial year, of EBITDA at least equal to the target set.

At its meeting of 27 January 2023, the Board of Directors decided:

- That a specific resolution will be included on the agenda of the 2023 Annual General Meeting of Shareholders that it will convene (the "2023 General Meeting"), the purpose of which is (i) the modification of the compensation policy approved in 2022 (*in particular the conditions for the payment of the exceptional bonus related to the Austerlitz Project*), which would be described in the corporate governance report included in the 2022 universal registration document of Kaufman & Broad SA published prior to the 2023 General Meeting, and (ii) the authorisation of the payment of the exceptional bonus for the financial year ended November 30, 2022;
- To note that, in the event of approval of the aforementioned resolution relating to the amendment of the 2022 compensation policy, the 2022 exceptional bonus could be paid to the Chairman and Chief Executive Officer after the 2023 Shareholders' Meeting (subject to an "ex post" vote in favor of the 2023 Shareholders' Meeting on the compensation paid or due for the financial year ended November 30, 2022, which would include the 2022 exceptional bonus) and that in the event that said resolution is not approved, the criteria for payment of the exceptional bonus provided for in the compensation policy approved by the shareholders in 2022 would remain applicable, and the 2022 exceptional bonus could not therefore be paid to the Chairman and Chief Executive Officer;
- Note that, as far as possible, the positive impact of the start of the Austerlitz project on the group's revenue and EBITDA for the first quarter of the 2022/2023 financial year should be presented to shareholders prior to the 2023 Shareholders' Meeting.

SEVENTH RESOLUTION

(Approval of the amendment to the 2022 compensation policy for the Chairman and Chief Executive Officer approved by the General Shareholders' Meeting of 5 May 2022 and authorisation to pay the exceptional bonus for the financial year ended November 30, 2022)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the corporate governance report referred to in Article L.225-37 of the French Commercial Code, pursuant to Article L.22-10-8 II of the French Commercial Code, (i) approves the amendment to the compensation policy for the Chairman and Chief Executive Officer approved by the General Meeting of Shareholders

of 5 May 2022, as described in paragraph 2.1.3 of the aforementioned report, included in section 8.9 of the Company's 2022 Universal Registration Document, and (ii) authorises the payment to the Chairman and Chief Executive Officer of the exceptional bonus for the financial year ended November 30, 2022, as presented in paragraph 2.1.3 of the aforementioned report.

II. Compensation and benefits granted to corporate officers during the financial year ended November 30, 2022

In accordance with Article L.22-10-34 of the French Commercial Code, the Annual General Meeting decides on a draft resolution relating to the information mentioned in paragraph I of Article L.22-10-9 -I of the French Commercial Code, to be included in the report on corporate governance and including in particular the elements of compensation paid in respect of the mandate during the past financial year or granted in respect of the mandate for the same financial year, i.e. the financial year ended November 30, 2022. These elements are presented in paragraphs II.1. and II.2 below for the Chairman and Chief Executive Officer and the directors.

Furthermore, in accordance with Article L.22-10-34-II of the French Commercial Code, the annual general meeting decides on the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the past fiscal year or granted in respect of the same fiscal year, by a separate resolution for each corporate officer. For the Chairman and Chief Executive Officer of the Company, these elements are presented in paragraph II.1 below.

The Combined General Meeting of 4 May 2023 will be asked to approve, in the context of separate resolutions, on the one hand on the information mentioned in paragraph I of Article L.22-10-9 of the French Commercial Code, including in particular the elements presented in paragraphs II.1 and II.2 below, and on the other hand on the elements of compensation paid or granted for the financial year ended November 30, 2022 to the Chairman and Chief Executive Officer, as set out in paragraph II.1 below.

II.1. Chairman and Chief Executive Officer

1.1. Fixed compensation

The fixed compensation paid to the Chairman and Chief Executive Officer during the financial year ended November 30, 2022 amounted to €600,000 gross

1.2. Variable compensation

The variable compensation of the executive corporate officer for 2022 includes (i) a target and maximum annual variable portion, paid in cash, (ii) an annual deferred payment portion, in the form of bonus shares subject to performance conditions, and (iii) the payment of an exceptional bonus.

a) Annual variable portion in cash

The Board of Directors' meeting of 27 January 2023, on the proposal of the Compensation and Nomination Committee meeting of 16 January 2023, after having reviewed the Company's results and the qualitative results of the Chairman and Chief Executive Officer during the financial year ended November 30, 2022, set the quantitative portion of the variable compensation due to the Chairman and Chief Executive Officer for the financial year ended November 30, 2022 at €425,518, and the qualitative portion of this compensation at 120% of the target, i.e. €252,000 (i.e. a rounded total of €677,518, i.e. 97% of the target amount).

With regard to the quantitative portion, representing 70% of variable compensation, the Board of Directors noted that the rights to variable compensation are open according to the table below:

Objective	2022		
	Weighting	Target achievement (% of target)	Bonus amount (as % of target amount)
Revenue	15%	95.53%	95.53%
EBITDA	15%	98.19%	98.19%
Net income group share	15%	100.63%	100.63%
WCR	5%	106.60%	115.00%
Number housing orders	10%	83.91%	67.83%
Number of lots of Commitment Committees	10%	70.52%	41.04%

Regarding the qualitative portion, representing 30% of the variable compensation, the following qualitative objectives were reviewed by the Compensation and Nomination Committee.

At its meeting of 16 January 2023, the Committee made the following observations:

Management of the group's *teams and quality of the social climate*:

- Obtaining various labels that recognise managerial changes and the group's transformation: *Great Place to Work* (73% satisfaction rate and 91% participation), *Happy Trainees*, *Best Managed Companies*, *Top 3* in the ranking of the best Retail areasers by Capital, *Prise* awarded by Le Point, *FAS* *Prise* for ETI,
- Maintaining HR development initiatives and training efforts;
- In terms of labour relations: Signature of 3 company agreements unanimously by the trade unions (NAO agreement, telecommuting and salary maintenance in case of sickness compensation)
- The move and installation of the new head office in Courbevoie building highlight (83% satisfaction on question asked in the *Great Place To Work survey* on the satisfaction of premises)

Implementation of the CSR policy:

- All the actions implemented in the context of CSR are mentioned in the CSR Committees held during the year,
- Improvement of GAIA and CDP ratings,
- Criteria Commitment Committee (systematic application of 4 environmental criteria during program presentations at Commitment Committees),
- Implementation of the Environmental Specifications and Procedures Manual (internal reference guide that standardises and generalises CSR best practises for all Kaufman & Broad projects),
- CSR Innovation Challenge launched with group employees,

Good risk management:

- The maintenance of a positive result, the control of operating expenses and the absence of debt in a tense economic context demonstrate a good control of risks.

The Committee considered that the results obtained were met and entitled to a bonus of 120%, i.e. €252,000.

b) Annual variable portion with deferred payment in the form of performance shares

It should be noted that the Board of Directors' meeting of 25 February 2022 made use of the authorisation granted by the 29th resolution of the Combined General Meeting of Shareholders of 6 May 2021, and thus granted 15,000 performance shares to the Chairman and Chief Executive Officer for the 2022 financial year, provided that he is still in office at the time of their definitive acquisition in February 2024. The vested shares must then be held for a period of 2 years ("First Plan 2022").

Excerpt from the regulation of the First Plan 2022 (Article 5 - conditions relating to the availability of shares):

../...

"In the case of an executive officer, the termination of his/her duties in respect of his/her corporate office (resignation or dismissal) linking him/her to KAUFMAN & BROAD SA, one of the companies or entities controlled by KAUFMAN & BROAD SA within the meaning of Article L. 233-3 of the French Commercial Code or GIE KAUFMAN & BROAD, the Beneficiary will no longer be eligible to receive the Bonus shares, and will lose all rights granted under the plan, as from the notification of his/her resignation, or the date of the Board of Directors deciding his/her dismissal, as the case may be. This condition includes the case in which the employer ceases to be a Subsidiary of KAUFMAN & BROAD SA.

In the event of the death of the Beneficiary during the Acquisition Period, his/her beneficial owner(s) under the estate devolution may request, within 6 months of the date of death, the allocation of shares.

In the event of a Disability occurring during the Acquisition Period, the right to the Bonus shares will take effect immediately and the Bonus shares will be automatically delivered to the person concerned, within a short period from the termination of the employment contract due to this Disability.

In the event of retirement during the Acquisition Period, he/she will remain eligible to receive the Bonus shares and will retain all the rights granted under the plan. The operating rules of this Regulation shall continue to apply. "

The definitive allocation of shares to the corporate officer is subject to the same performance conditions as those provided for in the annual variable compensation in cash set out in paragraph II.1.1.2 (a) above. Thus, in the event that these performance conditions are met, the Chairman and Chief Executive Officer would be entitled to the allocation of performance shares in respect of the annual variable compensation with deferred payment, according to the same ratio and in the same proportions as for the annual variable compensation in cash. No additional performance shares would nevertheless be granted in the event of outperformance above 100%.

At its meeting of 27 January 2023, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, definitively granted 14,550 performance shares to Nordine Hachemi in respect of his variable deferred payment compensation for the 2022 financial year, corresponding to an overall performance of 97%.

On the basis of valuation work carried out by an independent actuary, at the Company's request, based in particular on the Company's share price at 25 February 2022, the benefit corresponding to the 14,550 performance shares to be granted to the Chairman and Chief Executive Officer in respect of his annual variable compensation with deferred payment is estimated at approximately €387,284.

c) Exceptional bonus

As indicated in paragraph I.5 above, it is proposed that the General Meeting of Shareholders to be held on 4 May 2023 approve, in its seventh resolution, the modification of the compensation policy of the Chairman and Chief Executive Officer approved by the General Meeting of Shareholders of 5 May 2022 and thus authorise the payment to the Chairman and Chief Executive Officer of the exceptional bonus for the financial year ended November 30, 2022, as presented in paragraph I.5 above.

Subject to the approval of the seventh resolution referred to above, an exceptional bonus related to the Austerlitz project, in the amount of €200,000, will be paid to the Chairman and Chief Executive Officer for the financial year ended November 30, 2022.

1.3. Long-term compensation

At its meeting of 27 February 2020, the Board of Directors decided, on the recommendation of the Compensation and Nomination Committee, to set up in 2020 a long-term compensation for the Chairman and Chief Executive Officer based on the allocation of 10,000 performance shares to the latter, with a vesting period of three years and a one year holding period ("Second Plan 2020").

The Board decided to set the following performance conditions: long-term performance conditions assessed over the 2020-2022 period (3 years), including CSR performance, Quality of Goods and Services, the level of employee shareholding in the Company's *share capital* and TSR (Total shareholder return). The relative weight of the four conditions is 20% for CSR performance, 22.5% for quality goods and services, 22.5% for employee share ownership and 35% for TSR.

Performance criteria	Weighting	Objectives	Calculation rules	% of performance shares granted
CSR	20%	Remaining 3 years among the top 70 companies in the GAIA index (230 companies) Get a minimum VIGEO rating of 50 from 2019 Have a rating B in 2020 on the CDP index *	6.66%	100% otherwise 0
			6.66%	100% otherwise 0
			6.66%	100% otherwise 0
Quality Goods and Services **	22.5%	Obtain the following score for each of the next 3 years: 2020: 66/100 2021: 67/100 2022: 67/100	1/3	100% otherwise 0
			1/3	100% otherwise 0
			1/3	100% otherwise 0
Level of employee share ownership	22.5%	Maintain employee shareholding (through Artimus Participations, the PEE and individually) at least 12%		100% otherwise 0
TSR	35%	Company TSR performance assessed against SBF 120 TSR performance after 3 years	TSR < 100%	0
			TSR between 100% and 110%	From 75% to 100%, by linear interpolation
			TSR > 110%	100%

* Have a rating B in 2020 on the CDP index: For this indicator, the NCR and CA PV of 2020 contain a material error. The target of achieving B rating is set for the last financial year of the 3 year period, i.e. 2022, and not 2020 as mistakenly indicated in PV.

** This is the composite quality of goods and services index based on the annual BVA survey commissioned by the Company. This index includes 10 indicators each rated out of 10, of which 8 relate to the level of Satisfaction (towards KB, on the real estate, the contact person to the order, the TMA request processing, the customer space, the partition visit, the RDV delivery of the keys and support since the delivery of the keys) and 2 on the Recommendation and the Housing Waste upon delivery.

On 16 January 2023, the Compensation and Nomination Committee noted that the performance conditions had been achieved over the period under review:

- Regarding the CSR performance condition:

Objective	Valuation		
	2020	2021	2022
Maintain for 3 years among the top 70 of the GAIA index	Achieved: 36th out of 230 companies (GAIA Index) Note: 80/100 New scale: Note: 59/100	Achieved: 13th out of 230 companies (GAIA Index) Note: 87/100 New scale: Note: 65/100	Achieved: 7th in sector rankings and 38th out of 371 companies (GAIA Index) Note: 74/100
Obtain a rating from an extra financial rating agency that is at least above average (VIGEO type rating) from 2019: 50/100	Achieved: The rating requested is 54/100	Achieved: The rating requested is 51/100	Achieved: The rating requested is 51/100
Have a rating B in 2022 on the CDP index	Not achieved: C	Achieved: B	Achieved: A

With the 3 objectives achieved, the CSR performance condition is 100% achieved.

8

Additional information

Compensation and benefits granted to corporate officers

- With regard to the quality of goods and services performance condition:

Quality goods and services	VALUATION		
	2020	2021	2022
Objective	66	67	67
Realised	64.2	68	70.4
	Not achieved *	Achieved	Achieved

* It should be noted that the 2020 survey could only be carried out in the first half of 2020, given the pandemic

As only 2 objectives have been achieved, the Quality of Goods and Services condition is met by 2/3.

- With regard to the condition related to the level of employee shareholding: The objective is to maintain this shareholding (through Artimus Participations, the PEG and individually) at least 12% of the company's share capital:

Employee shareholding	2019	2020	2021	2022
% shareholding	14.82%	15.20%	15.49%	16.56%

The performance condition is met.

- Regarding the performance of the Company's TSR compared to the TSR performance of the SBF 120:

TSR	Kaufman & Broad	SBF 120
Average 1 months	-13.09%	17.19%
Average 3 months	-17.92%	15.77%

As the TSR is less than 100%, this indicator is 0.

Summary table on the number of performance shares to be granted

Performance criteria	Weighting	No. AGA	Achieved (base 100)	Obtaining
CSR performance	20%	2,000	100%	2,000
Quality Goods and Services	22.50%	2,250	66%	1,500
Level of employee share ownership	22.50%	2,250	100%	2,250
TSR	35%	3,500	0	0
Total	100%	10,000		5,750

At its meeting on 27 January 2023, the Board of Directors, acting on the recommendation of the Compensation and Nomination Committee, decided to allocate to Nordine Hachemi, in respect of his long-term compensation in the form of performance shares (2020-2022 period), a total of 5,750 shares (estimated at approximately €113,261).

In accordance with the provisions of Article L.22-10-34 II of the French Commercial Code ("ex post" vote), the payment of performance shares will be submitted to the favourable vote of the shareholders' meeting to be held on 4 May 2023 to decide on the definitive allocation of such shares. The effective transfer of ownership of the shares may only take place after approval of the resolution concerned by the general meeting of shareholders.

1.4. Exceptional compensation

None.

1.5. Compensation for the office of Director

None.

1.6. Severance and non-compete indemnities

See paragraph I.2.7 above.

1.7. Pension plan

The Chairman and Chief Executive Officer is entitled to a supplementary defined contribution pension plan in accordance with Article 83 of the French General Tax Code. The contribution paid by the Company to the Chairman and Chief Executive Officer amounted to €8,775.68 for the 2022 calendar year. These contributions correspond to annual contributions capped at 8% of gross compensation within the limit of eight times the social security ceiling.

This commitment was authorised by the Company's Board of Directors on 16 April 2015 and approved by the Shareholders' Meeting on 15 April 2016. This commitment was approved by the Annual General Meeting of 6 May 2021, in its eighth resolution, when Mr. Nordine Hachemi. At its meeting on 6 May 2021, the Board of Directors renewed Mr. Nordine Hachemi as Chairman of the Board of Directors exercising the general management of the Company and this commitment.

For the year ended November 30, 2022, the rights granted to the Chairman and Chief Executive Officer under the supplementary pension plan to which he is entitled amounted to €8,775.68.

1.8. Company car

The Chairman and Chief Executive Officer has a company car with a monthly budget of €1,700 excl. VAT for the financial year ended November 30, 2022.

1.9. Assurance in the event of loss of income

The Chairman and Chief Executive Officer is insured in the event of a loss of income resulting from the loss of his/her corporate office. Since 1 July 2014, this insurance has increased the compensation period to 24 months.

1.10. Summary tables of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the financial year ended November 30, 2022 or granted for the same financial year

Components of compensation	Amounts or accounting valuation subject to a vote	Comments
Fixed compensation	€600,000	-
Variable compensation	€677,518	Amount approved by the Board of Directors on 27 January 2023
Exceptional bonus	€200,000	Exceptional bonus related to the Austerlitz project. Subject to approval of the seventh resolution submitted to the Shareholders' Meeting of 4 May 2023
Compensation for directorship	None	-
Exceptional compensation	None	Seniority bonus in accordance with group policy applicable to all employees and executives paid in December 2018
Allocation of stock options or bonus shares	€585,503	
Of which 2022 Plan (1 st Plan)	€399,262	15,000 Bonus shares ^(a)
Of which 2022 Plan (2 nd Plan)	€186,241	10,000 performance shares ^(b)
Compensation for taking up or terminating office	None	-
Supplementary and supplementary pension plan	€8,775.68	Annual contributions capped at 8% of gross compensation up to eight times the social security ceiling
Company car	€20,400	(€1,700 excl. Monthly)
Benefits in kind	€34,075	Unemployment insurance

(a) On 25 February 2022, the Board of Directors granted 15,000 performance shares to the Chairman and Chief Executive Officer in respect of 2022, provided that he was still in office at the time of their final vesting in 2024. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- The achievement of quantitative criteria consisting of criteria reflecting short term performance such as revenues, EBITDA, NIGS and WCR, and criteria anticipating future performance, such as the number of housing orders and the number of lots of Commitment Committees;
- The achievement of qualitative criteria composed of criteria related to team management, and the quality of the social climate in the company, the implementation of the CSR policy and the proper control of risks.

On 27 January 2023, the Board of Directors definitively granted, subject to presence in 2024, 14,550 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2022 financial year.

(b) At its meeting on 25 February 2022, the Board of Directors renewed the Chairman and Chief Executive Officer's long-term compensation based on the grant of 10,000 performance shares to the Chairman and Chief Executive Officer and providing for a three year vesting period and a one year holding period. The Board also decided that these shares were subject to long-term performance conditions assessed over the 2022-2024 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

Table 1 AMF Nomenclature

Summary table of compensation, stock options and shares granted to each executive corporate officer (amounts in euros)

Nordine Hachemi Chairman and Chief Executive Officer	Year ended November 30, 2022	Year ended November 30, 2021
	Compensation due for the year (detailed in Table 2)	1,511,593 ⁽¹⁾
Value of multi-year variable compensation granted during the year		
Value of options granted during the year (detailed in Table 4)		
Value of Bonus shares granted during the year (detailed in Table 6)	585,503 ⁽²⁾	639,657 ⁽³⁾
Total	2,097,096	2,064,418

(1) This amount includes the payment to the Chairman and Chief Executive Officer of an exceptional bonus related to the Austerlitz project, in the amount of €200,000, for the year ended November 30, 2022, subject to the adoption of the seventh resolution (see paragraph 1.5 above) at the Shareholders' Meeting of 4 May 2023.

(2) On 25 February 2022, the Board of Directors granted 15,000 performance shares to the Chairman and Chief Executive Officer in respect of 2022, provided that he was still in office at the time of their final vesting in 2024. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- The achievement of quantitative criteria consisting of criteria reflecting short term performance such as revenues, EBITDA, NIGS and WCR, and criteria anticipating future performance, such as the number of housing orders and the number of lots of Commitment Committees;
- The achievement of qualitative criteria composed of criteria related to team management, and the quality of the social climate in the company, the implementation of the CSR policy and the proper control of risks. On 27 January 2023, the Board of Directors definitively granted, subject to presence in 2024, 14,550 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2022 financial year.

At its meeting on 25 February 2022, the Board of Directors renewed the Chairman and Chief Executive Officer's long-term compensation based on the grant of 10,000 performance shares to the Chairman and Chief Executive Officer and providing for a three year vesting period and a one year holding period. The Board also decided that these shares were subject to long-term performance conditions assessed over the 2022-2024 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

(3) On 26 February 2021, the Board of Directors granted 15,000 performance shares to the Chairman and Chief Executive Officer in respect of 2021, provided that he was still in office at the time of their final vesting in 2023. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- The achievement of quantitative criteria consisting of criteria reflecting short term performance such as revenues, EBITDA, NIGS and WCR, and criteria anticipating future performance, such as the number of housing orders and the number of lots of Commitment Committees;
- The achievement of qualitative criteria composed of criteria related to team management, the quality of the social climate in the company, the control of operating expenses (including payroll), the return on equity, the adaptation of the company to technological and environmental changes and the proper control of risks. On 26 January 2022, the Board of Directors definitively granted, subject to presence in 2023, 15,000 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2021 financial year.

At its meeting of 26 February 2021, the Board of Directors also renewed a long-term compensation for the Chairman and Chief Executive Officer based on the grant of 10,000 performance shares to the Chairman and Chief Executive Officer and providing for a three year vesting period and a one year holding period. The Board also decided that these shares were subject to long-term performance conditions assessed over the 2021-2023 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

Table 2 AMF Nomenclature

Summary table of the compensation of each executive corporate officer (amounts in euros)

Nordine Hachemi Chairman and Chief Executive Officer	Year ended November 30, 2022		Year ended November 30, 2021	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	600,000 ^(a)	600,000	600,000	600,000
Annual variable compensation	677,518 ^(d)	790,686 ^(c)	790,686 ^(c)	498,000 ^(b)
Multi-year variable compensation	-	-	-	-
Exceptional compensation ^(e)	200,000 ^(e)	-	-	-
Compensation (ex Directors' fees)	-	-	-	-
Benefits of any kind (unemployment insurance)	34,075	34,075	34,075	34,033
Total	1,511,593	1,424,761	1,424,761	1,132,033

(a) The amount of fixed compensation was set by the Board of Directors on 27 January 2023.

(b) This variable compensation for 2020 was approved by the Board of Directors on 27 January 2021 and paid in February 2021.

(c) This variable compensation for 2021 was approved by the Board of Directors on 26 January 2022 and paid in February 2022.

(d) This variable compensation for 2022 was approved by the Board of Directors on 27 January 2023.

(e) This exceptional compensation for 2022 was approved by the Board of Directors on 27 January 2023.

The Chairman and Chief Executive Officer also benefits from a supplementary defined contribution pension plan, pursuant to the provisions of Article 83 of the French General Tax Code, since he joined the company; the amount of contributions paid by the company for 2022 was €8,775.68, corresponding to annual contributions capped at 8% of gross salary within the limit of 8 times the social security ceiling. In addition to the pension plan for all employees, the Company has subscribed to a supplementary plan for corporate officers and members of the Management Committee.

At the date of this document, Nordine Hachemi holds 111,068 shares in the company, directly and through RKCI, of which he holds 100% of the share capital. In addition, he holds 27.34% of the share capital of Artimus Participations, which itself holds 11.01% of Kaufman & Broad SA. Nordine Hachemi directly and indirectly holds 3.54% of the capital of Kaufman & Broad SA.

Table 4 AMF Nomenclature

Stock options granted during the financial year ended November 30, 2022 to each executive corporate officer by the issuer and by any group company

Name of executive corporate officer	Plan number and date	Type of options (purchase or subscription)	Valuation of options according to the method used for the consolidated financial statements	Number of options granted during the year	Exercise price
Nordine Hachemi	–	–	–	None	–

Table 5 AMF Nomenclature

Stock options exercised during the financial year ended November 30, 2022 by each executive corporate officer

Options exercised during the year by each executive corporate officer	Plan number and date	Number of options exercised during the year	Exercise price
Nordine Hachemi	–	None	–

Table 6 AMF Nomenclature

Bonus shares granted to each corporate officer

Bonus shares granted during the year to each corporate officer by the issuer and by any group company (list of registered shares)	Plan number and date	Number of shares granted during the year ^(a)	Share price at grant date	Value of shares according to the method used for the consolidated financial statements	Acquisition date	Availability date
Nordine Hachemi						
Of which 2022 Plan (1 st Plan) ^(a)	25/02/2022	15,000	33.00	399,262	25/02/2024	25/02/2026
Of which 2022 Plan (2 nd Plan) ^(b)	25/02/2022	10,000	33.00	186,241	25/02/2025	25/02/2026

(a) On 25 February 2022, the Board of Directors granted 15,000 performance shares to the Chairman and Chief Executive Officer in respect of 2022, provided that he was still in office at the time of their final vesting in 2024. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- The achievement of quantitative criteria consisting of criteria reflecting short term performance such as revenues, EBITDA, NIGS and WCR, and criteria anticipating future performance, such as the number of housing orders and the number of lots of Commitment Committees;
- The achievement of qualitative criteria composed of criteria related to team management, and the quality of the social climate in the company, the implementation of the CSR policy and the proper control of risks. On 27 January 2023, the Board of Directors definitively granted, subject to presence in 2024, 14,550 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2022 financial year.

(b) At its meeting on 25 February 2022, the Board of Directors renewed the Chairman and Chief Executive Officer's long-term compensation based on the grant of 10,000 performance shares to the Chairman and Chief Executive Officer and providing for a three year vesting period and a one year holding period. The Board also decided that these shares were subject to long-term performance conditions assessed over the 2022-2024 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

Table 7 AMF Nomenclature

Bonus shares vested during 2022 for each executive corporate officer

Bonus shares that became available to executive corporate officers (list of names)	Plan dates	Number of shares that became available during the year	Vesting conditions
Nordine Hachemi	15,000	10,650	(A)
Chairman and Chief Executive Officer	27/02/2020 (1 st Plan)		
	10,000	4,405	(B)
	21/02/2019 (2 nd Plan)		

(a) Pursuant to the authorisation granted by the Shareholders' Meeting of 2 May 2019, the Board of Directors, on 27 February 2020, decided to grant deferred annual compensation in the form of performance shares. The Board of Directors thus granted 15,000 performance shares to the Chairman and Chief Executive Officer for 2020, provided that he is still in office at the time of their final vesting in 2022.

–The definitive allocation of performance shares to the corporate officer would be subject to the same performance conditions as those provided for in the annual variable compensation in cash. Quantitative criteria are composed of criteria reflecting short term performance such as Revenue, EBITDA, NIGS and WCR, and criteria anticipating future performance, such as the number of Housing orders and the number of Commitment Committees. Qualitative criteria are assessed based on the following qualitative factors: Management of the group's teams, quality of the social climate in the company, control of operating expenses (including payroll), return on capital employed, adaptation of the company to technological changes, proper control of risks

As the performance conditions set by the Board were partially met, 10,650 shares were definitively allocated in February 2022.

(b) At its meeting of 21 February 2019, the Board of Directors decided to set up in 2019 a long-term compensation for the Chairman and Chief Executive Officer based on the free allocation of 10,000 performance shares to the latter, providing for a three year vesting period and a one year holding period. The Board decided to set the following performance conditions:

–long-term performance conditions assessed over the 2019-2021 period (3 years), including CSR performance, customer satisfaction, the level of employee shareholding in the Company's share capital and TSR (Total shareholder return). The relative weight of the four conditions is 15% for CSR performance, 17.5% for customer satisfaction, 17.5% for employee share ownership and 50% for TSR.

At its meeting of 26 January 2022, the Board of Directors decided to grant Mr. Nordine Hachemi 4,405 performance shares in respect of his long-term compensation evaluated over the period 2019-2021. The shareholders' meeting of 5 May 2022 decided on the definitive allocation of shares, in accordance with the provisions of Article L.22-10-34 II of the French Commercial Code (ex post vote).

Table 11 AMF Nomenclature

Executive corporate officers	Employment contract	Supplementary pension plan	Indemnities or benefits due or likely to be due as a result of termination or change of duties	Indemnities relating to a non compete clause
Nordine Hachemi	No	YES ^(a)	YES ^(b)	YES ^(c)
Chairman and Chief Executive Officer				

(a) Nordine Hachemi benefits from a supplementary defined contribution pension plan, pursuant to Article 83 of the French General Tax Code; the contribution paid by the company for Nordine Hachemi amounted to €8,775.68 for 2022. These contributions correspond to annual contributions capped at 8% of gross compensation within the limit of eight times the social security ceiling.

(b) The severance payment is equal to 12 months of gross fixed and variable compensation due for the past financial year, increased to 18 months in the event of a takeover of the Company by one or more third parties acting in concert triggering the obligation to launch a public offer for the Company's shares.

(c) Non competition clause for a period of twelve months covering French territory, giving rise to a fixed gross monthly compensation equivalent to 50% of the average gross monthly fixed compensation he received during the twelve months preceding the termination of his term of office (or of the duration of the latter if it is lower), the company having the option to reduce the duration or to exempt the executive from this commitment.

1.11. Draft resolution prepared by the Board of Directors pursuant to Article L. 22-10-34 of the French Commercial Code submitted to the Combined Shareholders' Meeting of 4 May 2023

EIGHTH RESOLUTION

(Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the financial year ended November 30, 2022 or granted in respect of the same financial year to the Chairman and Chief Executive Officer)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total

compensation and benefits of any kind paid during the previous financial year or granted in respect of the same financial year to the Chairman and Chief Executive Officer of the Company, as presented in paragraph 2.2.1 of the aforementioned report, included in section 8.9 of the 2022 Registration Document of the Company.

II.2. Directors

The table below shows the compensation awarded to Directors in respect of their duties during the financial year ended November 30, 2022:

Director	Amounts paid in 2022 or granted in respect of 2022
Sylvie Charles	
Compensation for the office of Director	€55,000
Other Compensation	-
Jean Louis Chaussade	
Compensation for the office of Director	€62,800
Other Compensation	-
Yves Gabriel	
Compensation for the office of Director	€41,800
Other Compensation	-
Michel Giannuzzi	
Compensation for the office of Director	€20,100
Other Compensation	-
Sophie Lombard	
Compensation for the office of Director	€55,000
Other Compensation	-
Annalisa Loustau Elia	
Compensation for the office of Director	€26,800
Other Compensation	-
Michel Paris	
Compensation for the office of Director	€26,450
Other Compensation	-
Lucile Ribot	
Compensation for the office of Director	€41,800
Other Compensation	-

III. Other information

III.1. Ratio between the level of compensation of the Chairman and Chief Executive Officer and the average and median compensation of the group's employees

In calculating the ratios presented below in accordance with Article L.22-10-9 of the French Commercial Code, the Company referred to the AFEP MEDEF guidelines dated 19 December 2019. In accordance with Article L.22-10-9, these ratios are presented for the last five financial years.

The ratios below were calculated on the basis of fixed and variable compensation paid during the financial years mentioned and taking into account performance shares and Bonus shares granted during the same periods and valued at their fair value (IFRS value) at the time of their allocation.

	Fiscal year 2022	Fiscal year 2021	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018
Average compensation ratio	25.91	24.67	27.43	27.22	26.93
Median compensation ratio	33.61	32.00	35.15	34.75	34.90

III.2. Annual changes in compensation, company performance, average compensation on a full-time equivalent basis for employees of the company other than executives and the aforementioned ratios over the last five years

	Fiscal year 2022	Fiscal year 2021	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018
Compensation of the executive corporate officer ⁽¹⁾	€2,010,264	€1,771,732	€2,010,991	€1,982,096	€1,960,369
Company performance (group net income)	€49.0M	€43.9M	€40.1M	€76.3M	€73.0M
Average compensation on a full-time equivalent basis for Company employees other than executive officers ⁽²⁾	€77,574	€71,820	€73,315	€77,806	€72,795
Average compensation ratio	25.91	24.67	27.43	27.22	26.93
Median compensation ratio	33.61	32.00	35.15	34.75	34.90

(1) Includes fixed compensation, variable compensation, exceptional bonuses, benefits in kind paid during the year, as well as performance shares granted during the same periods and valued at their fair value (IFRS value) at the time of their allocation.

(2) Calculated in accordance with the AFEP MEDEF guidelines dated 19 December 2019, taking into account the group scope of employees (including fixed compensation, variable compensation, exceptional bonuses, benefits in kind, the employer contribution under the Company Savings Plan, paid during the financial year as well as Bonus shares granted during the same periods and valued at their fair value - IFRS value at the time of their allocation). No ratio can be given for Kaufman & Broad SA, the group's holding company, in the absence of an employee on this company.

Draft resolution prepared by the Board of Directors pursuant to Article L. 22-10-34 of the French Commercial Code submitted to the Combined Shareholders' Meeting of 4 May 2023

NINTH RESOLUTION

(Approval of the information referred to in Article L. 22-10-09 of the French Commercial Code)

The General Meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-34 -I of the French Commercial Code,

the information referred to in Article L. 22-10-9- I. of the French Commercial Code as presented in the aforementioned report, included in section 8.9 of the 2022 Universal Registration Document of the Company.

IV. Other information

IV.1. Draft agenda and resolutions drawn up by the Board of Directors to be submitted to the Shareholders' Meeting of 4 May 2023.

See section 8.7 "Agenda and resolutions of the Shareholders' Meeting of 4 May 2023" of this document.

IV.2. Regulated agreements - current - commitments - Related party transactions

IV.2.1. Agreements governed by Article L.225-38 of the French Commercial Code

No new agreement referred to in Article L.225-38 of the French Commercial Code was authorised by the Board of Directors during the financial year ended November 30, 2022.

IV.2.2. Current agreements

The procedure for evaluating current agreements and their implementation is described in a Charter adopted by the Board of Directors on 27 February 2020 (see document *in the appendix*).

IV.2.3. Commitments authorised pursuant to Article L.225-42-1 of the French Commercial Code

At its meeting of 6 May 2021 and on the recommendation of the Compensation and Nomination Committee, your Board of Directors renewed Nordine Hachemi's term of office as Chairman and Chief Executive Officer for a period of three years and authorised the following commitments:

(a) Severance pay for the Chief Executive Officer

On 25 June 2013, the Board of Directors appointed Mr. Nordine Hachemi as Chief Executive Officer with effect from 1 July 2013 and approved the terms of his employment contract, which provides for the payment of severance pay to him under the following conditions:

In the event of removal from office for reasons other than gross or wilful misconduct, as defined by the French Supreme Court in labour law, the Company undertakes to pay the Chief Executive Officer a severance payment intended to compensate for the loss of his office.

The indemnity will be equal to 12 months of gross fixed and variable compensation due for the past financial year, increased to 18 months in the event of a takeover of the Company by one or more third parties acting in concert triggering the obligation to launch a public offer for the Company's shares.

Regardless of the date and circumstances of the dismissal, the indemnity will only be due if the Chief Executive Officer has received or should have received for each of the two financial years preceding the termination of his term of office on average at least 70% of the maximum variable portion (excluding outperformance) of his compensation for each of these two financial years, this variable portion being based on both quantitative and qualitative objectives (set for the first time at the time of his appointment and then at the beginning of each financial year).

No compensation will be paid to the Chairman and Chief Executive Officer in the event of voluntary departure.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, this commitment was submitted to the approval of the Shareholders' Meeting of 4 May 2023.

(b) Non competition compensation for the Chief Executive Officer

In the event of Mr. Nordine Hachemi's departure, he will be bound by a non-compete and non-solicitation obligation that will apply, unless reduced or waived by the group, for a period of 12 months following the termination of his corporate office. In exchange, he will receive a gross monthly lump sum payment equivalent to 50% of the average gross monthly fixed compensation he received during the twelve months preceding the termination of his term of office (or of the duration of his term of office if it is lower), the Company having the option to reduce the duration or to exempt the executive from this commitment.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, this commitment was submitted to the approval of the Shareholders' Meeting of 4 May 2023.

(c) Supplementary defined contribution pension granted to the Chairman and Chief Executive Officer

Nordine Hachemi benefits from the supplementary pension plan for company executives and a supplementary defined contribution pension plan in the same way as the members of the Management Committee.

The maximum amount of annual contributions is capped at 8% of gross salary within the limit of 8 times the social security ceiling. Contributions paid by the company amounted to €8,775.68 in 2022.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, this commitment was submitted to the approval of the Shareholders' Meeting of 4 May 2023.



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• Details of any restrictions accepted by the persons referred to in point 14.1. concerning the transfer, within a certain period of time, of their interest in the share capital of the issuer		
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15.1. Amount of Compensation paid and benefits in kind granted by the issuer, its subsidiaries or the company controlling it	3.2.1./3.2.2./3.2.3./3.2.7./8.9.	122-131-132-355
15.2. Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or other benefits	3.2.1.2./3.2.1.3./3.2.7./8.9. /6.1.5 Note 4.4.	123-130-132-355-265
16. FUNCTIONING OF THE ADMINISTRATIVE AND MANAGEMENT BODIES		
16.1. Date of expiration of the current term of office of members of the administrative, management or supervisory bodies	3.1.1.1.	100
16.2. Information on service contracts between members of the administrative, management or supervisory bodies and the issuer or its subsidiaries	3.2.4./3.2.5./3.2.6.	131
16.3. Information about the issuer's Audit Committee and Compensation Committee	3.1.2.1./3.1.2.2.	113-116
16.4. Statement as to whether or not the issuer complies with the applicable corporate governance regime	3.1.1.2.1.	106

Topics (headings of Annexe 1 of European Regulation 809/2004)	Sections	Pages
17. EMPLOYEES		
17.1. Number of employees at the end of the period covered by the historical financial information, or average number during each financial year, and breakdown of employees	5.1.4.1	214
17.2. Shareholdings and stock options for each of the persons referred to in point 14.1., information concerning the interest it holds in the share capital of the issuer and any existing options on its shares	3.3.3.	134
17.3. Arrangements for involving the employees in the capital of the issuer	3.3.1./3.3.2./3.3.3.	133-134
18. MAJOR SHAREHOLDERS		
18.1. Name of any non member of an administrative, management or supervisory body holding, directly or indirectly, a percentage of the share capital or voting rights of the issuer to be notified under applicable national legislation	7.3.1.	324
18.2. Existence of differences in voting rights	7.1.10./7.3.1.	316-324
18.3. Ownership or control of the issuer and measures taken to avoid abuse of such control	4.1.3.1./7.3.3.	153-327
18.4. Arrangements whose implementation could result in a change of control	4.1.3.4./7.3.3.2.	154-327
19. RELATED PARTY TRANSACTIONS	3.2.4./3.2.6./6.1.5. Note 12/7.3.4./3.4.	131-286-328-141
20. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS		
20.1. Historical financial information	6.1.	246
20.2. Pro forma financial information	N. A.	
20.3. Financial statements	6.1./6.3.	246-292
20.4. Auditing of historical annual financial information		
20.04.01. Statement that the historical financial information has been audited	8.2./6.2./6.4.	334-288-306
20.04.02. Other information contained in the registration document audited by the Statutory Auditors	N. A.	
20.04.03. When financial information in the registration document is not extracted from the issuer's audited financial statements, indicate the source and state that it has not been audited	N. A.	
20.5. Date of latest financial information	6.1./6.3./9.3.	240-285-365
20.6. Interim and other financial information	NA	NA
20.7. Dividend policy	7.5.1.	330
20.07.01. Dividend per share	7.1.8./7.5.1.	315-330
20.8. Legal and arbitration proceedings	4.3./6.1.5 note 8	170-281
20.9. Significant change in the financial or trading position	NA	NA
21. ADDITIONAL INFORMATION		
21.1. Share capital		
21.01.01. Amount of subscribed capital:	7.2.4.	321
• Number of shares issued	7.2.5.	321
• Par value per share	7.2.4./7.2.8.	321-322
• Reconciliation of the number of shares outstanding at the opening and closing dates of the financial year	7.2.8./7.3.1.	322-324
21.01.02. Shares not representing capital	7.2.6.	321
21.01.03. Number, book value and par value of shares held by the issuer	7.2.3./7.3.1.	321-324
21.01.04. Convertible securities, exchangeable securities or securities with warrants	N. A.	
21.01.05. Information on the conditions governing any acquisition rights and/or obligations attached to capital subscribed but not paid up, or any undertaking to increase capital	7.2.2./7.3.3.	317-327
21.01.06. Information on the capital of any member of the group that is under option or agreed to be put under option	N. A.	
21.01.07. History of share capital for the period covered by historical financial information	7.3.1./7.3.2.	324-327

Topics (headings of Annexe 1 of European Regulation 809/2004)	Sections	Pages
21.2. Memorandum and Articles of Association	7.1.3.	314
21.02.01. Corporate purpose of the issuer	7.1.4.	314
21.02.02. Provisions contained in the bylaws, a charter or a regulation concerning the members of its administrative, management and supervisory bodies	3.1.1.2./3.1.2./3.1.3.	106-113-118
21.02.03. Rights, preferences and restrictions attached to each class of existing shares	7.2.2.	317
21.02.04. Number of shares required to modify shareholders' rights	7.1.10.	316
21.02.05. Notice of and admission to Annual General Meetings and Extraordinary General Meetings	7.1.9.	315
21.02.06. Provisions of the issuer's bylaws, charter or regulations that may have the effect of delaying, deferring or preventing a change in control of the issuer	7.1.11./7.3.3.2.	316-327
21.02.07. Provisions of the by laws, a charter or a regulation setting the threshold above which any shareholding must be disclosed	7.1.11.	310
21.02.08. Conditions imposed by the bylaws, charter or regulations governing changes in capital, where these conditions are more stringent than the law provides	7.2.1.	316
22. MATERIAL CONTRACTS	1.6.1.1./4.1.3.3.	65-153
23. THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST	N. A.	
24. DOCUMENTS ON DISPLAY	7.1.6.	315
25. INFORMATION ON HOLDINGS		
Information concerning companies in which the issuer holds a fraction of the capital that may have a significant impact on the appreciation of its assets, financial position or results	6.4./7.3.4.	306-328

9.2. Cross reference table for the annual financial report

Pursuant to Articles 222-3 and 212-13 VI and VIII of the AMF General Regulation, the documents comprising the 2022 annual financial report are included in this universal registration document in the sections mentioned in the table below:

Annual financial report	Sections	Pages
Annual financial statements	6.3.	292
Consolidated financial statements	6.1.	246
Management report (Board of Directors' report)	6.6.	311
Objective and exhaustive analysis of the development of the business, results and financial position of the company and the group it consolidates, as well as its main risks and uncertainties	2./4.1.	69-144
Capital structure and factors likely to have an impact in the event of a public offer	7.2./7.3.	317-324
Information on the operation of the share buyback program during the year	7.2.3.	324
Statement by the persons responsible	8.1/8.2/8.3	334
Statutory Auditors' reports on the financial statements:		
• Statutory Auditors' report on the consolidated financial statements	6.2.	288
• Statutory Auditors' report on the financial statements	6.4.	306
Statutory Auditors' special report on related party agreements	3.4.	141
Independent verifier's report on the consolidated social, environmental and societal information presented in the management report	5.2.5	240
Fees paid by the group to the Statutory Auditors and members of their networks	8.6.	335
Report of the Board of Directors on corporate governance	8.8.	352

9.3. List of publications since December 2021

Annual information document prepared in accordance with Article 222-7 of the Amf Regulation.

Nature	Date	Subject	Support
Legal information	06/12/2021	Disclosure of Share Buyback program Transactions	Internet
Legal information	06/12/2021	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Legal information	13/12/2021	Disclosure of Share Buyback program Transactions	Internet
Legal information	20/12/2021	Disclosure of Share Buyback program Transactions	Internet
Legal information	27/12/2021	Disclosure of Share Buyback program Transactions	Internet
Legal information	03/01/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	06/01/2022	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Legal information	07/01/2022	Half yearly review of the Kaufman & Broad Liquidity Agreement	Internet
Legal information	10/01/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	17/01/2022	Disclosure of Share Buyback program Transactions	Internet
Press release	17/01/2022	Update on the procedure for the Austerlitz station project	Internet
Legal information	24/01/2022	Disclosure of Share Buyback program Transactions	Internet
Financial communication	27/01/2022	Annual results 2021	Internet
Financial presentation	28/02/2022	Presentation of results 2021	Internet
Legal information	31/01/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	07/02/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	14/02/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	21/02/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	28/02/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	07/03/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	07/03/2022	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Legal information	14/03/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	21/03/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	28/03/2022	Disclosure of Share Buyback program Transactions	Internet
Universal Registration Document	31/03/2022	Availability of the Universal Registration Document 2021	Internet
Universal Registration Document	31/03/2022	Universal Registration Document 2021	Internet
Legal information	07/04/2022	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Legal information	11/04/2022	Disclosure of Share Buyback program Transactions	Internet
General Meeting	14/04/2022	Procedures for making the preparatory documents available to the Ordinary and Extraordinary Shareholders' Meeting of 5 May 2022	
General Meeting	14/04/2022	2022 AGM - Five year financial summary	Internet
General Meeting	14/04/2022	2022 AGM - Updated Articles of Association	Internet
General Meeting	14/04/2022	2022 AGM - CAC Special Report	Internet
General Meeting	14/04/2022	2022 AGM - Delegation of authority and powers relating to the share capital increase	Internet
General Meeting	14/04/2022	2022 AGM - Management Report of the Board of Directors	Internet
General Meeting	14/04/2022	2022 AGM - Statutory Auditors' report on the capital reduction	Internet
General Meeting	14/04/2022	2022 AGM - Report of the Board of Directors on corporate governance	Internet
General Meeting	14/04/2022	2022 AGM - Statutory Auditors' report on the financial statements	Internet
General Meeting	14/04/2022	2022 AGM - Agenda - Text of the resolutions	Internet
General Meeting	14/04/2022	2022 AGM - Yves Gabriel governance sheet	Internet
General Meeting	14/04/2022	2022 AGM - Jean Louis Chaussade governance file	Internet
General Meeting	14/04/2022	2022 AGM - Corporate governance file Michel Paris	Internet
General Meeting	14/04/2022	2022 AGM - Aline Stickel governance sheet	Internet

Nature	Date	Subject	Support
General Meeting	14/04/2022	2022 AGM - Monthly information on the total number of voting rights and shares comprising the share capital	Internet
General Meeting	14/04/2022	2022 AGM - Prior notice - BALO	Internet
General Meeting	14/04/2022	2022 AGM - Report of the Board of Directors on free share grants	Internet
General Meeting	14/04/2022	2022 AGM - Statutory Auditors' report on the consolidated financial statements	Internet
General Meeting	14/04/2022	2022 AGM - Statutory Auditors' report on the authorisation to grant Bonus shares, existing or to be issued	Internet
General Meeting	14/04/2022	2022 AGM - Statutory Auditors' report on the capital increase reserved for employees	Internet
General Meeting	14/04/2022	2022 AGM - Voting Form	Internet
Financial communication	14/04/2022	First quarter 2022 results	Internet
Financial presentation	15/04/2022	Presentation of first quarter 2022 results	Internet
Legal information	19/04/2022	Disclosure of Share Buyback program Transactions	Internet
General Meeting	21/04/2022	Warning - Continuation of the health crisis	Internet
Legal information	22/04/2022	Statement of intent to exceed the 20% threshold of Promogim in share capital and voting rights	Internet
Legal information	25/04/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	02/05/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	03/05/2022	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
General Meeting	05/05/2022	Payment of the dividend for the financial year ended November 30, 2021	Internet
General Meeting	05/05/2022	Presentation Combined General Meeting of 5 May	Internet
Legal information	05/05/2022	Ordinary and Extraordinary Shareholders' Meeting of 5 May 2022	Internet
Financial communication	05/05/2022	Description of the share buyback program	Internet
Legal information	09/05/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	16/05/2022	Disclosure of Share Buyback program Transactions	Internet
Financial communication	16/05/2022	Voting result AGM 5 May 2022	Internet
Legal information	23/05/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	30/05/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	03/06/2022	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Legal information	06/06/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	13/06/2022	Disclosure of Share Buyback program Transactions	Internet
Press release	15/06/2022	Employee share offering KB Shares 2022	Internet
Legal information	20/06/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	27/06/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	04/07/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	07/07/2022	Half yearly review of the Kaufman & Broad Liquidity Agreement	Internet
Legal information	11/07/2022	Disclosure of Share Buyback program Transactions	Internet
Financial communication	12/07/2022	First half 2022 results	Internet
Financial presentation	13/07/2022	Presentation of first half 2022 results	Internet
Legal information	12/07/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	22/07/2022	Renewal of the share buyback program	Internet
Legal information	25/07/2022	Disclosure of Share Buyback program Transactions	Internet
Financial reports	29/07/2022	Interim Financial Report 2022	Internet
Financial reports	29/07/2022	Interim Financial Report 2022	Internet
Legal information	01/08/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	03/08/2022	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Legal information	08/08/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	15/08/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	22/08/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	29/08/2022	Disclosure of Share Buyback program Transactions	Internet

List of publications since December 2021

Nature	Date	Subject	Support
Legal information	05/09/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	06/09/2022	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Legal information	12/09/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	19/09/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	26/09/2022	Disclosure of Share Buyback program Transactions	Internet
Press release	29/09/2022	Kaufman & Broad is rated investment grade BBB- by Fitch Rating	Internet
Legal information	03/10/2022	Disclosure of Share Buyback program Transactions	Internet
Financial communication	03/10/2022	Results for the first nine months of the financial year 2022	Internet
Financial presentation	04/10/2022	Presentation of results for the first nine months 2022	Internet
Legal information	06/10/2022	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Legal information	10/10/2022	Disclosure of Share Buyback program Transactions	Internet
Press release	12/10/2022	Employee share offering KB Shares 2022	Internet
Legal information	17/10/2022	Disclosure of Share Buyback program Transactions	Internet
Press releases	19/10/2022	Austerlitz station project: The building permit purged of all appeals following the rejection by the Council of State of the appeal in cassation	Internet
Legal information	24/10/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	31/10/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	07/11/2022	Disclosure of Share Buyback program Transactions	Internet
Legal information	07/11/2022	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Legal information	14/11/2022	Disclosure of Share Buyback program Transactions	Internet

9.4. Summary table of current authorisations to increase the share capital

Summary table of current authorisations to increase the share capital

<i>(in euros)</i>	Date of EGM	Expiry date of the delegation	Nominal amount of capital increase authorised	Increase (s) in previous years	Increase (s) during the year	Increase (s) since year end	Residual amount at the date of preparation of this table
Authorisation in the event of the issue of ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued with cancellation of the preferential subscription right, to set the issue price in accordance with the terms set by the EGM within the limit of 10% of the share capital ⁽¹⁾	6 May 2021	6 July 2023	10% of the share capital per 12 month period	None	None	None	10% of the share capital
Delegation of authority to issue shares or equity securities giving access to other equity securities or entitling holders to the allocation of debt securities in consideration for contributions in kind of equity securities or securities giving access to the share capital within the limit of 10% of the share capital ⁽¹⁾	6 May 2021	6 July 2023	10% of share capital at 6 May 2021	None	None	None	10% of share capital at 6 May 2021
Delegation of authority to issue shares and/or equity securities giving access to other equity securities or to the allocation of debt securities as consideration for securities contributed in the event of a public exchange offer initiated by the company ⁽¹⁾	6 May 2021	6 July 2023	€568000	None	None	None	€568000
Authorisation to increase the share capital by capitalising reserves or additional paid in capital	6 May 2021	6 July 2023	€853000	None	None	None	€853000
Authorisation to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights ⁽³⁾	6 May 2021	6 July 2023		None	None	None	None
Delegation to issue ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities with cancellation of the preferential subscription right in the context of public	6 May 2021	6 July 2023	€568000 (shares or securities) €500000000 (securities representing debts on the company giving access to equity securities)	None	None	None	€568000 (shares or securities) €500000000 (or securities representing debts on the company giving access to equity securities)

Summary table of current authorisations to increase the share capital

<i>(in euros)</i>	Date of EGM	Expiry date of the delegation	Nominal amount of capital increase authorised	Increase (s) in previous years	Increase (s) during the year	Increase (s) since year end	Residual amount at the date of preparation of this table
offers other than those referred to in Article L 411-2 of the French Monetary and Financial Code ⁽¹⁾							
Delegation to issue ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities with cancellation of the preferential subscription right in the context of public offers referred to in paragraph 1 of Article L 411-2 of the French Monetary and Financial Code ⁽¹⁾	6 May 2021	6 July 2023	€568000 (shares or securities) €500000000 (securities representing debts of the company giving access to the capital or to a debt security)	None	None	None	€568000 (shares or securities) €500000000 (debt securities or securities representing debts of the company giving access to the share capital or debt securities)
Authorisation to issue ordinary shares and/or equity securities giving access to other equity securities or giving entitlement to the allocation of debt securities and/or securities giving access to equity securities with preferential subscription rights ⁽⁴⁾	6 May 2021	6 July 2023	€2270000 (shares or securities) €500000000 (securities representing debts of the company giving access to the capital or to a debt security)	None	None	None	€2270000 shares or securities) €500000000 (securities representing debts on the company giving access to the share capital or debt securities)
Delegation of authority to issue shares and/or securities giving access to equity securities to be issued by the company with cancellation of the preferential subscription right in favour of members of the group's PEE for a maximum amount of 3% of the share capital ⁽¹⁾	6 May 2021	6 July 2023	Ceiling of 3% of the share capital	None	None	None	
Authorisation to grant existing or future bonus shares	6 May 2021	6 July 2024	250,000 shares of which 50,000 shares to corporate officers	None	None ⁽²⁾	None	118447

(1) The amount of this authorisation is deducted from (i) the general limit of the delegations of authority of €2270000 and (ii) the sub limit of €568000 (which in turn is deducted from the overall nominal limit of all capital increases of €2270000 referred to above) for capital increases through the issue of shares or equity securities giving access to other equity securities or securities giving access to equity securities to be issued with cancellation of preferential subscription rights and (iii) €500000000 for the issue of debt securities giving access to the allocation of equity or debt securities as provided for by the Combined Shareholders' Meeting of 6 May 2021.

(2) Due to the allocation of treasury shares to cover these plans, these plans are no longer likely to give rise to a capital increase.

(3) In connection with issues decided pursuant to the delegations granted under the 21st, 22nd and 23rd resolutions of the Shareholders' Meeting of May 6, 2021. The amount of this authorisation is deducted from the general limit of the delegations of authority of €2270000.

9.5. Glossary

Business line

Call for tenders	It is a procedure that allows a sponsor (the Project Manager) to choose the company (the tenderer who will be the supplier) best able to perform a work, supply or service provision. The aim is to put several companies in competition to provide a product or service.
BBC effinergie®	Low Consumption Building. BBC effinergie® is a thermal performance label for residential buildings. For new residential buildings, the maximum primary energy consumption target set at 50 kWh/sq.m.year, to be modulated according to the Regions and altitude. The "conventional" consumption of primary energy for heating, cooling, ventilation, auxiliaries, domestic hot water production and lighting of premises is taken into account.
Bilan Carbone®	The Bilan Carbone® is a tool for accounting for greenhouse gas emissions, the objective of which is to allow, based on readily available data, an assessment of the direct and indirect emissions of a business activity, whether economic or not.
Backlog or backlog	It covers, for revenues in the Future Completion (VEFA), undelivered reserved housing units for which the notarized bill of sale has not yet been signed and undelivered reserved housing units for which the notarized bill of sale has been signed up to the portion not yet taken into revenue (on a 30% advanced program, 30% of the revenue of a housing unit for which the notarized bill of sale has been signed is recorded in revenue, 70% are included in the <i>backlog</i>). The <i>backlog</i> is a summary at a given time that makes it possible to estimate the revenue remaining to be recognised in the coming months and thus reinforce the group's forecasts - it being specified that there is an uncertain proportion of transformation of <i>the backlog</i> into revenue, particularly for orders not yet recorded.
BEFA	A building that is in a state of completion in the future consists of renting a building even before its construction or restructuring.
Financial Capacity	It corresponds to cash and cash equivalents (available) on the assets side of the balance sheet plus undrawn credit lines at the date.
Take-up period	The take-up period for inventories is the number of months required for available housing to be sold if revenues continued at the same pace as previous ones, i.e. the outstanding housing (available supply) per quarter divided by orders per quarter just ended themselves divided by three.
EBIT	Corresponds to current operating income, i.e. gross margin less current operating expenses.
Eco design	It is a term referring to the desire to design products that respect the principles of Sustainable Development and the environment. It is an approach that takes environmental impacts into account in the design and development of the product and integrates environmental aspects throughout its life cycle (from raw material to end of life, manufacturing, logistics, distribution and use).
H & E	The H & E (Habitat & Environnement) certification process, introduced in 2003 and developed in conjunction with the work of the HQE association, aims to improve the environmental quality of housing construction operations. This certification is only intended for new construction operations in the residential sector (i.e. Multi-occupancy housing buildings and grouped individual housing units). The seven H & E environmental themes, grouped into three categories, define the environmental quality objectives of the buildings considered in the certification process: organization (environmental management of the operation, Clean building), technology (Energy - Reduction of the greenhouse effect, Constructive sector/choice of materials, Water and Comfort, Health) and finally information (Green management).
HQE®	The HQE® (High Environmental Quality) approach implemented by the HQE® association makes it possible to apply an environmental policy to the construction of a building. This label allows project managers to specify environmental targets based on 14 targets that define the profile of their future building. This approach is also based on a managerial approach by integrating an operation management system to find concrete answers to the environmental challenges of our planet. It aims to obtain comfortable, healthy and more environmentally friendly buildings than buildings of the same generation. HQE® targets are grouped into 4 categories and define environmental quality objectives based on 14 items: Eco-construction (Relations of buildings with their immediate environment, Integrated choice of construction processes and products, Low nuisance worksite); Eco-management (energy management, water management, business waste management, maintenance and maintenance management); Comfort (hygrothermal comfort, acoustic comfort, Visual comfort, olfactory comfort); Health (sanitary quality of spaces, sanitary quality of air, sanitary quality of water).
LEU	LEU (Equivalent Units delivered) is a direct reflection of the activity. The number of "LEU" is equal to the product (i) of the number of housing units in a given program for which the notarial deed of sale has been signed and (ii) of the ratio between the amount of land expenditure and construction expenditure incurred by the group on the said program and the total budget of expenditure on the said program.
Project Manager	A natural or legal person on behalf of whom works, real estate structures or the services of an entrepreneur are carried out and who has concluded one or more contracts with the various professions involved in a construction. The Project Manager is given this name although he is not the employer of the entrepreneur, as he is independent. The Project Manager should not be confused with the Project Manager, whom he selects and will be responsible for coordinating and monitoring the work of the different professions.
Gross profit	Gross margin corresponds to revenues less cost of revenues. Cost of revenues consists of the price of land, related land costs (taxes, etc.), commissions paid to Kaufman & Broad developers and revenuespeople, fees and commissions inherent in the mandates issued by Kaufman & Broad to sell real estate programs, construction costs and borrowing costs directly attributable to program development.

Commercial offer	It is represented by the sum of the stock of available for sale dwellings on the date in question, i.e. all dwellings not reserved at that date (net of unopened commercial tranches).
Real estate portfolio	It represents all the land for which any commitment (a promise to sell, etc.) has been signed.
PTZ +	"Zero Plus Loan": This new interest-free loan was issued by credit institutions that have signed agreements with the French State, following the overhaul of the "PTZ 2010" and the abandonment of the Pass Foncier and the tax credit on loan interest, which disappeared on 1 January 2011. It is intended for natural persons with a view to financing the acquisition, construction or development of their main residence on first time home ownership (first time buyers are considered as first time buyers, since buyers have not owned their main residence in the two years preceding the issue of the loan offer).
Revaloris[®]	Created by Kaufman & Broad, an approach aimed at identifying all the potential for valuing an office building to rehabilitate it, while respecting the architectural heritage. It is based on a multi-criteria analysis combining technical, regulatory, functional and urban aspects.
Orders (value)	They represent the value of real estate resulting from order contracts signed including taxes for a given period. They are mentioned net of withdrawals during this period.
Housing orders Units or Units (volume)	They reflect the group's commercial activity. Their inclusion in revenues is conditional on the time required to transform a order into a notarized deed of sale, which generates the income statement. In addition, in apartment programs including mixed buildings (apartments/business premises/commerce/office), all surface areas are converted into residential equivalents. They are measured in volume (Units or Units) and in value.
Land reserve	It includes land to be developed (otherwise referred to as the "land portfolio"), i.e. land for which an act or promise of sale has been signed, as well as land under study, i.e. land for which an act or promise of sale has not yet been signed.
Pinel (system)	The system resulting from the Pinel Act, which replaces the Duflot Act, is applicable for the 2016 calendar year. In particular, it aims to boost the attractiveness of investment in new real estate. The principle is that any buyer of a new or VEFA home in an area eligible for this Act will benefit from a tax reduction. The portion of the decrease depends on the lease term of the asset, from 12% to 21% between 6 and 12 years.
Subcontracting	Subcontracting is a contract under which a company, the "principal," asks another company (or several), known as the "subcontractor," to perform part of its production or the components necessary for its production. Subcontractors are companies to which certain working parties are entrusted. The subcontractor is different from the sole supplier because it manufactures a product designed by the sponsor or, often, in common with the sponsor. The product is manufactured by the subcontractor on behalf of the sponsor and does not bear its name. The subcontractor is exclusively committed to ensuring that its performance complies with the guidelines of the sponsor.
take-up rate	The take-up rate (Te) represents the percentage of the initial stock that sells monthly on a real estate program (revenues/month divided by the initial stock); i.e. the monthly net orders divided by the ratio of the stock at the beginning of the period plus the stock at the end of the period divided by two. NB: The inverse of the take-up rate (1/Te) gives the forecast period (in months) for marketing a program, i.e. the take-up period. For example, 4.0% of the turnover rate corresponds to a forecast period of 25 months of marketing.
EBIT rate or EBIT margin	Expressed as a percentage, it corresponds to current operating income, i.e. gross margin less current operating expenses divided by revenues
Cash and cash equivalents	It corresponds to cash and cash equivalents on the assets side of the balance sheet, i.e. all available cash (banks and cash equivalents), marketable securities (short term investments and term deposits) and deposit balances.
Net cash	It corresponds to "negative" net debt, or "negative" net financial debt, i.e. for the company the balance of available cash and financial investments forming its "active cash" is greater than the amount of its gross financial debt (or gross financial debt).
Units	Units or Units are used to determine the number of housing units or equivalent (for mixed programs) in a given program. The number of units of housing equivalents is determined by dividing the surface area by type (business/commercial/office premises) by the average surface area of the units previously obtained.
Off plan revenues	Sale on completion is the contract under which the seller immediately transfers to the buyer its rights in the land and the ownership of the existing buildings. Future works become the property of the acquirer as they are performed; the acquirer is required to pay the price as the work progresses. The seller retains the powers of the project owner until the work is accepted. Through the VEFA contract, the legislator has given real estate developers the opportunity to call customer funds according to the progress of the programs according to a schedule governed by the Law while giving customers a financial guarantee of completion (GFA). Cumulative payments from customers may not exceed 35% of the price at the completion of the foundations, 70% at the disposal of the water and 95% at the completion of the building. This agreement grants the buyer the status of owner of the ground surface and the structure constructed over the course of its construction phase.
ANRU zone	District to be the subject of the effective signing of a multi-year agreement with the National Agency for Urban Renovation. In this tax advantaged geographical area, households can acquire a new main residence by benefiting from a reduced VAT rate (5.5%), under certain conditions, including tax households with modest resources.

Institutional, legal and financial

Equity	Title representing part of the capital issued by the capital company that issues it. It gives its holder ownership of a portion of the capital, with the associated rights, such as the possibility to intervene in the management of the company and to receive an income, called "dividend." The share grants a voting right to its holder (the shareholder) at General Meetings, and it may be listed on the stock exchange, if applicable and according to specific terms.
Registered shares	Method of holding shares in which the name of the shareholder appears nominally in the company's books. The registration of certain shares in registered form maximises the performance of a portfolio by reducing management fees, provided that they are ready to establish lasting links with the company in which they wish to invest. "Administered registered shares" means that the management of the company's securities account is entrusted to a financial intermediary. In the case of "pure registered shares," the entire securities service is assumed by the company.
AMF (Autorité des Marchés Financiers)	The Autorité des Marchés Financiers (AMF) is an independent public body with legal personality and financial autonomy, whose mission is to ensure the protection of savings invested in financial instruments, the information of investors and the proper functioning of financial instruments and markets.
Earnings per share	Net income, group share divided by average number of shares during the year.
Working capital requirement	It comes from cash flow mismatches: Disbursements and receipts corresponding to operating expenses and revenues required for the design, production and marketing of real estate programs. The resulting simplified expression of WCR is as follows: Current assets (inventory + trade receivables + other operating receivables + advances and down payments received + recognised income from advances) less Current liabilities (trade payables + tax and social security payables + other operating payables + prepaid expenses). The size of the WCR will depend in particular on the length of the operating cycle, the size and duration of storage of work-in-progress, the number of projects launched and the payment terms granted by suppliers or the profile of payment schedules granted to customers.
CAC 40	The Listing System is the main stock market index of the Paris stock market, published by Euronext. Created at 1,000 basis points as of 31 December 1987 by the Compagnie des agents de change, the CAC 40 index is determined on the basis of the prices of forty shares listed continuously on the Premier Marché among the 100 companies whose exchanges are the most abundant on Euronext Paris, which is part of Euronext, the first European stock exchange. These companies, which are representative of the various business lines, in principle reflect the overall trend in the economy of large French companies, and their list is regularly reviewed to maintain this representativeness.
Free cash flow	Free cash flow is equal to cash flow less net capital expenditure for the year.
Cash flow	Cash flow from operating activities after finance costs and taxes is equal to consolidated net income adjusted for the share in net income of associates, joint ventures and income from discontinued operations and calculated income and expenses.
Financial capacity	Corresponds to active cash plus undrawn credit lines at date.
CDP	(Formerly "Carbon Disclosure Project"): Measurement of the environmental impact of companies.
AFEP MEDEF Code	These are the set of recommendations drawn up by working groups of the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF) in order to define the principles of good functioning and transparency that will improve their management and image among investors and the public, particularly with regard to corporate governance and the compensation of executive directors of listed companies.
Statutory Auditor	Directors of the shareholders in order for them to be able to vote on the financial statements at the Shareholders' Meeting, its main mission (for a period of six financial years) is to audit the annual financial statements, which comprise, in an inseparable manner: The balance sheet, income statement and notes. It consists of certifying that the annual financial statements are fair and accurate and give a true and fair view of the Company's results, financial position and assets and liabilities. The Statutory Auditors carry out a regulated profession: Its organization and status are set out in Decree No. 69-810 of 12 August 1969 (last amended by Decree No. 2005-599 of 27 May 2005). Only natural or legal persons on a special list drawn up in the jurisdiction of each court of appeal may exercise this profession. These regulations are summarised as follows: The technical qualification of the Statutory Auditors is ensured by professional examinations to excipher this title, professional standards and ethics and a control of their activity; their independence results from the incompatibility of this mandate with any other activity (the chartered accountant, the Board or the Director of a company can not be a statutory auditor) and a legal and regulatory definition of the mandate.
Liquidity contract	This is an agreement between a listed company and an investment services provider (a bank or a foreign exchange agent). The firm shall make available to the investment services provider (ISP) cash and shares of the firm, and the investment services provider shall be responsible for buying or selling the shares of the firm when the market for the shares of the firm is unbalanced.
Internal control	Company system, defined and implemented under its responsibility, which aims to ensure: A) compliance with laws and regulations; b) the application of instructions and guidelines set by Executive Management (...); c) the proper functioning of the company's internal processes, in particular those contributing to the safeguarding of its assets. The proper functioning of the processes requires that operating standards or principles have been established and that performance and profitability indicators have been put in place; d) the reliability of financial information (...) (source: AMF Reference Framework - June 2010).

Senior credit lines	Banks use Senior debt to finance leveraged buy Out (LBO) transactions. The financing of LBOs by banks is a risky operation in the bank credit market. It is characterised by loans of the "amortisable" type and/or, in the most frequent case, of the "in fine" type, but also by credit lines intended to finance working capital requirements and the development policy of the company concerned by this method of acquisition. Senior debt is debt that benefits from specific guarantees and whose repayment has priority over other, so-called subordinated debt. It is therefore a preferred debt.
Sustainable Development	According to the Brundtland report of 1987, the most commonly used term is: "Sustainable Development is a development that meets the needs of present generations without compromising the ability of future generations to meet their needs." To be sustainable, development must reconcile three major elements: Social equity, preservation of the environment and economic efficiency.
Dividend	The dividend is the portion of the company's annual net profit distributed to shareholders. Its amount, proposed by the Board of Directors, is submitted to the shareholders for approval at the General Meeting. It is payable within a maximum of 9 months after the end of the financial year.
Voting rights	Exercised at a company's Shareholders' Meeting, the voting right attached to a share allows its holder to participate in the Company's main decisions. If a share may be attached to a single, double or no voting right, only shareholders may hold voting rights. Unlike creditors, they do not benefit from any guarantee of repayment and share the risk of the company.
Preferential subscription rights	The subscription right is a right that allows the shareholder to subscribe to the capital increase of a company. A subscription right is attached to each old share. The exercise of this right gives priority to historical shareholders to participate in the issue of new shares of the company concerned. It is called "preferential" subscription rights. The number of rights required to subscribe for a new share is also called "parity." Generally, the issue price of new shares is lower than the stock market price of existing shares in order to be attractive to former shareholders. This price difference serves as the basis for calculating the subscription right price. The DPS are themselves listed on the stock exchange as soon as the capital increase is launched. They tick during the subscription period to enable: To the former shareholder to sell his rights if he does not wish to subscribe for new shares; to the former shareholder (in the event that he lacks rights), as to the new ones, to acquire a sufficient number of rights to subscribe for the new shares.
EBIT	The <i>Earning Before interest</i> and Taxes corresponds to current operating income, i.e. gross margin less current operating expenses.
Adjusted EBIT	Adjusted <i>Earning Before Interest and Taxes</i> is equal to current operating income adjusted for the reintegration of capitalised borrowing costs ("IAS 23 revised").
EBITDA	This indicator is equal to net income adjusted for net depreciation, amortisation and provisions, corporate income tax, the cost of net debt, other financial expenses, any impairment losses, capital gains or losses on disposals of fixed assets, non current income and expenses, income from equity accounted companies and other calculated expenses.
Net debt or net financial debt	The net debt, or net financial debt, of a company is the balance of its gross financial debt (or gross financial debt), on the one hand, and available financial investments forming its "active cash" on the other hand. It represents the credit or debit position of the company vis-à-vis third parties and outside the operating cycle.
Gross financial debt or financial debt	Gross financial debt consists of long-term and short term financial liabilities, hedging instruments relating to liabilities comprising gross financial debt and accrued interest on the balance sheet items comprising gross financial debt.
Fonds Commun de Placement d'Entreprise (FCPE)	Corporate mutual funds (FCPE) are investment funds dedicated to the employees of a company. They are managed by an undertaking for collective investment in employee savings securities. The FCPE is generally set up as part of a profit sharing agreement or an employee savings plan (PEE, PEI, PERCO). These can be either "diversified" FCPE (composed of a basket of securities, without any value being overrepresented) or "employee shareholding" FCPE (composed for more than a third of shares in the company). The rules of the FCPE must be approved by the AMF.
Greenhouse gas (GHG)	Greenhouse gases (GHG) are the gases that absorb part of the solar rays by redistributing them in the form of radiations that meet other molecules of gases, thus repeating the process and creating the greenhouse effect, with an increase in temperature. The increase in the concentration of greenhouse gases in our Earth's atmosphere is indeed one of the main factors behind global warming. The largest greenhouse gases are water vapour (H ₂ O) and carbon dioxide (CO ₂). Other major greenhouse gases are methane (CH ₄), ozone (O ₃), nitrous oxide (N ₂ O) and other gases such as PFCs and CFCs.
Grenelle Environment Forum	It is a series of political meetings held in France in September and October 2007, aimed at taking long-term decisions on the environment and Sustainable Development, in particular to restore biodiversity through the establishment of a green and blue frame and regional ecological coherence schemes, while reducing greenhouse gas emissions and improving energy efficiency. The "Grenelle 1" law, or Law no. 2009-967 of 3 August 2009 on programming relating to the implementation of the Grenelle Environment Forum, is a French programming law that formalises the 268 commitments of the Grenelle Environment Forum. It was supplemented in 2010 by Law no. 2010-788 of 12 July 2010 on the national commitment for the environment, or "Grenelle 2" law, which translates its objectives into more precise provisions.
Investment grade	Investment grade means that a financial instrument or a company has a relatively low risk of default.
Directors' fees	Directors' fees represent the compensation granted to the Chairman and Chief Executive Officers, Chief Executive Officers and Directors, members of the Supervisory Boards of French public limited companies. The overall sum, in principle shared between the Directors according to their attendance at Board Committees, is set by the Company's shareholders at an Ordinary Shareholders' Meeting. The Board of Directors shall freely set the amount payable to each Director.

LBO	Leveraged <i>Buy Out</i> (<i>LBO</i>) is an English term referring to the method used to acquire a leveraged company. This financial technique consists of financing a fraction of the purchase of a company by using bank or bond debt, which increases the return on equity. The acquisition debt, whether bank or not, is repaid by a greater drain on the revenue of the purchased company.
Corporate officers	The corporate officer is a natural person appointed by the employer when the employer is a legal entity (association, company or company): For example, it is a manager for a SARL or EURL, a Chairman and Chief Executive Officer or Chief Executive Officer in the case of a commercial company. The corporate officer is the representative of the employer in all acts related to the management of the company, for which he is responsible to the shareholders, the partners and the Law, and especially in the field of personnel management and social law. In a public limited company with a Board of Directors, the functions falling within a corporate office are the Chairman of the Board of Directors, the Chief Executive Officer (if the function is separate from that of Chairman), the Deputy Chief Executive Officers and the Directors.
Par value (or par value) of a share	The nominal value of a security (of a security: Share, bond, etc.), also called "face value," is that fixed at the time of the issue of the security. The par value of a share is the fraction of the share capital that it represents. For the shares, the nominal value has a purely accounting meaning: This is the share capital on the company's balance sheet divided by the number of shares issued by the company. This value is freely set by the shareholders.
PEE	The company savings plan is a voluntary collective savings scheme set up within companies to enable employees to build up capital. The company savings plan may receive sums from profit sharing or voluntary employee contributions. The company can supplement its employees' payments with a "matching contribution." The amounts paid in this way are unavailable for a period of 5 years generally, but may, if necessary and according to specific terms, be released early. Former employees who have left the company following retirement or early retirement may continue to make payments to the company savings plan.
Gearing ratio	This is the ratio of net debt (or net financial debt) to consolidated shareholders' equity. It measures the risk of the company's financial structure.
Managed residences	Managed residences, or service residences, are real estate complexes consisting of housing units (houses or apartments) for residential use offering a minimum of services such as reception, the provision of linen, the cleaning and maintenance of dwellings as well as the provision of breakfasts. There are several types of residences to be distinguished: Student residences are apartment complexes, mainly studios equipped with a kitchenette and furnished, located close to schools and universities and close to public transport; tourist residences, located in tourist areas with high potential, offer in addition to the usual services of infrastructures such as swimming pools, sports grounds, sometimes saunas, hammams, whirlpool baths, children's club; business residences are an alternative to traditional hotels, composed of studios (about 80%) and 2 rooms, located in city center or near major business centers and systematically well served; finally, seniors residences (including also residences for dependent or non dependent elderly people - Ehpad), which make it possible to anticipate the aging of the population, host people from the age of 55 and beyond; their customers are mixed: Tenants and owners.
CSR (corporate social responsibility)	Corporate Social Responsibility (CSR) is the contribution of companies to the challenges of Sustainable Development. The approach is for companies to take into account the social and environmental impacts of their activity in order to adopt the best possible practices and thus contribute to the improvement of society and the protection of the environment. CSR makes it possible to combine economic logic, social responsibility and environmental responsibility (definition of the Ministry of Ecology, Sustainable Development and Energy).



Agencies

Anney: Immeuble Onyx, 15 Rue Pré Paillard -74940 Anney le Vieux - Tel.: 04 50 05 61 95

Bayonne: Aitzina building, 69 avenue de Bayonne -64600 Anglet - Tel.: 05 59 59 60 60

Bordeaux: 14 allée de Tourny -33064 Bordeaux Cedex - Tel.: 05 56 12 72 72

Caen: 14 rue Saint Pierre -14000 Caen - Tel.: 02 31 15 56 56

Courbevoie: (Head office - Agences Île de France - Commercial property - Showroom)

17, quai du Président Paul Doumer -92400 Courbevoie - Tel.: 01 41 43 43 43

Lille: 238 boulevard Clémenceau -59700 Marcq en Baroeul - Tel.: 03 28 33 83 23

Lyon: 19 rue Domer, CS 10231, 3rd Floor -69362 Lyon Cedex 07 - Tel.: 04 72 84 03 74

Marseille: Le Silo d'Arenc -35, quai du Lazaret - CS 30010 - 13002 Marseille Cedex 02 - Tel.: 04 96 17 32 00

Montpellier: 266 place Ernest- Granier -3rd floor -34000 Montpellier - Tel.: 04 67 13 82 70

Nantes: 25 bis rue Paul Bellamy - BP 10216 - 44002 Nantes Cedex 1 - Tel.: 02 40 74 44 44

Nice: 400, Promenade des Anglais -06200 Nice - Tel.: 01 41 43 43 43

Rennes: Immeuble Atlas 121 rue du Temple de Blossne -35136 Saint Jacques de la Lande - Tel.: 02 99 52 70 37

Strasbourg: 15 rue des francs bourgeois -67000 Strasbourg - Tel.: 03 88 11 30 40

Toulouse: 27 bis allée Jean Jaurès -31010 Toulouse Cedex 6 - Tel.: 05 34 41 08 08

Serge Mas Promotion: 30 allée Jean Jaurès -31010 Toulouse - Tel.: 05 62 73 17 31

Local offices

Aix en Provence: 26 route de Galicia -13090 Aix en Provence

Dijon: 24 avenue de la 1er Armée Française -21000 Dijon

La Rochelle: 56 rue Saint Yon -17000 La Rochelle

Le Havre: 100 rue Dicquemare - BP 11285 - 76068 Le Havre Cedex

Perpignan: 30 avenue du Général Leclerc -66000 Perpignan

Rouen: 3 rue Rollon -76000 Rouen

Showroom Méditerranée

Fréjus: ZI du Capitou Pôle Mixte Lot 19 - avenue Jean Lachenaud -83600 Fréjus

Design and Production



pomelo-paradigm.com/pomdocpro/



KAUFMAN & BROAD SA
17 Quai du Président Paul Doumer
92400 Courbevoie
kaufmanbroad.fr