KAUFMAN BROAD

2023 Half-year financial report

CONTENTS

Individuals responsible

1.1. Person responsible for the document

M. Nordine Hachemi

Chairman and Chief Executive Officer of Kaufman & Broad SA

1.1.1. Statement by the person responsible for the document

I certify that, to the best of my knowledge, the condensed consolidated financial statements for the past six months 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 half year activity report on pages 10 to 34 presents a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main related party transactions as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Courbevoie, July 27th, 2023

The Chairman and Chief Executive Officer

1.2. Person responsible for auditing the financial statements

1.2.1. 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 year ending November 30, 2026.

KPMG AUDIT

Tour EQHO -2, Avenue Gambetta -92066 Paris La Défense Cedex, represented by François Plat, who took office on May 6, 2021, term of office expiring at the Shareholders' Meeting called to approve the financial statements for the year ending November 30, 2026.

1.3. Head of Financial Communication and Investor Relations

M. Bruno Coche

Chief Financial Officer

Kaufman & Broad SA

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1.3.1. Information policy

The group's financial statements are reviewed by the Statutory Auditors twice a year: Comprehensive audit of annual results and limited review of interim results. The group issues communications on its projected financial data each quarter.

The publication schedule is as follows:

- in April, first quarter results;
- in July, the first half results;
- in September, the first nine months results;
- in January, the annual results.

(This schedule is subject to change).

1.4. Information included by reference

None.

2 Half-year activity report

2.1. Group business

Kaufman & Broad has been a developer builder in France since 1968. It is mainly structured around two segment, "Housing", which covers the promotion of single family homes in villages (grouped homes), multi-occupancy housing such as apartments (which may include mixed buildings apartments/business premises/shops/offices), business residences, tourism, hotels, students, non medical seniors and the 'tertiary' (commercial property real estate, logistics and retail areas).

The group also carries out related activities but in relation to the Housing segment, such as the sale of land, building lots, delegated Project Management and the sale of services complementary to those of housing 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 the deepest and most dynamic, and where customers are the most solvent;
- 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, both in the residential and commercial real estate sectors. In order to meet the major challenges for local authorities, developers 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; Then, in 2019, to set up a Planning Department to offer strong expertise and a structured approach in the structuring and implementation of operations to mixed programming. In 2020, Kaufman & Broad decided to group together the development of projects to carry out social housing operations within an entity and under the 'Kalilog' brand, to propose a national response to these social housing challenges, particularly in territories where the group does not operate.

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

At the date of this report, the group does not carry out any development construction and/or operation of residences outside France.

2.1.1. Significant data

Market

At the beginning of 2023 and following a year marked by an accumulation of events (Covid-19, war in Ukraine) and a very high level of inflation, economic activity in France continued to slow down. In a context of rising interest rates and declining household purchasing power, the real estate sector continues to deteriorate.

During the first quarter of 2023, the main characteristics of the macroeconomic situation in France are as follows : [(1)]

- In the first quarter of 2023, real gross domestic product (GDP) was confirmed at +0.2%;
- In the fourth quarter of 2022, the ILO unemployment rate remained almost stable compared to the previous quarter: -0.1 point, to 7.2% of the working population. The year on year decline is the result of a more dynamic employment dynamic than that of the working population: 467,000 net jobs created over the year as a whole for 396,000 additional assets. Employment and the labour force slowed at the end of the year, but employment and activity rates as defined by the ILO have remained at their historic high since Insee measured them. In the first half of 2023, the labour force grew at a similar pace as in the fourth quarter of 2022 (+37,000 in the first quarter of 2023 and +28,000 in the second);
- In manufacturing, production in the first quarter of 2023 was 0.5% higher than in the same quarter of the previous year. Conversely, it was down slightly in the industry as a whole (0.5%). Over this period, production decreased in 'other industrial products' (2.2%). It fell sharply in the extractive, energy and water industries (6.2%), mainly due to the decline in electricity generation. It also declined in the agri food industries (3.2%). Conversely, production increased sharply in transport equipment (+14.8%), particularly in the automotive industry (+24.1%), less affected than a year ago by difficulties in supplying electronic components. Finally, it was up in capital goods (+5.0%) and in coking refining (+3.5%).
- According to INSEE, for the whole of the first quarter of 2023, household consumption in goods fell by 0.2% compared to that of the fourth quarter of 2022.

  In March 2023, consumer spending on goods fell by 1.3% over one month in volume terms, after a decline of 0.8% in February 2023. This further decline was due to the decrease in food consumption (2.4%) but also to the decline in purchases of manufactured goods (1.2%). In contrast, household energy consumption rebounded slightly (+0.3%);

(1) INSEE - Business climate - March 2023.

- In the first quarter of 2023, salaried employment increased: +0.3% (+92,400 jobs), after +0.2% (+55,400 jobs) in the previous quarter. It was up for the ninth consecutive quarter. In the first quarter of 2023, salaried employment was well above its level one year earlier (+1.3%, or +350,300 jobs) and exceeded by 4.9% its level before the health crisis at the end of 2019, or nearly 1.3 million additional jobs. The increase in salaried employment in the first quarter of 2023 was mainly driven by private salaried employment, which increased by 0.4% (or +86,800 jobs), after +0.2% in the fourth quarter of 2022 (+51,500 jobs).
- In March 2023, consumer prices rose 5.6% year on year after +6.3% the previous month (+0.8% in March 2023, after +1.0% in February 2023);
- In the 1st quarter of 2023, gross disposable income (RDB) of households increased by 1.6%;

New housing market

The beginning of 2023 presents no prospect of improvement while the first measures of the State are waiting. The new housing sector is now experiencing difficulties in terms of both supply and demand.

- The fall in supply (available for sale) reached 24.8%. With only 16,912 units launched commercially, the first quarter of 2023 reached the lowest level since 2010; this is mainly due to the sharp decline in the granting of building permits.
- Beyond the concern of households for the future, the decline in demand is explained by the rise in the cost of credit but also by the consequences of the decisions taken in 2021 (and which prove blocking) such as: Rules issued by the High Financial Stability Board and the reform of the Pinel system with the creation of a Pinel +.

As a result, in the first quarter of 2023[1], new housing orders were down 41.8% compared to the comparable period of 2022: 17,970 sales at the end of March 2023 compared to 30,870 sales at the end of March 2022.

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

- Compared with the first quarter of 2022, retail sales decreased by 40.4%, and accounted for 74.5% of sales[2], block sales (excluding Residences Services) also recorded a decrease of 7.9% compared to the period comparable to 2022 and accounted for 20.6% of sales [2];
- Sales to individual investors (home buyers) fell sharply by 31.7% compared to 2022 and accounted for 49.4% of total sales in the first quarter of 2023. Sales to investors were down 52.3% year on year, accounting for 25.1[2]% of sales in the first quarter of 2023;
- Sales to individual buyers brake down into sales to investor households, i.e. 34% in the first quarter of 2023 compared to 42% in the same period in 2022 and by sales to owner-occupiers, i.e. 66% in the first quarter of 2023 compared to 58% in the first quarter of 2022.

(2) In terms of offer [1]:

- In the first quarter [3] of 2023, the commercial offer of new homes increased by 18.7% compared to the comparable period of 2022: 111,170 homes offered for sale at the end of March 2023 compared to 93,665 homes offered for sale at the end of March 2022.
- Homes available for sales were down 16.9% in 2023 compared to 2022 and amounted to 20,830 units in the first quarter compared to 25,050 units in the same period in 2022;
- The take-up period for outstandings rose from 9.5 months at the end of March 2022 to 14.8 months in March 2023.

(3) In terms of building sites [1]:

- Start up authorisations were down 11.6% at the end of March 2023 over twelve months, reaching 441,400 units;
- The number of housing starts fell over 12 months to 367,200 units (-6.3%) at the end of February 2023.

(4) In terms of financing [4]:

- The average loan rates continue to rise, without interruption since the beginning of the year. Since January 2023, average credit rate increases have averaged 18 bps per month. The increase in the wear and tear rate, which took place in January, and then its monthly payment, enabled the loan rate to be adjusted more rapidly in the face of rapid changes in the cost of resources to finance the production of home loans;
- Concerns about the purchasing power of households continue to grow in relation to price inflation while credit criteria are tightening further and rates are stirring up. Given a high level of inflation, the purchasing power per capita of households declined slightly compared to the previous quarter (-0.4%);
- In terms of maturity: In the first quarter of 2023, according to the "*Observatoire du crédit Logement*" (Housing Credit Observatory), the term of loans granted continued to extend, from 242 months on average, i.e. 20.2 years in March 2022, to 248 months on average, i.e. 20.7 years in March 2023.

(1) Calculated on the basis of data published by the Ministry of Ecology, Sustainable Development and Energy Sdes, Sit@del2, estimates at the end of March 2023.
(2) Changes based on Total new home sales estimated by the FPI at 31,996 new homes in Q1 2022 and 21,008 new homes in Q1 2023.
(3) Calculated on the basis of data published by the Ministry of Ecology, Sustainable Development and Energy on May 16, 2023.
(4) Observatoire du Crédit Logement/CSA Scoreboard for the second quarter of 2023.

Kaufman & Broad

Significant events during the period

Capital reduction through the cancellation of treasury shares

Pursuant to the authorisation granted at the Shareholders' Meeting of May 5, 2022, the Board of Directors' meeting of January 27, 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.

Cash payment of the dividend for the year ended November 30, 2022

The Ordinary and Extraordinary Shareholders' Meeting of Kaufman & Broad SA, held at the registered office on May 4, 2023 under the chairmanship of Nordine Hachemi, resolved to distribute a total dividend of euro 2.40 per share for the year ended November 30, 2022. The cash dividend was paid on May 10, 2023.

Conclusion of contracts for the Austerlitz station operation and start of works

On December 19, 2022, Kaufman & Broad announced that it had completed the acquisition of allthe building volumes of the A7/A8 - Austerlitz Station transaction and had signed the contracts necessary for the completion of the project.

Main financial data of the group

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

(In thousands of euros)	**May 31, 2023**	**May 31, 2022**
Revenue	848,849	574,385
Of which Housing	*460,984*	*481,558*
Gross margin	141,661	99,560
Margin rate	*16.7%*	17.3%
Current Operating Income (COI or EBIT)	67,742	42,801
Operating income	67,742	42,801
Income (loss) of the consolidated group	46,014	31,444
Attributable net income	**38,527**	**22,724**
Net earnings per share [(a)]	€1.82	€1.07
TOTAL ORDERS (INCL. VAT)	**527,709**	**653,153**
Total backlog (excl. VAT)	2,813,984	3,402,390

(a) Based on the number of shares making up the share capital at the end of the reporting period, i.e. 21,313,023 at May 31, 2022 and 21,113,022 shares at May 31, 2023.

(In thousands of euros)	**May 31, 2023**	**November 30, 2022**
Assets		
Non current assets	263,662	257,841
Current assets	1,381,378	1,253,223
TOTAL ASSETS	**1,645,040**	**1,511,063**
Liability		
Shareholders' equity	248,135	256,350
Non current liability	246,919	279,549
Current liability	1,149,986	975,164
TOTAL LIABILITY	**1,645,040**	**1,511,063**

(In thousands of euros)	**May 31, 2023**	**May 31, 2022**
Cash flow from operations before cost of financial debt and taxes	74,431	48,642
Tax paid	9,685	-22,921
Change in working capital Requirement	161,908	-90,906
Cash flow from operating activities	**246,024**	**-65,184**
Cash flow from (used in) investing activities	**-12,972**	**-9,568**
Cash flow from (used in) financing activities	**-66,968**	**-17,247**
Increase (decrease) in cash	**166,085**	**-92,000**
Cash at opening of period	100,998	189,460
Cash at closing of period	267,082	97,460

The overall revenue for the first half of 2023 was 848.8 million euros, up 47.8% from 574.4 million euros in 2022.

The Housing division business, comprising Apartments and managed residences, generated revenue of 428.4 million euros, or 50.5% of total revenue, compared with 461.7 million euros in the first half of 2022, or 80.4% of revenue.

Single family homes in the village amounted to 32.6 million euros, representing 3.8% of total revenue, compared with 19.9 million euros at May 31, 2022 (3.5% of total revenue).

Revenue for the Commercial property division (Offices, Logistics and Retail areas) amounted to 381.0 million euros at May 31, 2023, of which 354.7 million euros from offices compared to 62.2 million euros in the first half of 2022 and 87.3 million euros for the entire Commercial property division during the comparable period of 2022. The logistics business generated revenue of 16.1 million euros in the first half of 2023 compared to 25.1 million euros in 2022 and the trade business reached 10.1 million euros in the first half of 2023.

Other activities, including *Showroom,* Land and Student Residences, contributed 6.9 million euros to total revenue, compared with 5.5 million euros in the first half of 2022.

The gross profit margin for the first half of 2023 was 141.7 million euros (16.7% of total revenue), a significant increase compared to the first half of 2022 of 42.3% when it was 99.6 million euros for a rate of 17.3% of total revenue.

Recurring operating income increased from 42.8 million euros in the first half of 2022 to 67.7 million euros in the first half of 2023. Recurring operating expenses amounted to 73.9 million euros (-8.7% of revenue), compared to 56.8 million euros in the first half of 2022 (-9.9% of revenue).

Consolidated net income amounted to 46.0 million euros, up 14.6 million euros from 31.4 million euros in the first half of 2022.

Attributable net income, was 38.5 million euros, compared to 22.7 million euros in the first half of 2022. Income from non controlling interests increased from 8.7 million euros in the first half of 2022 to 7.5 million euros in the first half of 2023.

At May 31, 2023, the balance sheet total of the consolidated financial statements of Kaufman & Broad amounted to 1645.0 million euros, compared with 1511.1 million euros at 30 November 2022. Shareholders' equity amounted to 248.1 million euros at May 31, 2023, compared with 256.4 million euros at 30 November 2022.

Working capital requirements amounted to 24.7 million euros, or 1.6% of revenue over a rolling 12 month period, compared to 190.0 million euros at 30 November 2022 (14.5% of revenue).

The positive net cash position (excluding IFRS 16 debt and Neoresid put debt) at the end of May 2023 was 101.7 million euros, compared with a net financial debt of 67.8 million euros at the end of November 2022. Cash and cash equivalents amounted to 267.1 million euros at the end of May 2023, compared with 97.5 million euros at May 31, 2022, compared with 101.0 million euros at 30 November 2022. Gearing (net *debt* to equity ratio) was -22.6% at May 31, 2023, compared with 44.2% at 30 November 2022 and 37.6% at May 31, 2022.

2.2. Business indicators

The following table shows the group's evolution in terms of activity inventory, orders, program being marketed and registered employees as of May ,31st:

	Commercial Offer at end of period (a)	Net orders (b)	Housing units offered for sale (c)	Programs being marketed (d)	Registered employees
May 31, 2023	2,618	2,238	2,638	145	781
May 31, 2022	2,265	2,525	2,779	154	784

(a) *Represented by the sum of the stock of available for sale housing as at May 31, of the year, i.e. all the housing units not reserved at the date of the interim order.*

(b) *This is the number of bookings recorded in the given half year, i.e. the number of bookings signed by customers during the half year, less the number of bookings cancelled at the date of the interim closing.*

(c) *Represented by the total net number of homes open for sale at the time of commercial launch for programmes whose commercial launch took place over the reporting period.*

(d) *This is the number of tranches open for sale at the end of the period.*

(e) *Excluding professional contracts, interns and managed residences.*

2.2.1. Bookings, deliveries and *backlog*

The following tables show changes in the volume and value of orders and backlog in the first half of the 2022 and *2023 financial* years for single family homes in villages, multi-occupancy housing and commercial property.

Housing	Number of Orders, net [(a)]	Orders in value *(in thousands of euros including tax)*	Deliveries *(LEU)*[(b)]	*Backlog* (LEU)	*Backlog* in value (in *thousands of euros excl. VAT)*	*Backlog* in months of activity [(c)]
Single-family homes in communities						
At May 31, 2023						
First quarter	94	29,082	54	1,176	224,839	31.4
Second quarter	127	20,087	53	1,250	225,506	30.4
TOTAL	**221**	**49,169**	**107**	**–**	**-**	**-**
At May 31, 2022						
First quarter	90	25,782	24	623	154,431	45.4
Second quarter	65	19,093	56	726	168,681	47.8
TOTAL	**155**	**44,875**	**80**	**-**	**-**	**-**
Multi-occupancy housing						
At May 31, 2023						
First quarter	927	205,001	1,010	10,908	1,964,370	22.2
Second quarter	1,090	249,050	1,030	10,838	1,923,385	22.1
TOTAL	**2,017**	**454,051**	**2,040**	**–**	**-**	**-**
At May 31, 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	25.2
TOTAL	**2,370**	**579,795**	**2,530**	**-**	**-**	**-**

(a) This is the number of net bookings recorded during the reporting period, i.e. the number of bookings signed by customers during the said period less the number of bookings cancelled at the end of the period.

(b) The number of Unit Equivalent Housing delivered, hereinafter 'LEU,' is calculated by 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 land expenditure and construction expenditure incurred by the group on the said program and the total budget of the expenditure of the said program; thus, a housing sold on a program whose expenditure rate represents 30% results in 0.3 LEU.

(c) The backlog or order book 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 VAT of the previous twelve months from m -1 to m -12 and (ii) 12 (i.e. the last twelve months of activity).

Commercial property	Sq.m. reserved	Orders in value *(in thousands of euros incl.VAT)*	*Backlog* in value (in *thousands of euros excl. VAT)*
At May 31, 2023			
First quarter	10,932	24,489	691,671
Second quarter	-	-	665,093
TOTAL	**10,932**	**24,489**	**-**
At May 31, 2022			
First quarter	-	-	1,095,424
Second quarter	21,554	28,483	1,076,079
TOTAL	**21,554**	**28,483**	**-**

2.2.1.1.1. Orders

2.2.1.1.1.1. Housing

In the first half of 2023, 2,238 net housing orders were recorded compared to 2,525 in the first half of 2022, a decrease of 11.4%. In value terms, housing orders fell by 19.4% to 503.2 million euros (including VAT), compared to 624.7 million euros (including VAT) over the same period in 2022. Housing accounts for 95.4% of total orders in value terms, compared with 95.6% at May 31, 2022.

The following table shows the number and share of housing reserved by product type in the Paris region and the Regions during the first half of 2023 and 2022 (from December 1st, to May 31th):

	Number of Single-family homes reserved				Number of Multi-occupancy housing reserved			
	H1 2023	%	H1 2022	%	H1 2023	%	H1 2022	%
Île de France	39	17.6%	71	45.8%	358	17.7%	645	27.2%
Other Regions	182	82.4%	84	54.2%	1,659	82.3%	1,725	72.8%
TOTAL	**221**	**100%**	**155**	**100%**	**2,017**	**100%**	**2,370**	**100%**

Multi-occupancy housing

(Apartment and managed residences)

In the first half of 2023 as a whole, 2,017 apartments and managed residences were reserved compared to 2,370 for the same period of 2022, a decrease of 14.9%. In value terms, multi-occupancy housing orders amounted to 454.1 million euros (including VAT) compared to 579.8 million euros (including VAT), a decrease of 21.7%.

The proportion of multi-occupancy housing is usually the largest in the group's bookings, however, commercial activity continues to be affected by the contraction in supply due to the decline observed for almost three and a half years now in the allocation of building permits but also by the decline in the production of loans granted to individuals and the continued rise in interest rates. This situation has had a strong adverse impact on housing orders, particularly multi-occupancy housing, since they represent only 86.0% in value and 90.2% in number of these orders, compared with 88.8% and 93.9% respectively in the first half of 2022.

Single-family homes in communities

Orders for Single-family homes in communities amounted to 221 units for 49.2 million euros compared to 155 units for 44.9 million euros in the first half of 2022, an increase of 4.3 million euros in value and 42.6% in number. The increase in bookings for Single-family homes in communities is due to the increase in bookings in the Regions, from 17.6 million euros in the first half of 2022 to 35.6 million euros in the first half of 2023 in value terms and 84 single family homes reserved in the first half of 2022 compared to 182 Single-family homes in communities reserved as of May 31, 2023 (an increase of 116.7%).

Orders by operating segment

At May 31,	2023 Net number of orders	2023 Orders in value *(in thousands of euros incl. VAT)*	2023 Average price *(in thousands of euros incl. VAT)*	2022 Net number of orders	2022 Orders in value *(in thousands of euros incl. VAT)*	2022 Average price *(in thousands of euros incl. VAT)*
Île de France	**397**	**138,211**	**348.1**	**716**	**230,087**	**321.4**
Housing	397	138,211	348.1	716	230,087	321.4
Commercial	0	0	-	0	0	-
Other [a]	0	0	-	0	0	-
West	**846**	**167,327**	**197.8**	**926**	**178,102**	**192.3**
Housing	846	167,327	197.8	926	177,818	192.0
Commercial	0	0	-	0	283	-
Other [a]	0	0	-	0	0	-
East	**572**	**107,533**	**188.0**	**679**	**184,475**	**271.7**
Housing	572	107,533	188.0	679	184,475	271.7
Commercial	0	0	-	0	0	-
Other [a]	0	0	-	0	0	-
National Agencies	**423**	**78,125**	**184.7**	**204**	**32,288**	**158.3**
Housing	423	78,125	184.7	204	32,288	158.3
Commercial	0	0	-	0	0	-
Other [a]	0	0	-	0	0	-
Commercial real estate and logistics [b]	**-3**	**25,150**	**-**	**0**	**28,200**	**0.0**
Housing	0	661	-	0	0	0.0
Commercial	-3	24,489	-	0	28,200	-
Other [a]	0	0	-	0	0	-
Other	**0**	**11,364**	**-**	**0**	**0**	**0.0**
Housing	0	11,364	-	0	0	0.0
Commercial	0	0	-	0	0	-
Other [a]	0	0	-	0	0	-
GROUP TOTAL	**2,235**	**527,709**	**236.1**	**2,525**	**653,153**	**258.7**
Housing	2,238	503,220	224.9	2,525	624,669	247.4
Commercial	-3	24,489	-	0	28,483	-
Other [a]	0	0	-	0	0	-

(a) Land, building lots.

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

In the first half of 2023, 397 units were reserved in the Paris region for 138.2 million euros. Housing orders in the Paris region fell by 44.6% in number and by 39.9% in value. The average price of orders increased (+8.4%), to 348.1 thousand euros on average per dwelling compared to 321.4 thousand euros in the first half of 2022. At the same time, housing orders in the Regions increased by 1.8% in number and decreased by 10.6% in value. They amounted to 353.0 million euros for 1,841 reserved units compared to 394.9 million euros for 1,809 reserved units in the first half of 2022. The East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan) showed a decline in housing orders in number of 15.8% and 41.7% in value. At the same time, the West saw a 8.6% decline in housing orders and a 6.0% decline in value.

The Paris region's share decreased and represented 44.6% of the Group's contribution to housing orders in volume terms compared to the first half of 2022. For the whole of the first half of 2023, it represented 17.7% in number and 27.5% in value of housing orders, compared to 28.4% in number and 36.8% in value in the first half of 2022. In the regions, the East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan) contributed 25.6% of the group's housing orders in volume and 21.4% in value compared to 26.9% in number and 29.5% in value in the first half of 2022. At the same time, the West (Caen, Haute Normandie, Rennes, Nantes, Val de Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) contributed 37.8% of the group's housing orders in volume and 33.3% in value, compared with 36.7% in number and 28.5% in value in the first half of 2022.

2.2.1.1.1.2. Commercial property

During the first half of 2022, the Commercial property division, comprising commercial real estate and logistics in the Paris region and the Regions, recorded net bookings for 24.5 million euros including VAT, compared with 28.5 million euros including VAT for the same period in 2022, a decrease of 14.0%.

Kaufman & Broad currently has about 106,800 m ² of office space and about 178,100 m ² of logistics space on the market or under study. In addition, 136,350 sq.m. of office space is currently under construction or start up in the coming months, as well as nearly 21,400 sq.m. of logistics space. Finally, there are still 20,300 m ² of office space to be signed.

2.2.1.1.2. Backlog

The following table shows the number and proportion of housing in *backlog* by product type in the Paris region and the Regions during the first half of 2023 and 2022 (from December 1, to May 31,).

	Backlog in number of Single-family homes				Backlog in number of Multi-occupancy housing units			
	H1 2023	%	H1 2022	%	H1 2023	%	H1 2022	%
Île de France	283	22.6%	250	34.4%	3,034	28.0%	4,076	34.4%
Other Regions	967	77.4%	476	65.6%	7,805	72.0%	7,774	65.6%
Total	**1,250**	**100%**	**726**	**100%**	**10,838**	**100%**	**11,850**	**100%**

The *housing backlog* amounted to 12,088 units, compared to 12,576 units at May 31, 2022, a decrease of 3.9%. In value terms, it decreased by 7.6% compared to the same period of 2022, to 2148.9 million euros (excl. VAT) compared to 2326.3 million euros (excl. VAT) at May 31, 2022. It represented 22.8 months of activity in the first half of 2023 compared to 26.1 months at the end of May 2022.

Multi-occupancy housing

(Apartment and managed residences)

The multy-occupancy housing backlog stood at 1,923.4 million euros (excl. VAT), down 10.9% compared to the end of May 2022, when it amounted to 2,157.6 million euros. In number, it stood at 10,838 units compared to 11,850 units at May 31, 2022, a decrease of 8.5%. The Multy-occupancy housing backlog in the Paris region was down 25.6% in number and 26.1% in value. That of the Regions shows an increase of 0.4% in number and a decrease of -0.4% in value.

Single-family homes in communities

The single-familly homes in communities backlog amounted to 225.5 million euros for 1,250 units, compared with 168.7 million euros for 726 units at May 31, 2022, an increase of 72.2% in number and 33.7% in value. This increase is mainly due to the more marked increase in the *backlog* in Regions: 491 units in *backlog* for 65.0 million euros between 2022 and 2023.

Backlog by operating segment

	2023			2022		
At May 31,	***Backlog* in number**	***Book* value** *(in thousands of euros excl. VAT)*	**Average price** *(in thousands of euros excl. VAT)*	***Backlog* in number**	***Book* value** *(in thousands of euros excl. VAT)*	**Average price** *(in thousands of euros excl. VAT)*
Île de France	**3,183**	**681,883**	**214.2**	**3,890**	**842,989**	**216.7**
Housing	3,183	681883	214.2	3,890	842,989	216.7
Commercial	0	-	-	0	-	-
Other [(a)]	0	-	-	0	-	-
West	**4,375**	**694,488**	**158.7**	**4,231**	**711,029**	**168.0**
Housing	4,375	684,367	156.4	4,231	688,456	162.7
Commercial	0	10,121	-	0	22,573	-
Other [(a)]	0	0	-	0	0	-
East	**2,874**	**521,324**	**181.4**	**3,366**	**600,519**	**178.4**
Housing	2,874	520,356	181.1	3,366	594,196	176.5
Commercial	0	967	-	0	6,323	-
Other [(a)]	0	0	-	0	0	-
National Agencies	**1,523**	**222,419**	**146.0**	**652**	**85,141**	**130.6**
Housing	1,523	222,419	146.0	652	85,141	130.6
Commercial	0	-	-	0	-	-
Other [(a)]	0	-	-	0	-	-
Commercial real estate and logistics [(b)]	**134**	**693,873**	**-**	**439**	**1,162,715**	**-**
Housing	134	39,868	297.5	436	115,532	265.0
Commercial	0	654,005	-	3	1,047,184	-
Other [(a)]	0	-	-	0	-	-
Other	**0**	**-3**	**-**	**0**	**-3**	**-**
Housing	0	-3	-	0	-3	-
Commercial	0	-	-	0	-	-
Other [(a)]	0	-	-	0	-	-
GROUP TOTAL	**12,088**	**2,813,984**	**232.8**	**12,579**	**3,402,390**	**270.5**
Housing	12,088	2,148,891	177.8	12,576	2,326,312	185.0
Commercial	0	665,093	-	3	1,076,079	-
Other [(a)]	0	0	-	0	0	-

(a) Land, building lots.

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

The housing backlog in the Paris region (excluding the managed residences of commercial real estate) at the end of the first half year showed a decrease of 23.3% in number and 24.7% in value compared to that of the first half of 2022. At the same time, the Regional Housing backlog recorded an increase of 6.3% in number and 4.3% in value. The Regions accounted for 72.6% in number and 66.4% in value at May 31, 2023, compared with 65.6% in number and 58.8% in value at the end of May 2022. The West accounted for 32.3% in value compared to 30.6% in the same period of 2022. Eastern Europe accounted for 24.3% in value terms, compared with 25.8% at the end of May 2022. The Île de France region accounted for 26.3% in number and 31.7% in value of the housing backlog at May 31, 2023, compared with 30.9% and 36.2% respectively at May 31, 2022.

2.2.2. Land reserve

As of May 31, 2023, all the land for which a deed or a promise to sell has been signed (total land reserve) amounts to 2,464,918 sq.m. representing 34,759 lots. The group's housing land portfolio stood at 34,694 units representing 2,075,530 sq.m., representing more than six years of future activity, compared with 35,037 units at May 31, 2022 for a total of approximately 2,107,255 sq.m. of projects likely to be developed. The portfolio of the local business (Bureau, Logsitique, business premises and commerce) enabling the development of more than twenty operations for a total surface area of 390,433 sq.m compared to 462,366 sq.m in the same period of 2022.

As a reminder, at 6 months apart, at November 30, 2022, the total Commercial property land reserve) amounted to 2,547,218 sq.m. represented 34,085 lots. The group's housing portfolio amounted to 34,009 units. The land portfolio of commercial property represents 464,332 sq.m.

2.3. Group situation

2.3.1. Comments on the results

The group's consolidated financial statements for the year ended May 31, 2023 show total revenue of 848.8 million euros in the first half of 2023 compared to 574.4 million at May 31, 2022, up 47.8%. The group's gross margin was 141.7 million euros compared to 99.6 million euros in the first half of 2022, an increase of 42.3% (+42.1 million euros). Underlying earnings amounted to 67.7 million euros, compared to 42.8 million euros in the first half of 2022. The consolidated net income for the first half of 2023 was 46.0 million euros (compared to. 31.4 million euros in the first half of 2022). Finally, net income attributable to equity holders of the parent was stable at 38.5 million euros, compared with 22.7 million euros at May 31, 2022.

(In thousands of euros)	May 31, 2023	May 31, 2022
Revenue	848,849	574,385
Cost of sales	(707,188)	(474,826)
GROSS MARGIN	**141,661**	**99,559**
Selling expenses	(14,487)	(9,366)
Administrative expenses	(30,386)	(26,168)
Technical and customer service expenses	(11,293)	(11,996)
Development and program expenses	(17,753)	(9,229)
CURRENT OPERATING INCOME (COI)	**67,742**	**42,800**
Financial expenses	(11,181)	(8,176)
Financial income	3,763	1,241
FINANCIAL RESULT	**(7,417)**	**(6,936)**
PRE TAX INCOME OF CONSOLIDATED COMPANIES	**60,325**	**35,864**
Income tax	(14,944)	(6,626)
NET INCOME (LOSS) OF CONSOLIDATED COMPANIES	**45,381**	**29,239**
Share in results of associates and joint ventures	633	2,205
CONSOLIDATED NET INCOME	**46,014**	**31,444**
Non-controlling interests income (loss)	7,487	8,720
NET INCOME - GROUP SHARE	**38,527**	**22,723**
Basic earnings per share [(a)]	€1.82	€1.07

(a) Based on the number of shares making up the share capital at the end of the reporting period, i.e. 21,313,023 at May 31, 2022 and 21,113,022 at May 31, 2023.

2.3.2. Recurring operating income - Operating margin

Recurring operating income amounted to 67.7 million euros, compared to 42.8 million euros in the first half of 2022.

Operating expenses amounted to 73.9 million euros, representing 8.7% of revenue, compared to 56.8 million euros in the first half of 2022 (9.9% of revenue):

- Selling expenses amounted to 14.5 million euros, or 1.7% of revenue, compared to 1.6% of revenue in the first half of 2022, at 9.4 million euros;
- Administrative expenses amounted to 30.4 million euros, compared with 26.2 million euros at May 31, 2022;
- Technical and VAS expenses amounted to 11.3 million euros, compared to 12.0 million euros in the first half of 2022;
- Development and programme expenses amounted to 17.8 million euros, compared with 9.2 million euros at May 31, 2022.

2.3.3. Other non recurring income and expenses - Operating results

None.

2.3.4. Cost of net debt - Other financial income and expenses

The cost of net debt was 7.4 million euros, an increase of 0.5 million euros compared to May 31, 2022, when it amounted to 6.9 million euros. The overall effective rate of debt taking into account the overall amortisation of issuance costs incurred was 3.9% compared to 4.1% at May 31, 2022.

2.3.5. Consolidated Net Income

The group recorded a tax charge of 14.9 million euros in the first half of 2023 compared to a tax charge of 6.6 million euros in the first half of 2022.

The share of profit of associates and joint ventures amounted to 0.6 million euros in the first half of 2023, compared to 2.2 million euros in the first half of 2022.

Consolidated net income represented a profit of 46.0 million euros, compared to 31.4 million euros in the first half of 2022.

2.3.6. Net income

Non controlling interests amounted to 7.5 million euros in the first half of 2023, a decrease of 1.2 million euros compared to the first half of 2022.

Net income attributable to equity holders of the parent represented a profit of 38.5 million euros, compared to 22.7 million euros in the first half of 2022.

2.3.7. Breakdown of deliveries, revenue and gross margin

2.3.7.1. Breakdown by line of revenue

The following table breaks down the number of housing units delivered, revenue and gross margin by product line in the first half of fiscal year 2023 and 2022:

	2023			2022		
At May 31, *(in thousands of euros)*	**Deliveries** *(LEU) (units)*	**Revenue**	**Gross margin**	**Deliveries** *(LEU) (units)*	**Revenue**	**Gross margin**
Multi-occupancy housing	2,040	428,372	76,765	2,530	461,665	81,993
Single family homes in communities	107	32,612	7,117	80	19,893	3,386
Total housing	**2,147**	**460,984**	**83,882**	**2,610**	**481,558**	**85,379**
Commercial property	**0**	**380,969**	**55,215**	**1**	**87,280**	**12,555**
Other [(a)]	0	3,190	882	0	2,425	587
Management of Student residences operations	**0**	**3,706**	**1,682**	0	3,122	1,039
GRAND TOTAL	**2,147**	**848,849**	**141,661**	**2,611**	**574,385**	**99,560**

(a) Corresponds mainly to revenue of bare lots and external fees (Delegated Project Management).

Deliveries (EHUs)

The total number of Unit Equivalent Housing delivered (LEU) decreased by 17.7% from 2,610 units delivered in the first half of 2022 to 2,147 units delivered in the first half of 2023. Collectives accounted for 95.0% of units delivered, compared with 96.9% for the same period of 2022.

Revenue

The group's total revenue amounted to 848.8 million euros in the first half of 2023, an increase of 47.8% compared to the first half of 2022 when it amounted to 574.4 million euros. This increase of 274.5million euros was mainly due to the tertiary activity, which amounted to 293.7 million euros compared to May 31, 2022. It is linked to the signing and implementation of the contracts for the renovation of the Austerlitz station that took place in December 2022. Against the backdrop of a deteriorated and inflationist economic situation, the group's housing revenue was therefore adversely impacted compared to the first half of 2022, with a decline of 20.6 million euros.

Multi-occupancy housing activity

The Multi-occupancy housing revenue was 428.4 million euros, down 7.2% from 461.7 million euros in the first half of 2022. 42.0% of this was generated in the Paris region, compared with 32.2% in the first half of 2022. The Multi-occupancy housing's share of total revenue was 50.5%, compared with 80.4% in the same period of 2022. The 33.3 million euros decrease in Multi-occupancy housing revenue is shared between a 64.6 million euros decrease in regional revenue and a 31.3 million euros increase in "Île de France" revenue.

Single-family homes in communities activity

The Single-family homes in communities activity generated revenue of 32.6 million euros compared to 19.9 million euros in the first half of 2022, an increase of 12.7 million euros (1.5 million euros in the Regions and +14.2 million euros in the Paris region). The Paris region accounted for 63.6% of this revenue, compared with 32.8% for the same period in 2022. Single-family homes in communities activity accounted for 3.8% of the group's total revenue, compared with 3.5% in the first half of 2022.

Other activities

Commercial Property revenue, including commercial real estate, logistics and retail areas, totaled 381.0 million euros in the first half of 2023. Office revenues rose sharply by 470.4%, from 62.2 million euros to 354.7 million euros in the first half of 2023. Logistics decreased by 35.9% and generated revenue of 16.1 million euros in the first half of 2023 compared to 25.1 million euros in the comparable period of 2022.

Retail areas revenue reached 10.2 million euros in the first half of 2023, while it did not generate revenue in the first half of 2022. Revenue from Other activities (Showroom, land, *student* managed residences and building lots) was 6.9 million euros at May 31, 2023, compared with 5.5 million euros in the first half of 2022.

Gross margin

The group's gross profit margin was 141.7 million euros compared to 99.6 million euros in the first half of 2022, an increase of 42.3% (+42.1 million euros). Expressed as a percentage of revenue, it was 16.7% compared to the first half of 2022 or 17.3%.

Multi-occupancy housing activity

The Multi-occupancy housing activity posted a gross margin of 76.8 million euros, of which 37.3 million euros in the Paris region and 39.5 million euros in the Regions, compared to 82.0 million euros in the first half of 2022, of which 30.5 million euros in the Paris region and 51.5 million euros in the Regions. Its gross margin was 17.9% at May 31, 2023 compared to 17.8% at May 31, 2022.

Single-family homes in communities activity

The gross profit margin of the single-family homes in communities activity amounted to 7.1 million euros compared to 3.4 million euros for the same period of 2022. The increase was mainly due to the Île de France region for 4.7 million euros compared to 1.1 million euros at May 31, 2022. The gross margin rate for the Single-family homes in communities was 21.8% at May 31, 2023 compared to 17.0% at May 31, 2022.

Other activities

The Commercial property division's gross margin reached 55.2 million euros in the first half of 2023, up 42.7 million euros year on year. The office business contributed 47.9 million euros to the Commercial property division's gross margin in the first half of 2023, logistics contributed 6.3 million euros and the remaining 1.0 million euros for retail areas. Gross profit from other activities (excluding managed residences) amounted to 0.9 million euros at May 31, 2023, compared with 0.6 million euros in the first half of 2022.

2.3.9.2. Breakdown by operating segment

The following table breaks down the number of housing units delivered, revenue and gross margin by geographical segment for the first half of 2023 and 2022:

	2023			2022 *		
At May 31, *(in thousands of euros)*	**Deliveries** *(LEU) (units)*	**Revenue**	**Gross margin**	**Deliveries** *(LEU) (units)*	**Revenue**	**Gross margin**
Île de France	**762**	**183,146**	**39,327**	**709**	**152,202**	**31,375**
Housing	*762*	*182,016*	*39,079*	*709*	*151,242*	*31,163*
Commercial	*0*	*0*	*0*	-	-	*1*
Other (a)	*0*	*1,130*	*248*	-	*960*	*211*
West	**596**	**116,371**	**16,201**	**947**	**168,600**	**29,496**
Housing	*596*	*112,523*	*16,213*	*947*	*158,554*	*27,069*
Commercial	*0*	*3,281*	*-144*	-	*9,543*	*2,296*
Other (a)	*0*	*568*	*132*	-	*503*	*130*
East	**697**	**139,370**	**24,300**	**909**	**168,170**	**27,640**
Housing	*697*	*135,534*	*23,512*	*909*	*164,056*	*26,013*
Commercial	*0*	*2,567*	*509*	-	*3,195*	*1,425*
Other (a)	*0*	*1,269*	*279*	-	*920*	*202*
National agencies	**15**	**2,622**	**568**	**23**	**3,616**	**470**
Housing	*15*	*2,622*	*568*	*23*	*3,616*	*470*
Commercial	*0*	*0*	*0*	-	-	-
Other (a)	*0*	*0*	*0*	-	-	-
Commercial property and logistics (b)	**76**	**394,142**	**58,020**	**23**	**78,632**	**9,309**
Housing	*76*	*18,821*	*2,970*	*22*	*4,090*	*477*
Commercial	*0*	*375,121*	*54,850*	*1*	*74,542*	*8,832*
Other (a)	*0*	*200*	*200*	-	-	-
Other	**0**	**9,493**	**1,563**	**-**	**43**	**231**
Housing	*0*	*9,470*	*1,540*	-	-	*188*
Commercial	*0*	*0*	*0*	-	-	-
Other (a)	*0*	*23*	*23*	-	*43*	*43*
Student managed residences operations	**0**	**3,706**	**1,682**	**-**	**3,122**	**1,039**
Housing	*0*	*0*	*0*	-	-	-
Commercial	*0*	*0*	*0*	-	-	-
Other (a)	*0*	*0*	*0*	-	-	-
Management of Student residences operations	*0*	*3,706*	*1,682*	-	*3,122*	*1,039*
TOTAL	**2,147**	**848,849**	**141,661**	**2,611**	**574,385**	**99,560**
Housing	*2,147*	*460,984*	*83,882*	*2,610*	*481,558*	*85,379*
Commercial	*0*	*380,969*	*55,215*	*1*	*87,280*	*12,555*
Other (a)	*0*	*3,190*	*882*	-	*2,425*	*587*
Management of Student residences operations	*0*	*3,706*	*1,682*	-	*3,122*	*1,039*

* *The segment breakdown has changed -2022 proforma data.*

(a) *Corresponds to revenue of bare lots, external fees and the Showroom business.*

(b) *Offices, retail areas, business premises, logistics warehouses, etc.*

Deliveries (EHUs)

By region, the Île de France region (excluding the managed residences of commercial real estate) accounts for a significant portion of the Group's residential property business, with 35.5% of the homes delivered in the first half of 2023, compared with 27.2% in the first half of 2022. The Group is particularly active in the East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan), where it accounts for 32.5% of deliveries. The West (Caen, Haute Normandie, Rennes, Nantes, Val de Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) accounted for 27.8% of deliveries.

Housing revenue

Housing revenue activity totaled 461.0 million euros in the first half of 2023, down 4.3% from 481.6 million euros in the first half of 2022. The Regions accounted for 56.4% of Housing revenue activity, compared with 67.7% in the first half of 2022.

The Paris region (excluding the managed residences of commercial property) accounts for 39.5% of the group's housing business. The East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan) accounts for 29.4% of the group's housing business and the West (Caen, Haute Normandie, Rennes, Nantes, Val de Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) accounts for 24.4% of the residential property business.

The 20.6 million euros decrease in Housing revenue activity compared to the first half of 2022 was due to a 66.1 million euros decrease in total regional Housing revenue activity compared to an increase of 45.5 million euros in the Paris region.

Housing gross margin

At May 31, 2023, the gross margin of the Housing division was 83.9 million euros, compared with 85.4 million euros in the same period of 2022, a decrease of 1.8%.

The Île de France region (excluding the managed residences of commercial property) contributed 46.6% of the group's housing gross margin for the first six months of 2023, compared with 36.5% for the same period of 2022. The East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan) accounts for 28.0% and the West (Caen, Haute Normandie, Rennes, Nantes, Val de Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) contributes 19.3% of the gross margin of the Housing division.

The 1.5 million euros decrease in the gross margin for housing activity over the period was due to a 11.9 million euros decrease in the gross margin in the Region and a 10.4 million euros increase in the Île de France region.

2.4. Cash and capital resources

2.4.1. Cash flow

The group's cash position at the end of the year was 267.1 million euros, compared with an opening cash position of 100.1 million euros at November 30, 2022. Within one year, it increased by 169.6 million euros from 97.5 million euros at May 31, 2022 to 267.1 million euros at May 31, 2023.

(In thousands of euros)	May 31, 2023	May 31, 2022
Cash flow from operating activities	246,024	(65,184)
Cash flow from (used in) investing activities	(12,972)	(9,568)
Free cash flow [(1)]	233,052	(74,752)
Cash flow from (used in) financing activities	(66,968)	(17,247)
Increase (decrease) in cash	166,085	(92,000)
CASH AT OPENING OF PERIOD	**100,998**	**189,460**
CASH AT CLOSING OF PERIOD	**267,082**	**97,460**

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

Cash flow from operating activities

The cash flows generated by the business during the first six months of 2023 amounted to 246.0 million euros. They consisted of 74.4 million euros in cash flow before finance costs and taxes, 9.7 million euros in taxes paid and a 161.9 million euros decrease in operating working capital requirements (excluding current taxes).

The change in operating WCR items (excluding current taxes) since November 30, 2022 amounts to 161.9 million euros (see note 3.6 "Breakdown of the change in working capital' in the notes to the half year consolidated financial statements at May 31, 2023) and is mainly analysed as follows:

- Inventories down 4.2 million euros;
- A decrease of 25.2 million euros in trade receivables;
- A decrease of141.0 million euros in trade payables;
- Net change of +8.5 million euros in other operating assets and liabilities.

The change in WCR (gross) including current taxes during the first half of 2023 amounted to 165.3 million euros, from a working capital requirement of 190.0 million euros at November 30, 2022 to 24.7 million euros at May 31, 2023;

Working capital requirement Nov. 30, 2022	**190,010**
Change in working capital of TFT	(**161,908)**
Current tax	(9,685)
Scope variation	3,188
Other variations in the Working Capital Requirement	3,083
Working capital requirement May 31, 2023	**24,688**

Cash flow from (used in) investing activities

Cash flows from investing activities amounted to 13.0 million euros at May 31, 2023, of which:

- -2.6 million euros in acquisitions of property, plant and equipment and intangible assets (net of disposals);
- -0.06 million euros in acquisitions of financial assets (net of disposals);
- -10.5 million euros related to cash flows with associates and joint ventures.
- +0.1 million euros in acquisitions due to changes in scope of consolidation;

These operations related to operations and investment resulted in a positive free cash flow of 233.1 million euros generated at May 31, 2023.

Cash flows from financing activities

Cash flows from financing activities amounted to 67.0 million euros. They essentially consist of:

- Dividends paid to minority interests for -5.1 million euros;
- Dividends paid to shareholders of the parent company in the amount of -49.5 million euros;
- The purchases of treasury shares, net of resales for a total equating to nearly -0.6 million euros;
- The 3.0 million euros change in gross borrowings, mainly due to the change in accrued interest on bonds;
- Net interest paid for -7.6 million euros.
- -1.2 million euros in acquisitions of new borrowings subscribed;

2.4.2. Debt situation

Gross financial debt

The gross financial debt is composed of long-term and short-term financial liabilities, financial hedging instruments and the interest accrued on line items in the balance sheet.

It can be broken down as follows:

	May 31, 2023			November 30, 2022
(In thousands of euros)	Current	Non current	Total	Total
Syndicated credit facility - Senior loan			-	-
Bond issue	50,000	100,000	150,000	150,000
Accrued interest	16		16	2,322
Other borrowings		13,140	13,140	13,202
Credit facilities used	2,655		2,655	3,889
IFRS 16 lease debt	7,079	34,713	41,792	41,765
IFRS 16 lease liabilities - Interest due but not paid	208		208	136
Borrowing costs	(352)	(37)	(389)	(581)
Financial debt on minority put options		3,614	3,614	3,560
Fair value of derivatives			-	-
GROSS FINANCIAL DEBT	**59,606**	**151,430**	**211,035**	**214,293**

Bond issue

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 tranche of 50 million euros with a 7 year maturity (maturing in May 2024) at an annual fixed rate of 2.879% payable on May 31 of each year, and a tranche of 100 million euros with a 8 year maturity (maturing in May 2025) at an annual fixed rate of 3.204% payable on May 31 of each year.

This transaction also enabled the Group to diversify its sources of financing, benefit from favourable market conditions and substantially extend the average maturity of its debt.

Ratios at end of each half-year period	Threshold at May 31, 2023	Ratio at date *
Leverage ratio (a)	< or = 3.0	(0.85)
Debt ratio (b)	< or = 2.5	(0.29)

(a) Or Net Financial Debt (a) divided by EBITDA (b) where:

(1) Financial debt means gross financial debt less cash and cash equivalents, and excludes certain subordinated debt and certain off balance sheet commitments; .ok

(2) EBITDA refers to 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 depreciation, amortisation and provisions, fair value adjustments, expenses or income related to non monetary compensation of employees) and gains or losses on disposals of assets, and less income from minority interests.

(b) Net Financial Debt (a) divided by adjusted equity (c);

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

** 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 fiscal year 2022, the international rating agency Fitch assigned Kaufman & Broad S.A. an Investment Grade BBB- rating with stable outlook. Fitch refers in particular to Kaufman & Broad's solid business model and its high level of cash flow, favored by limited working capital in the project cycle. Kaufman & Broad is currently the only pure developer in continental Europe with 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)*

Syndicated Loan 2019

The 2019 Syndicated Credit Agreement, signed on January 30, 2019, notably sets out, for each accounting half-year period from November 30, 2018 onwards and until the maturity of the Syndicated Credit, the group's compliance with the two following ratios, calculated on a consolidated basis, for which the levels have been defined as follows:

Ratio at each half year end	Threshold at May 31, 2023	Current ratio
Leverage ratio (a)	< or = 3.0	(0.85)
Gearing ratio (b)	< or = 2.0	(0.32)

(a) I.e. net financial debt (1) divided by EBITDA (2) where:

(1) Financial debt means gross financial debt less cash and cash equivalents, and excludes certain subordinated debt and certain off balance sheet commitments;

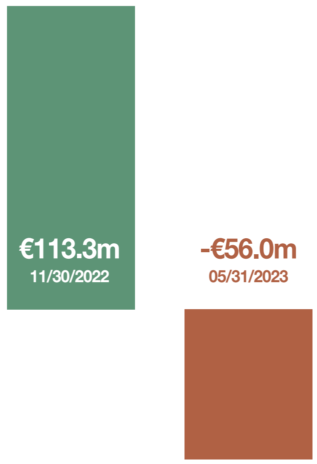
(2) EBITDA refers to consolidated net income before income taxes, financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses), other non recurring and/or non recurring income and expenses, excluding calculated expenses (including depreciation, amortisation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

(b) I.e. net financial debt (1) divided by adjusted equity (3):

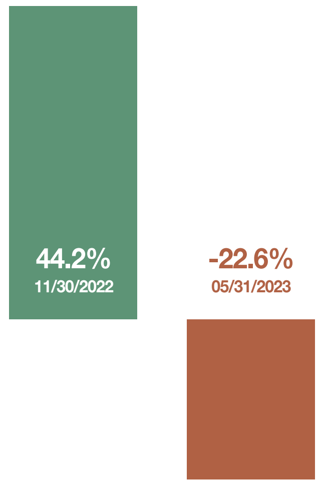
(1) Adjusted equity = consolidated equity at 30th November 2016 + cumulative consolidated profit from 1st December 2016 to the end of the quarter under review - dividends paid over the period under review + cumulative impairment charge from the period from 1st December 2016 to the end of the quarter under review.

2.4.2.2. 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 May 31, 2023, net cash and cash equivalents amounted to -101.7 million euros (excluding IFRS 16 lease liabilities and Put Neoresid debt), down 169.5 million euros compared to November 30, 2022, when net financial debt amounted to 67.9 million euros. Taking into account the 41.8 million euros in IFRS 16 lease liabilities and the 3.6 million euros in Put Neoresid, it stood at -56.0 million euros at the end of May 2023, compared with the group's net financial debt of 113.3 million euros at November 30, 2022.

Gearing (*ratio* of net financial debt to consolidated equity) stood at -22.6% at May 31, 2023 compared to -44.2% at November 30, 2022.

2.4.2.3. Main changes in gross financial debt

(In thousands of euros)	
Gross financial debt at November 30, 2022	**214,293**
Accrued interest	(2,306)
Issuance expenses	192
Change in credit facilities	(1,234)
IFRS 16 lease debts	28
Minority interests put financial debt	53
Other changes	10
Gross financial debt at May 31, 2023	**211,035**
Change in gross financial debt at May 31, 2023	***3,258***

The Group's gross financial debt showed a variation between May 31, 2023 and November 30, 2022 of (3.3) million euros.

The table below reflects the Group's financial structure as of May 31, 2023 since the end of 2022 and changes in the maturity of its debt:

(In millions of euros)	May 31, 2023	30 November 2022
Shareholders' equity	248.1	257.8
Financial debt *	**211.0**	**214.3**
O/w financial debt < 1 year (excluding IFRS 16)	52.5	5.9
Of which financial debt > 1 year (excluding IFRS 16)	116.7	166.6
Of which IFRS lease liabilities 16	41.8	41.8
Maturity (1)	**2.1 years**	**2.6 years**
* of which:		
Borrowing costs	*(0.4)*	*(0.6)*
Other borrowings / Credit facilities used	16.0	19.6
Put Neoresid	3.6	3.5
IFRS lease liabilities 16	41.8	41.8
Bond issue	150.0	*150.0*
RCF	-	-

(1) Excluding Land Debt and Put Neoresid

2.4.2.3.1. Swap Agreements - Interest rate risk hedging

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 global debt costs remain within an acceptable range. To achieve this objective, the group hedges the interest flows of its variable rate borrowings *through* interest rate swaps. These latter constitute derivatives hedging the cash flows. They are accounted for in the balance sheet at their fair value. Kaufman & Broad applies cash flow hedging accounting. The interest rate risk hedging is ensured through instruments listed on regulated markets or over-the-counter, with top-tier arrangements.

Following the refinancing of the 2016 senior debt by the Syndicated Credit Agreement, signed on 30 January 2019, in the form of a 250 million euros revolving credit facility (RCF), it was decided to terminate this hedging agreement in view of the Group's low exposure to interest rate fluctuations (150 million euros fixed rate bonds and 250 million euros Euribor indexed variable rate bonds, undrawn line at May 31, 2023).

2.5. Future outlook

2.5.1. Risks and uncertainties

The risks incurred by the Group and likely to have a significant adverse effect on its business, results, financial position and outlook are described in the 2022 Universal Registration Document filed on March 31, 2023 with the Autorité des Marchés Financiers (the 'AMF') under number D.23-0210 (the 'Universal Registration Document') and available on the websites of the AMF (www.amf-france.org) and Kaufman & Broad (www.kaufmanbroad.fr). The nature and level of the risk factors described in the Universal Registration Document have not significantly changed over the course of the second quarter, subject to the following updates and clarifications:

2.5.1.1. Risks related to the economic environment

The global and national economic context in the first half of 2023 presents a mixture of risks and opportunities for the real estate sector in France. Recent publications by the IMF, INSEE, the Banque de France, the OECD and the Observatoire du Crédit Logement highlight several factors of uncertainty that could have significant implications for this sector.

After a year in 2022, when tensions on energy and commodity prices caused high inflation, which averaged 5.9% year on year (or even 7.0% year on year in the last quarter), in 2023 inflation in France would start to fall. Pressures on commodity prices, including agricultural prices, have eased significantly in recent months and this easing could continue. In this context, inflation would fall sharply thanks to the gradual impact of the tightening of monetary policy and despite the external levy shock that continues to weigh on French households and companies, economic growth in France is expected to remain slightly positive in 2023 after the sharp slowdown in 2022.

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, the level of interest rates, as well as, for new housing, the unemployment rate and household confidence are all variables that can influence property development activity.

Property market in turnaround

The real estate market is showing signs of a downturn, the beginnings of which appeared before the outbreak of the COVID 19 pandemic and which it masked, in particular by government support policies and then amplified by the Russian Ukrainian conflict of December 2021. The deterioration in the conditions of access to credit for households, due in particular to the increase in interest rates and the Bank of France's credit tightening policy, is reflected in a sharper decline in demand for new housing in a market in tension due to the shortage of housing supply. The number of building permits obtained (excluding pure individual housing) in the first six months of 2023 thus decreased by approximately 26% as compared to the same period of the previous year. Housing marketing was down 41.8% in the first quarter of 2023 compared to the same period of 2022 (*source: ECLN T1 2023 - Ministry of Ecological Transistion and Territorial Cohesion) and would* be down more than 42% in the first five months of 2023 (source *ADEQUATION).*

Risks and uncertainties

Rising interest rates

Central bank policy rates have increased by 2 percentage points since 2022, resulting in higher real estate borrowing rates, with an average interest rate that has increased by 1.2 percentage points over the past 12 months. New personal home loans, which are annual interest rates, more than doubled between May 2022 and May 2023 (x2.3) from 1.26% to 2.89% during the period. This increase, if it were to continue in the future, could complicate access to financing for real estate projects, particularly for small and medium sized developers; But also home ownership for home buyers and private investors (Pinel + device, among others).

Less favourable financial conditions and lower activity of home loans

According to the OECD, financial conditions in the euro area are tightening, in particular associated with the restriction of lending conditions, resulting in a decrease in credit production. According to data from the Banque de France and the Observatoire du Crédit, new home loans (excluding renegotiations) to resident individuals fell by 45.5% between May 2022 and May 2023, from 22.2 billion euros to 12.1 billion euros at the end of May 2023.

Inflation

In 2022, pressures on the prices of energy and other imported raw materials, caused inter alia by the war in Ukraine, led to an external levy shock on the French economy, but above all inflation weighed heavily on the purchasing power of households. The resulting deterioration in trade prices led to a cost of around 1.4% of GDP in 2022 compared to 2021, and materialised in high inflation; with a highly unfavourable impact on real income for households and businesses. This inflationary pressure could be reduced in 2023 as import price pressures ease, due in particular to the easing of energy prices, to stand at around 0.5% of GDP compared to 2021 (more normal situation). In addition, the wage increase of its last months could lead to higher inflation, which could in its turn affect the purchasing power of households and could dampen the demand for housing (due to the ceiling of the rate of effort).

Weakening labour market

In the fourth quarter of 2022, the increase in private wage employment has already slowed. Net job creation was 44,400 between the end of September and the end of December, while it was still 87,500 between the end of June and the end of September. Salaried merchant employment would continue to decline in 2023 and 2024, under the effects of the slowdown in activity and a moderate recovery in business productivity gains. A weakening of the labour market therefore seems to be emerging, with an unemployment rate rising to 9.3% in the first half of 2023, due to the sharp slowdown in growth and the restoration of productivity, and is only expected to return to decline during 2025. This situation could thus far dampen residential investment by reducing household borrowing capacity.

Geopolitical tensions

The Ukrainian crisis caused disruptions in the energy markets and raw material costs, which indirectly affected the real estate sector in France, by the rise in construction materials costs (+4.7% in 2023) and also generated supply disruptions thus slowing down the progress of certain projects. This geopolitical instability, if it were to deteriorate, could again have an adverse impact on the housing market in France.

Climate change

The climatic conditions that have been going on for several months in Europe could lead to a faster strengthening of environmental policies, in particular by imposing new energy efficiency standards for buildings. The average cost of building housing that meets RT2020 standards is 10% higher than that of housing that meets previous standards (RT2012), which could affect the profitability of projects that developers could not be able to pass on to their buyers.

Public debt

The budget deficit in France is estimated at 8.2% of GDP in 2023, and the public debt now exceeds 120% of GDP. These factors could limit the government's ability to support the real estate sector, including through tax incentives.

Decline in household investment

According to the Banque de France, household investment began to decline, with a decline of 0.5% in the first quarter of 2023. This could lead to a decline in demand for new housing in residential real estate, in particular by the scarcity of individual investors.

Opportunities

In the current context marked by several risk factors, Kaufman & Broad has identified a number of potential opportunities that could have a positive impact on its real estate developer business. namely:

Demographic and sociological trends, will continue to support housing demand

- According to INSEE, the growth of the population would be, according to a so called ‘central’ scenario, +6.8 million inhabitants by that time, which would bring the French population from 67.8 million (at the end of 2021) to nearly 74 million inhabitants by 2060;
- Sociological developments, in particular with the continuation of the phenomenon of cohabitation and the persistence of the period of celibacy; that is to say, to live single (not or no longer be a couple). A continuation of the phenomenon of population concentration in the main agglomerations to the detriment of rural areas

Investments in France through the Next Generation EU plan

Under the European Recovery Plan "Next Generation EU", France will receive 37.5 billion euros in subsidies, a significant portion of which is earmarked for the ecological transition. This should stimulate investment in housing renovation and insulation, thereby increasing demand for new housing that meets the latest environmental and energy standards. For example, the thermal renovation of 500,000 homes per year is one of the objectives set by the government.

Energy transition

Adaptation of the existing housing stock made necessary by climate constraints and more stringent environmental standards. With the energy sobriety plan aiming to reduce energy consumption by 10% by 2024, demand for energy efficient housing is expected to grow. Kaufman & Broad, with recognised expertise in low energy housing construction (BBC effinergie certification), is in a favourable position to meet this demand. For example, 85% of the housing units that the group delivered in 2022 met RT 2020 standards, well above the national average of 65%.

Pension reform

Pension reform could increase the number of assets and thus potentially stimulate housing demand. According to INSEE, the impact of the reform on the number of assets could result in a 2% increase in housing demand by 2025.

Household savings

The health crisis led to an accumulation of savings by French households, which saved around 200 billion euros in 2020 and 2021 according to the Banque de France. If part of this savings is reoriented towards real estate investment, this could support the demand for new housing and corporate real estate.

Dynamic business investment:

Despite the difficult economic environment, business investment remains dynamic. According to INSEE, business investment is expected to rebound by 10% above its pre Covid level by the end of 2025. This could support the commercial property market, which accounts for approximately 20% of the group's turnover.

In conclusion, there are risks and uncertainties that could lead to difficulties for the property development business in France, despite these uncertainties, the group also sees a number of opportunities that it could take advantage of, in particular, thanks to its experience, expertise and commitment to quality and sustainability its achievements.

2.5.1.2. Risks associated with supplier relations

As the group's activity is founded on the work and collaboration of a multitude of companies and accounts payable, the financial difficulties, and even non-payments, of some of these companies or accounts payable (in the event of bankruptcy or liquidation) may have significant negative impacts on Kaufman & Broad's activity, and most particularly may slow down the progress of construction works or increase their costs.

Furthermore, in the current context of economic inflation, the group's activity may be subject to significant negative consequences.

2.5.1.3. Risks related to tax systems that may affect the new housing market and changes in tax regulations

Since the late 1990's, a number of tax systems have been in place, with varying degrees of impact on the level of new housing construction (see section 1.3.1.1. "Tax incentives") of the company's 2022 Universal Registration Document. Like all of its competitors, Kaufman & Broad benefits from tax incentives for private investment. The duration of application of the measures in force to date is limited in time.

End of the Pinel rental investment scheme

Set up in 2014 to support the construction sector and with the aim of creating a wide range of rental housing, it will no longer be possible to use this rental investment scheme after 31 December 2024.

The Pinel tax exemption scheme is aimed at households that invest in new housing or to be renovated empty to rent it under certain conditions: Rent (including expenses) capped by the State, rent their home at least 6 years, and up to 12 years, to tenants not exceeding certain income ceilings determined each year by the State according to the geographical area of the housing and the composition of the tenant's tax home, and invest in a housing in this way in so called "tense" areas for housing (see section 1.3.1.1.2. "The Pinel + system from 1 January 2023") of the Company's Universal Registration Document 2022.

Since the beginning of the year, the Pinel system has concerned households that buy and rent housing that meets certain energy and environmental performance conditions. These housing units must therefore comply with the RE2020 environmental regulations defined by the French Housing, Development and Digital Development Act (ELAN), which focuses in particular on their insulation performance and energy consumption, or justify a Class A energy performance assessment for those whose acquisition or construction will take place in 2024.

Lastly, the Pinel +, which came into effect in early 2023, also sets out quality and comfort criteria in terms of living space and outdoor areas, particularly in order to be eligible for a tax reduction.

The government formalised the end from 1 January 2025 of the Pinel scheme, intended to develop the rental housing stock and to support the real estate sector, justifying this abandonment by the fact that it was considered ineffective with regard to the cost to the State due to the tax cuts granted, and that they would constitute a shortfall at a time when the government is seeking to make savings in public spending

Although the company has already taken steps to redeploy its offer and commercial efforts to institutional investors and blocks, the substitution of new measures less favourable than those expiring, the absence of alternative measures, their questioning as well as the removal or modification of certain benefits in favor of the acquisition of new homes, rental investment or in favor of homeownership could have a significant adverse effect on the real estate market and in particular on sales volumes or new housing prices and therefore adversely affect the company's activity and/or profitability. These tax provisions could be modified, or called into question, following legislative or regulatory changes or a change in the parliamentary majority.

2.5.1.4. Risks related to climatic circumstances

Climatic conditions, other than natural disasters whose exceptional nature makes the risk unpredictable, and other factors related to the environment may also be detrimental to the group's housing or office construction activity. For example, at the date of this document, the summer conditions of particularly high heat waves could in the future complicate the construction and organisation of worksites for several days (or even weeks), could lead to delivery delays affecting 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, in particular because of their frequencies, amp, duration and unpredictability (see Chapter 5.1.3.2. "Mitigation of climate change" of the "Non financial performance statement: Kaufman & Broad's social, environmental and societal responsibility" in section 5.1. of the 2022 Universal Registration Document of the company).

2.5.2. Outlook

The year 2023 presents itself as a period of adjustment of the parameters of the housing market due to the very rapid increase in rates observed over the last twelve months, which results in a decrease in the volume of short term orders. However, structurally unmet demand continues to accumulate, fueled by demographic and sociological fundamentals. In addition, the consequences of the energy transition on the planned reduction in the number of homes of lower thermal quality.

In this context, Kaufman & Broad relies on its ability to adapt its offering to new market conditions, its very strong balance sheet strength as well as the high level of its Backlog and land portfolio to go through the coming period and, beyond that, take full advantage of the recovery in a healthy market.

Overall, in the first half of 2023, Kaufman & Broad was able to preserve its short term financial balances with a positive net income of 38.5 million euros (up on the first half of 2022), a positive net cash position of 101.7 million euros (excluding IFRS 16 debt and Neoresid put debt) and a financial capacity of 517.1 million euros, while maintaining a strong momentum to prepare for the future with land portfolio (housing land reserve) representing a volume of 34,694 lots, or approximately 8.5 billion euros including VAT of potential activity.

All of these factors led the Group to specify the outlook announced at the beginning of 2023 for the full year:

- Net income Group share is expected to increase by around 20%,
- The recurring operating income (OCR) rate is expected to be around 8%,
- Revenue is expected to grow by 6 to 10%,
- The positive net cash position (excluding IFRS 16 and Put Neoresid debt) is expected to be around 50 million euros. ‘

These prospects are based on a stabilization of the current socio political and economic situation and may, if necessary, be subject to revisions over the coming months according to the evolution of the economic and financial situation.

2.5.3. Events following closure

Implementation of the share buy-back program

Following the announcement by Kaufman & Broad SA of the implementation of its share buyback programme under the conditions set out in the 11th resolution of the Annual General Meeting of May 4, 2023, Kaufman & Broad SA renewed on July 13, 2023, for a period of 12 months, the irrevocable mandate given to an investment services provider acting independently to repurchase its own shares within the limit of a maximum number of shares representing 7.71% of the share capital of Kaufman & Broad SA, depending on market conditions.

No other significant events were reported prior to closing.

2.6. Additional information

Single-family homes in communities	H1 2023	H1 2022
Net orders *(in units)* (a)	221	155
Net orders *(in thousands of euros - incl. VAT)*	49,169	44,875
Backlog (in thousands of euros - excl. VAT)	225,506	168,681
Backlog (in months of activity) (b)	30.4	47.8
Deliveries *(LEU)* (c)	107	80

Multi-occupancy housing	H1 2023	H1 2022
Net orders *(in units)* (a)	2,017	2,370
Net orders *(in thousands of euros - incl. VAT)*	454,051	579,795
Backlog (in thousands of euros - excl. VAT)	1,923,385	2,157,630
Backlog (in months of activity) (b)	22.1	25.2
Deliveries *(LEU)* (c)	2,040	2,530

Housing	H1 2023	H1 2022
Commercial offer end of period housing *(in number)*	2,618	2,265

Commercial property	H1 2023	H1 2022
Net orders *(in sq.m.)*	10,932	21,554
Net orders *(in thousands of euros - incl VAT)*	24,489	28,483
Backlog (in thousands of euros - excl. VAT)	665,093	1,076,079

(a) *This is the number of net bookings recorded during the reporting period, i.e. the number of bookings signed by customers during the said period less the number of bookings cancelled at the end of the period.*

(b) *The backlog or order book 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 VAT for the previous twelve months from m-1 to M-12 and (ii) 12 (i.e. the last twelve months of activity).*

(c) *The number of Unit Equivalent Housing delivered, hereinafter 'LEU,' is calculated per program and is equal to the product (i) of the number of housing units of a given program for which the notarially signed deed of sale has been signed and (ii) 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 of the said program; thus, a housing sold on a program whose expenditure rate represents 30% results in 0.3 LEU.*

2.7. Related party disclosures

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 transactions with connected parties are completed under market conditions. With the exception of transactions completed with the company Artimus Participations (see Sections 6.1.5. "Notes on the financial statements", note 4.4 "Managerial payroll (related parties)", paragraph "Terms and conditions of transactions with connected parties" and 8.9 IV.2 c) "Commitments authorized in application of Article L. 225-42-1 of the French Commercial Code of Kaufman & Broad's 2022 Universal Registration Document), the relationships with related parties, including the terms of executive compensation, remained comparable to those of the 2022 financial year and no unusual transactions, by their nature or amount, occurred during the financial year.

3 Assets, financial report and results at May 31, 2023

3.1. Consolidated financial statements at May 31, 2023

3.1.1. Statement of the global consolidated income

Consolidated income statement

(In thousands of euros)	Notes	May 31,2023	May 31, 2022
Revenue	3.2	848,849	574,385
Cost of sales		(707,188)	(474,826)
GROSS MARGIN	**3.2**	**141,661**	**99,559**
Selling expenses	3.3	(14,487)	(9,366)
Administrative expenses	3.3	(30,386)	(26,168)
Technical and customer service expenses	3.3	(11,293)	(11,996)
Development and program expenses	3.3	(17,753)	(9,229)
OPERATING INCOME		**67,742**	**42,800**
Financial expenses		(11,181)	(8,176)
Financial income		3,763	1,241
FINANCIAL RESULT	**6.3**	**(7,417)**	**(6,936)**
PRE-TAX INCOME (LOSS) OF CONSOLIDATED COMPANIES		**60,325**	**35,864**
Income tax	9	(14,944)	(6,626)
NET INCOME (LOSS) OF CONSOLIDATED COMPANIES		**45,381**	**29,239**
Share in results of associates and joint ventures		633	2,205
INCOME (LOSS) OF THE CONSOLIDATED GROUP		**46,014**	**31,444**
Non-controlling interests income (loss)	7.1.5	7,487	8,720
Attributable net income		38,527	22,723
Average number of shares	7.2	21,014,646	20,893,236
Basic earnings per share [(a)]	7.2	€1.83	€1.09
DILUTED EARNINGS PER SHARE	**7.2**	**€1.81**	**€1.08**

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

Consolidated comprehensive net income

(In thousands of euros)	May 31, 2023	May 31, 2022
INCOME (LOSS) OF THE CONSOLIDATED GROUP	**46,014**	**31,444**
Revaluation of the net liability (asset) of the defined benefit schemes	(136)	
Tax effect on Revaluation of the net liability (asset) of the defined service schemes	35	(36)
TOTAL OF OTHER ELEMENTS OF THE GLOBAL INCOME THAT CANNOT BE RECYCLED INTO INCOME	**(101)**	**(36)**
CONSOLIDATED COMPREHENSIVE NET INCOME	**45,913**	**31,408**
Attributable net income	38,426	22,688
Non controlling interests	7,487	8,720

3.1.2. Statement of the consolidated financial situation

Assets

(In thousands of euros)	Notes	May 31,2023	Nov 30, 2022
Goodwill	5.1	68,661	68,661
Other intangible assets	5.2	91,930	91,899
Right-of-use assets	5.3	37,926	40,196
Investment property	5.4	19,940	19,876
Property, plant and equipment	5.5	10,263	11,070
Equity affiliates and joint ventures	2.1.2	23,051	14,310
Other Non-Recurring Financial Assets	6.1.1	7,610	7,549
Deferred tax assets	9	4,281	4,281
NON CURRENT ASSETS		**263,662**	**257,841**
New project inventories	3.4	74,327	93,000
Program in progress inventories	3.4	372,280	354,134
Accounts receivable	3.5	486,290	511,534
Other receivables	3.5	180,086	188,694
Current tax position	9	1,312	4,863
Cash Flow and Cash equivalents	6.1.3	267,082	100,998
CURRENT ASSETS		**1,381,378**	**1,253,223**
TOTAL ASSET		**1,645,040**	**1,511,064**

Liability

(In thousands of euros)	Notes	May 31, 2023	Nov 30, 2022
Share capital		5,489	5,619
Consolidated reserves		251,528	277,280
Other reserves		(13,263)	(11,905)
Treasury shares	7.1.4	(12,558)	(29,327)
ATTRIBUTABLE SHAREHOLDER'S EQUITY		**231,196**	**241,667**
Non controlling interests	7.1.5	16,939	14,683
SHAREHOLDERS' EQUITY		**248,135**	**256,350**
Provisions for retirement benefits	4.2	5,767	5,479
Non-current provisions for liabilities and charges	8.1	24,607	25,886
Borrowings and other non-current financial liabilities	6.1.2	113,103	163,007
Long term lease liabilities	6.1.2	34,713	36,254
Non controlling put liabilities	6.1.2	3,614	3,560
Deferred taxes	9	65,116	45,363
NON CURRENT LIABILITIES		**246,919**	**279,549**
Current provisions for liabilities and charges	8.1	772	1,477
Borrowings and other current financial liabilities	6.1.2	52,319	5,825
Short term lease liabilities	6.1.2	7,287	5,647
Accounts payable	6.1.1	985,566	842,064
Other liabilities	6.1.1	103,239	119,643
Current tax position	9	803	509
CURRENT LIABILITIES		**1,149,986**	**975,165**
TOTAL LIABILITY AND SHAREHOLDERS' EQUITY		**1,645,040**	**1,511,064**

3.1.3. Statement of cash flows

(In thousands of euros)	Notes	May 31, 2023	May 31, 2022
Consolidated net income		46,014	31,444
Share of income (loss) of equity affiliates and joint ventures		(633)	(2,205)
Calculated income and expenses	3.3	6,689	5,842
CASH FLOW AFTER COST OF FINANCIAL DEBT AND TAXES		**52,070**	**35,081**
Financial result	6.3	7,417	6,936
Tax expense (income)	9	14,944	6,626
CASH FLOW FROM OPERATIONS BEFORE COST OF FINANCIAL DEBT AND TAXES		**74,431**	**48,642**
Tax (paid)/received		9,685	(22,921)
Change in Operating Working Capital Requirement	3.6	161,908	(90,906)
CASH FLOW FROM OPERATING ACTIVITIES (A)		**246,024**	**(65,184)**
Investment transactions			
Acquisitions of property, plant & equipment and intangible assets (net of disposals)	5	(2,540)	(10,784)
Acquisitions of tangible assets held for investment property	5	(64)	
Net change in financial assets		(61)	(249)
Cash flow with equity affiliates and joint ventures	2.1.2	(10,493)	896
Acquisition of participations	7.1.6		(302)
Cash inflows on change in consolidation method		187	870
Disposals of investments			
CASH FLOW GENERATED BY INVESTMENT OPERATIONS (B)		**(12,972)**	**(9,568)**
FREE CASH FLOW [(1)]		**233,052**	**(74,752)**
Financing operations			
Distributions to non controlling interests	7.1.5	(5,069)	(4,722)
Buyouts of non-controlling interest	7.1.5	0	(591)
Buybacks of treasury shares	7.1.4	(5,077)	(14,883)
Sale of treasury shares	7.1.4	4,421	4,054
Capital increase	7.1.1	0	0
Borrowings	6.1.3	0	12,428
Repayment of borrowings	6.1.3	(1,160)	
Lease debt repayment	6.1.3	(2,990)	(4,861)
Distributions to shareholders	7.1.3	(49,510)	
Net financial interest paid		(7,584)	(8,673)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES (C)		**(66,968**	**(17,247)**
INCREASE (DECREASE) IN CASH (A + B + C)		**166,084**	**(92,000)**
Cash at opening of period		100,998	189,460
CASH AT CLOSING OF PERIOD		**267,082**	**97,460**
INCREASE (DECREASE) IN CASH		**166,085**	**(92,000)**
CASH FLOW AND CASH FLOW EQUIVALENTS	**6.1.3**	**267,082**	**97,460**

3.1.4. Consolidated equity variation table

(In thousands of euros)	Number of shares	Share capital	Consolidated reserves	Other reserves	Treasury shares	Equity attributable to equity holders of the parent	Non controlling interests	Total equity
NOVEMBER 30, 2021	**21,713,023**	**5,645**	**285,041**	**(13,146)**	**(22,400)**	**255,140**	**12,566**	**267,706**
Other comprehensive income						0		0
Net income on May 31, 2022			22,723			22,723	8,720	31,443
CONSOLIDATED COMPREHENSIVE NET INCOME	**0**	**0**	**22,723**			**22,723**	**8,720**	**31,443**
Distribution			(40,476)			(40,476)	(4,722)	(45,198)
Capital reduction	(400,000)	(104)	(14,099)		14,203	0		0
Treasury share transactions				(2,164)	(8,665)	(10,829)		(10,829)
Share based payments				1,163		1,163		1,163
Minority-interest share buy-back			(3,900)			(3,900)	(428)	(4,328)
TOTAL OF TRANSACTIONS WITH SHAREHOLDERS	**(400,000)**	**(104))**	**(58,475)**	**(1,001)**	**5,538**	**(54,042)**	**-5,150)**	**-59,192)**
MAY 31, 2022	**21,313,023**	**5,541**	**249,289**	**(14,147)**	**-16,862)**	**223,821**	**16,137**	**239,958**
30 NOVEMBER 2022	**21,613,022**	**5,619**	**277,280**	**(11,905)**	**-29,327)**	**241,667**	**14,683**	**256,350**
Other comprehensive income				(101)		(101)		-101
Net income at May 31, 2023			38,527			38,527	7,487	46,014
CONSOLIDATED COMPREHENSIVE NET INCOME	**0**	**0**	**38,527**	**-101**	**0**	**38,426**	**7,487**	**45,913**
Distribution			(49,510)			(49,510)	(5,069)	(54,578)
Capital increase						0		0
Capital reduction	(500,000)	-130)	(14,668)		14,798	0		0
Treasury share transactions				(2,626)	1,970	(656)		(656)
Share based payments				1,369		1,369		1,369
Minority-interest share buy-back			(100)			(100)	(162)	(263)
TOTAL OF TRANSACTIONS WITH SHAREHOLDERS	**(500,000)**	**(130)**	**(64,278)**	**(1,257)**	**16,769**	**(48,897)**	**(5,231)**	**(54,128)**
MAY 31, 2023	**21,113,022**	**5,489**	**251,528**	**(13,263)**	**(12,558)**	**231,196**	**16,939**	**248,135**

3.1.5. Notes to the Financial Statements

Note 1. Accounting principles

The consolidated financial statements for the year ended May 31, 2023 present the transactions of Kaufman & Broad SA and its subsidiaries (hereinafter the ‘Kaufman & Broad Group’ or the ‘Group’), a company incorporated under French law and listed on Euronext Paris, compartment B with its registered office in Courbevoie (17, Quai du Président Paul Doumer CS 9001 - 92672 Courbevoie Cedex France).

For more than 50 years, the Kaufman & Broad group has been designed, developing and marking Single-family homes in communities, apartments and offices on behalf of third parties. Kaufman & Broad is one of the leading French manufacturers by combining its size and the power of its brand.

The interim consolidated financial statements for the six months ended May 31, 2023 were approved by the Board of Directors on July 11, 2023.

Note 1.1. Basis of preparation

Pursuant to European Regulation 1606/2002 of 19 July 2002, the Kaufman & Broad Group prepared its interim consolidated financial statements for the six months ended May 31, 2023 in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB) as adopted by the European Union and have been prepared in accordance with IAS 34 - Interim Financial Reporting. These consolidated interim financial statements do not include all the infomation required in full financial statements. Consequently, they should be read taking into account the information given in the Annual Report containing the consolidated financial statements as at November 30, 2022;

The accounting policies set out below have been applied on an ongoing basis to all periods presented in the consolidated financial statements, except for the new standards and interpretations described below.

Consolidation is based on the financial statements as of May 31 of almost all the companies included in the company's scope of consolidation. Some associates have a different reporting date and are accounted for on the basis of an interim position as of May 31, representing 6 months of activity, their contribution being insignificant.

The presentation currency of the consolidated financial statements is the euro.

Note 1.1.1. Use of estimates and assumptions

To establish the group's accounts, Kaufman & Broad management has generated estimations and hypotheses for the elements included in the financial statements that cannot be evaluated precisely.

These estimations and hypotheses are drawn up based on past experience, anticipation of the evolutions in the markets on which the group operates, or other factors considered to be reasonable in regard to the circumstances. These assessments impact the income and costs totals, as well as the book values of assets and liabilities.

The main fields concerned by these hypotheses and estimations are:

- Income forecasts for real estate programs, used for accounting for these operations in progress (notes 3.2 "Revenue and gross margin" 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 properties (note 5.4 "Investment property")
- inventory valuation (Note 3.4 “Inventories”)

The hypotheses for sale prices and occupancy rates based on income forecasts for real estate 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.

- Measurement of provisions (Note 8.1 "Provisions")

The estimation of the total listed under provisions corresponds to the release of resources that the group will be likely to bear in order to fulfill its obligation. If no reliable assessment of this amount can be made, no provision is recognised

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 epidemic. Shortages in certain materials leading to rising construction costs has 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). Over the half-year period, this strategy has enabled the group to maintain a solid economic performance while ensuring protection for its employees, accounts payable and subcontractors, and has allowed the group to implement all possible measures to adjust its costs and limit the impact of this crisis on its half-yearly income. Within this context, the effects have these elements have not been identified by the group as true indexes of value loss in relation to the previous situation at the start of the year when drawing up income forecasts for release to the market.

Inflatonist context

The current environment of commodity price inflation and the weakening of the financial strength of companies prompts the group to be particularly vigilant:

- In the choice of its companies in particular in terms of costs but also in terms of availability and financial strength
- In examining possible price indexation clauses requested by companies
- In monitoring the securing of budgets works of operations through the conduct of tenders and the signing of contracts

Processes and related controls are closely monitored.

Significant Event - Austerlitz Project (A7/A8)

At the beginning of the year, Kaufman & Broad completed the acquisition of the entire building volumes of the A7/A8 - Austerlitz Station operation and signed the contracts necessary for the completion of the project. This enabled the work to be launched and to proceed according to schedule. This transaction therefore has a significant impact on the Group's revenue and half year results.

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 as well as those consolidated using the consolidation and accounting methods described below, entities controlled by the parent (subsidiaries), jointly controlled entities (joint ventures) as well as entities over which the Group has significant influence over the management and financial policy (associates).

Control, regardless of the level of interest held in an entity, is the result of the following three components: The power to direct the key activities (operating and financial activities), the exposure or right to variable returns associated with the participation, and the ability to exercise that power so as to affect those returns. Only substantive rights, as conferred by shareholders' agreements, that can be exercised when decisions on key activities are to be made and that are not purely protective, are taken into account in determining power.

Note 2.1.1. Consolidated subsidiaries

The subsidiaries controlled by the Kaufman & Broad Group are fully consolidated.

The accounted 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 associates

Joint ventures are partnerships in which the group and the other parties engaged 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.

Associates 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 control. Significant influence is presumed when the Group holds, directly or indirectly, an interest 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 group share in the losses of an equivalent entity is greater than its interests in the latter, the group 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 associates and joint ventures

(In thousands of euros)	30 November 2022	Distribution	Share of profit for the year	Net change in receivables and changes in scope of consolidation	May 31, 2023
Equity-accounted investments in equity affiliates	2,946	(10)	457	9	3,402
Equity-accounted investments in joint ventures	8,710	0	(139)	372	8,942
TOTAL EQUITY-ACCOUNTED INVESTMENTS	**11,656**	**-11**	**318**	**381**	**12,344**
Receivables with Equity affiliates	3,475			4,706	8,181
Receivables with joint ventures	(821)			3,347	2,526
TOTAL RECEIVABLES WITH EQUITY AFFILIATES AND JOINT VENTURES	**2,654**	**0**	**0**	**8,052**	**10,707**
EQUITY AFFILIATES AND JOINT VENTURES	**14,310**	**(11)**	**318**	**8,433**	**23,051**
The joint ventures are legal entities either in the start up phase or at the end of their useful life (the corporate purpose is exhausted).					

The negative values of investments in associates and joint ventures are presented in liabilities under provisions for a value of - €2.4M.

Main balance sheet and income statement items of associates and joint ventures

	May 31, 2023		November 30, 2022	
(In thousands of euros)	Associates	Joint ventures	Associates	Joint ventures
Non current assets	5,447	27,692	6,015	20,784
Current assets	128,177	55,560	135,715	16,641
TOTAL ASSET	**133,624**	**83,252**	**141,730**	**37,425**
Shareholders' equity	8,449	18,058	7,615	18,793
Non current liabilities	9,307	27,148	12,277	14,344
Current liabilities	115,868	38,046	121,838	4,288
TOTAL EQUITY AND LIABILITIES	**133,624**	**83,252**	**141,730**	**37,425**

	May 31, 2023		May 31, 2022	
(In thousands of euros)	Associates	Joint ventures *	Associates	Joint ventures
Revenue	5,909		24,476	3,122
Cost of sales	(4,027)	(5)	(20,120)	(2,144)
GROSS MARGIN	**1,882**	**(5)**	**4,356**	**978**
Other costs and revenues	(808)	(70)	(374)	(758)
Current Operational Income (COI)	1,074	(74)	3,983	220
NET INCOME	**1,316**	**(273)**	**3,128**	**82**

Note 2.1.3. Business combinations

When control is obtained, the acquiree'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 by 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 accordance with the requirements of 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

During the year, 9 companies were added to the scope and 3 companies were dissolved.

Date	Companies acquired or created	Companies sold or dissolved
09/12/2022	SCCV CHATENAY MALABRY CENTRAL SCHOOL LOT M	
12/12/2022	SCCV SAINTE LUCE SUR LOIRE 10 RUE DU 8 MAY 1945	
19/01/2023	SCCV ARMENTIERES 2 AVENUE MARC SANGNIER	
20/01/2023	SCI KAUFMAN & BROAD PROJECTS 13	
20/01/2023	SCI KAUFMAN & BROAD PROJECTS 14	
06/03/2023		SCI 4 SQUARE NEWTON MONTIGNY LE BRETONNEUX
10/03/2023	SCCV DIVES SUR MER 36 RUE DES FRERES BISSON	
07/04/2023		SCCV SAFRAN
07/04/2023		SCCV SOPPIM NORMANDY 5
14/04/2023	SCCV DIJON 17 RUE DE L'ARQUEBUSE	
26/04/2023	SCCV ANDRESY 20 RUE CHANTELOUP	
23/05/2023	SNC CANNES ECLUSE AREA OF STONES	

Note 3. Operational data

Note 3.1. Segment reporting

In accordance with the provisions of IFRS 8 'Operating Segments,' the segment information presented corresponds to the organisation of internal reporting to the Group Management Committee, to assess performance. The Management Committee represents the chief operating decision maker within the meaning of IFRS 8.

Note 3.1.1. Income per operating segment

Year ended May 31, 2023 *(in thousands of euros)*	**Île de France**	**West**	**east**	**Corporate and Logistics Real Estate**
Revenue	183,146	116,371	139,370	394,142
Gross margin	**39,327**	**16,201**	**24,300**	**58,020**
Selling expenses	(4,477)	(3,229)	(3,565)	(286)
Administrative expenses	(2,821)	(4,049)	(6,355)	(1,776)
Technical and customer service expenses	(4,529)	(2,253)	(2,973)	(214)
Development and program expenses	(2,977)	(6,133)	(5,218)	(2,183)
Redistribution of proportionate share of head office recharge	(5,697)	(5,115)	(5,097)	(604)
Current Operational Income (COI)	**18,825**	**(4,579)**	**1,093**	**52,957**
Other non recurring income and expenses	0	0	0	0
Operating income	**18,825**	**(4,579)**	**1,093**	**52,957**
Cost of net financial debt and other costs/financial revenues	(4,012)	(3,785)	(5,172)	4,239
Redistribution of net financial debt cost	900	808	805	95
Pre-tax income (loss) of consolidated companies	**15,713**	**(7,555)**	**(3,274)**	**57,291**
Income tax	(3,697)	2,301	785,0	(14,850)
Share of income (loss) of equity affiliates and joint ventures	604	(73,0)	(1,0)	0
Income (loss) of the consolidated group	**12,620**	**(5,327)**	**(2,490)**	**42,441**
Attributable Net income	9,064	(7,757)	(3,421)	42,157
Non controlling interests	3,556	2,430	931	284

Year ended May 31, 2023 *(in thousands of euros)*	Other Activities	Managed residences	Head offices	Overall total
Revenue	12,115	3,706	0	848,849
Gross margin	**2,131**	**1,682**	**0**	**141,661**
Selling expenses	9,064	(7,757)	(3,421)	42,157
Administrative expenses	(268)	(29)	(2,633)	(14,487)
Technical and customer service expenses	(1,264)	(1,060)	(13,061)	(30,386)
Development and program expenses	(440)	0	(885)	(11,293)
Redistribution of proportionate share of head office recharge	(1,001)	(190)	(51)	(17,753)
Current Operational Income (COI)	**(116)**	**0**	**16,629**	**0**
Other non recurring income and expenses	0	0	0	0
Operating income	**(959)**	**403**	**0**	**67,742**
Cost of net financial debt and other costs/financial revenues	(676)	(637,0)	2,626	(7,417)
Redistribution of net financial debt cost	18	0	(2,626)	0
Pre-tax income (loss) of consolidated companies	**(1,616)**	**(234,0)**	**0**	**60,325**
Income tax	421,0	96	0	(14,944)
Share of income (loss) of equity affiliates and joint ventures	158,0	(55,0)	0	633
Income (loss) of the consolidated group	**(1,037)**	**(193,0)**	**0**	**46,014**
Attributable net income	(1,241)	(276,0)	0	38,527
Non controlling interests	204	82	0	7,487

The proportionate shares of head office recharge (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 of the segments according to their net profit before tax. The impacts of permanent differences taken into account in the calculation of income tax are reallocated according to the key described above.

Year ended May 31, 2022 *(in thousands of euros)*	Île de France	West	East	Corporate and Logistics Real Estate
Revenue	152,202	168,600	168,170	78,632
Gross margin	**31,375**	**29,496**	**27,640**	**9,309**
Selling expenses	(3,270)	(2,488)	(2,619)	(309,0)
Administrative expenses	(5,558)	(5,568)	(5,921)	(1,071)
Technical and customer service expenses	(5,062)	(2,289)	(2,971)	(423,0)
Development and program expenses	(2,725)	(4,189)	(4,164)	2,368
Redistribution of proportionate share of head office recharge	(2,238)	(2,118)	(2,195)	(466)
Current Operational Income (COI)	12,523	12,845	9,770	9,407
Other non recurring income and expenses	0	0	0	0
Operating income	**12,523**	**12,845**	**9,770**	**9,407**
Cost of net financial debt and other costs/financial revenues	(1,332)	(2,583)	(2,703)	(448)
Redistribution of net financial debt cost	107	101	105	22
Pre-tax income (loss) of consolidated companies	**11,297**	**10,363**	**7,172**	**8,982**
Income tax	(1,845)	(1,850)	(968,0)	(2,346)
Share of income (loss) of equity affiliates and joint ventures	794	(4)	(79)	681
Income (loss) of the consolidated group	**10,246**	**8,509**	**6,125**	**7,317**
Attributable net income	6,463	6,497	4,215	6,536
Non controlling interests	3,783	2,012	1,910	781

Year ended May 31, 2022 *(in thousands of euros)*	Other Activities	Managed residences	Head offices	Overall total
Revenue	3,659	3,122	0	574,385
Gross margin	**701**	**1,039**	**0**	**99,559**
Selling expenses	(80)	(16)	(584)	(9,366)
Administrative expenses	(1,054)	(1,389)	(5,607)	(26,169)
Technical and customer service expenses	(384)	0	(867)	(11,996)
Development and program expenses	(504)	0	(16)	(9,229)
Redistribution of proportionate share of head office recharge	(57)	0	7,074	0
Current Operational Income (COI)	(1,378)	(367)	0	42,800
Other non recurring income and expenses	0	0	0	0
Operating income	**(1,378)**	**(367,0)**	**0**	**42,800**
Cost of net financial debt and other costs/financial revenues	(59)	(149)	337	(6,936)
Redistribution of net financial debt cost	3	0	(337)	0
Pre-tax income (loss) of consolidated companies	**(1,434)**	**(515)**	**0**	**35,864**
Income tax	211	172,0	0	(6,626)
Share of income (loss) of equity affiliates and joint ventures	854	(41)	0	2,205
Income (loss) of the consolidated group	**(369)**	**(384)**	**0**	**31,444**
Attributable net income	(530)	(457)	0	22,723
Non controlling interests	162	73	0	8,720

Working Capital Requirement by operating segments

Year ended May 31, 2023 *(in thousands of euros)*	Île de France	West	East	Corporate and Logistics Real Estate
Inventories	194,678	116,293	112,154	14,485
Accounts receivable	162,866	131,735	115,512	71,441
Other	(260,865)	(195,283)	(198,663)	(314,605)
WORKING CAPITAL REQUIREMENT	**96,679**	**52,745**	**29,003**	**(228,679)**

Year ended May 31, 2023 *(in thousands of euros)*	Other Activities	Managed residences	Head offices	Overall total
Inventories	8,116	0	882	446,608
Accounts receivable	3,143	697	897	486,290
Other	(11,869)	(2,202)	75,275	(908,211)
WORKING CAPITAL REQUIREMENT	**(610)**	**(1,505)**	**77,054**	**24,687**

The heading 'Other' mainly consists of trade payables in the amount of 985.6 million euros, social and tax payables in the amount of 37.3 million euros, other receivables in the amount of 181.4 million euros and other payables in the amount of 66.7 million euros.

Year ended November 30, 2022 *(in thousands of euros)*	**Île de France**	**West**	**East**	**Corporate and Logistics Real Estate**
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**	**190,009**

Note 3.2.

Revenue and gross margin

The group mainly chooses to market most of its promotion operations using the Future Completion Sales (VEFA) regime, while in a few operations it opts for the Real Estate Development Contract (CPI) regime.

Through the Off-plan Sale Agreement, the legislator has provided real estate promoters 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, while also providing clients with a Financial Completion Guarantee (FCG). The accumulated payments from clients may not exceed 35% of the price upon completion of the foundations, 70% upon construction of the structural walls and waterproof roof, 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 Customers,' i.e. in proportion to the technical progress of which the starting point is the acquisition of the land, and the commercial progress (signature of sales deeds) of each program.

The application of IFRS 15 results in the application of the principle of revenue release on completion for property development activities carried out in the form of Sale in Future Completion (VEFA). In fact, under a VEFA contract or Real Estate Development Contract (CPI), the customer obtains control of the asset as it is created. On a development transaction, given the storage conditions for production outstandings, revenue is recovered on the stage of completion of all inventory costs.

Revenue and margin are recognised as work progresses based on forecasts made by programme and according to the following rule: The revenue recognised for a given programme is equal to the revenue from the cumulative revenue of the lots from which the notarially signed deed of sale was 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 programme and the total budget of the expenses that can be stored in said programme.

The forecasts used were fully reviewed quarterly and take into account, to the best of management's knowledge, expected changes in selling prices, marketing and costs.

Find below the distribution of the revenue and the gross margin classed by revenues:

	May 31, 2023		**May 31, 2022**	
(In thousands of euros)	**Revenue**	**Gross margin**	**Revenue**	**Gross margin**
Multi-occupancy housing	428,372	76,765	461,665	82,224
Single-family homes in communities	32,612	7,117	19,893	3,155
TOTAL HOUSING	**460,984**	**83,882**	**481,558**	**85,379**
COMMERCIAL PROPERTY	**380,969**	**55,215**	**87,280**	**12,555**
Management of Student residences operations	3,190	882	3,122	1,039
OTHER	**3,706**	**1,682**	**2,425**	**587**
REVENUE AND GROSS MARGIN TOTAL	**848,849**	**141,661**	**574,385**	**99,559**

Note 3.3. Operating expenses

(In thousands of euros)	May 31, 2023				May 31, 2022			
	Payroll burden and social security costs	Advertising fees	Other operating costs	Total	Payroll burden and social security costs	Advertising fees	Other operating costs	Total
Selling expenses	8,522	4,295	1,669	14,487	3,642	4,023	1,701	**9,366**
Administrative expenses	11,304	12	19,070	30,386	14,231	12	11,925	**26,168**
Technical and customer service expenses	10,191		1,102	11,293	10,423		1,572	**11,996**
Development and program expenses	9,892		7,861	17,753	9,521		-292	**9,229**
OPERATING COST TOTAL	**39,909**	**4,307**	**29,703**	**73,919**	**37,817**	**4,036**	**14,906**	**56,759**

Selling expenses

Selling expenses amounted to 14.5 million euros at May 31, 2023, compared with 9.4 million euros in 2022. This 54% increase was due to a 4.9 million euros increase in "salaries and social security charges" and a 0.3 million euros decrease in "advertising expenses".

Administrative expenses

- Administrative expenses amounted to 30.4 million euros at May 31, 2023 compared to 26.2 million euros in 2022, an increase of 16.0% attributable to the decrease in the "salaries and social security charges" item for 2.9 million euros, an increase in the ‘rents and rental charges’ item for 1.4 million euros due to a regularisation in the first half of 2022, the increase in the "Maintenance, electricity and telephone" item for 0.5 million euros, the decrease in the "fees" item for 0.4 million euros, the increase in other items for 0.9 million euros and the increase in the "calculated expenses" item for 4.7 million euros which mainly include an increase in provisions for risks and charges of 0.4 million euros and an increase in depreciation of current assets for 4.0 million euros.

Technical and customer service expenses

Technical expenses and after sales service amounted to 11.3 million euros at May 31, 2023, compared with 12.0 million euros in 2022, the decrease mainly coming from the "salaries and social security charges" item for 0.2 million euros and the ‘fees’ item for 0.2 million euros.

Development and program expenses

Development and programme expenses amounted to 17.8 million euros at May 31, 2023, compared with 9.2 million euros in 2022, including an increase of 0.4 million euros in the "salaries and social security charges" item, an increase of 1.5 million euros in the project abandonment expense and an increase of 6.3 million euros in net additions to provisions for impairment of inventories of new projects and an increase of 0.4 million in other calculated expenses (excluding impairment of inventories of new projects).

Expenses calculated in the cash flow statement

Unlike the calculated expenses presented in the income statement, the calculated expenses presented in the cash flow statement do not include impairment of current assets.

The expenses calculated in the cash flow statement mainly consist of depreciation of fixed assets for an amount of 7.5 million euros, the change in provisions for risks and charges for -2.1 million euros and the impact of free share plans for 0.9 million euros.

Note 3.4. Inventories

"New projects" correspond to programs that have not yet been developed. They are evaluated at the 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 a near future, is accounted for as costs.

Inventories of programmes under development are valued at cost. The latter includes the land acquisition price, ancillary costs, taxes, the cost of the VRD (Voirie Réseaux Divers), the cost of building and fitting out model areas, land costs as well as the fees and commissions inherent in the mandates issued by Kaufman & Broad to sell the real estate programs.

The IAS 2 standard provides for the stock 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 real estate programs and later engaged upon the signing of the sale agreement for the land, may be incorporated into Inventories.

Provisions are made to cover foreseeable losses, which are measured based on an analysis of the forecast economic and financial data of each project.

(In thousands of euros)	May 31, 2023 Gross	Depreciation	Net	November 30, 2022 Gross	Depreciation	Net
New projects	96,307	(21,980)	74,327	111,953	(18,954)	93,000
Programs in progress	378,111	(5,830)	372,280	357,016	(2,881)	354,135
STOCK TOTAL	**474,418**	**(27,810)**	**446,608**	**468,969**	**(21,835)**	**447,134**

The variation in depreciation can be broken down as follows:

(In thousands of euros)	November 30, 2022	Charges	Write-backs	May 31, 2023
New projects	18,954	10,460	(7,433)	21,980
Programs in progress	2,881	2,949	0	5,830
STOCK TOTAL	**21,835**	**13,409**	**(7,433)**	**27,810**

"New projects" inventories correspond to programmes not yet developed. They are evaluated at the 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.

Inventories net of expenditure on new projects were down by 18.7 million euros.

The provision for expenditure on new projects corresponds to the impairment of expenditure on projects that have not been formally abandoned but whose development is uncertain.

Gross inventories of ongoing programmes increased by 5.9% over the year.

Provisions for programmes in progress correspond to provisions for undeveloped acquired land and to provisions for losses to completion on programmes under development.

Note 3.5. Trade and other receivables

Trade receivables represent receivables arising from the recognition of revenue based on the progress of the programs. They can be broken down into the following elements:

- Calls for funds, made to customers at different stages of work in accordance with the regulations in force, not yet settled;
- The difference that may exist between the calls for funds and the actual progress recorded at the end of the financial year.

This deferral generated the majority of these receivables; these receivables are non-payable.

Customer receivables 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 put together. 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 secures the payment of trade receivables.

(In thousands of euros)	May 31, 2023 Gross	Depreciation	Net 2023	November 30, 2022 Gross	Depreciation	Net 2022
ACCOUNTS RECEIVABLE	**486,622**	**(332)**	**486,290**	**511,930**	**(395)**	**511,535**
Statement - VAT	149,418		149,418	159,919		159,919
Advances and deposits	1,064		1,064	1,973		1,973
Partner current accounts	13,954		13,954	12,842		12,842
Other financial receivables			0			-0
Receivables due from notaries	1,376		1,376	2,802		2,802
Other	17,373	(4,678)	12,695	13,530	(3,345)	10,185
OTHER RECEIVABLES TOTAL	**183,185**	**(4,678)**	**178,506**	**191,067**	**(3,345)**	**187,722**
STATEMENT - CURRENT TAX	**1,321**		**1,321**	**4,863**		**4,863**
PREPAID EXPENSES	**1,571**		**1,571**	**972**		**972**
TOTAL CUSTOMER RECEIVABLES AND OTHER RECEIVABLES	**672,699**	**(5,011)**	**667,688**	**708,831**	**(3,741)**	**705,091**

The set of "Customer receivables" and "Other receivables" reach maturity within one year.

The variation in depreciation can be broken down as follows:

(In thousands of euros)	November 30, 2022	charges	Write-backs used	Unused writebacks	May 31, 2023
Accounts receivable	395	28	-91		332
Other receivables and VAT	3,345	1966	-632		4,678
TOTAL	**3,741**	**1,994**	**-723**	**0**	**5,011**

During the year, there were no material additions to or reversals of provisions regarding trade and other receivables.

Note 3.5.1. Trade receivables

The difference between net trade receivables of 486.3 million euros and outstanding calls for funds of 80.5 million euros (after impairment), or 405.8 million euros, corresponds to the difference between the contractual calls for funds and the revenue recognised for the progress of the programs. The receivables corresponding to this offset are recorded exclusive of taxes.

As the notary writing the deed is, as a rule, required to ensure at the time of signing that the financing of the sale is assured, the provisions for impairment of trade receivables are insignificant.

Receivables beyond 90 days are essential composed of late payments on calls for funds for lots that have not yet been delivered to the buyers. A provision of 0.3 million euros has been set aside for receivables that the Group considers to be non recoverable.

The usual payment conditions for calls for funds are applicable from reception of these calls for funds.

As of May 31, 2023, the ageing of calls for funds was as follows:

	May 31, 2023		November 30, 2022	
(In millions of euros)	Value	In%	Value	In%
• Not yet due	6.7	8.3%	6.4	7.5%
• Less than 30 days	57.9	71.8%	63.5	75.2%
• from 30 to 60 days	11.9	14.7%	11.5	13.6%
• from 60 to 90 days	1.6	2.0%	1.3	1.6%
• Beyond 90 days	2.6	3.2%	1.8	2.1%
TOTAL CALLS FOR FUNDS	**80.5**		**84.4**	

Note 3.5.2. State - VAT

As of May 31, 2023, the "VAT" item includes the deductible VAT on supplier invoices recorded in the amount of 38.0 million (39.5 million euros as of November 30, 2022), the VAT recorded on invoices not received related to the recognition of costs at the stage of completion of the programs in the amount of 95.2 million euros (92.3 million euros as of November 30, 2022) and VAT credits in the amount of 16.2 million euros (28.2 million euros as of November 30, 2022).

Note 3.5.3. Associates' current accounts

This item reflects the share of loss allocated to minority shareholders and not settled at May 31, 2023 on fully consolidated operations. A provision of 8.2 million euros has been made to cover the current accounts of debtor partners presenting a risk of uncollectibility (see note 8.1 "Provisions").

Note 3.5.4. Other

"Other" includes the following items:

- A loan receivable from a partner in the amount of 1.2 million euros, fully provisioned due to an ongoing dispute between the group and this partner.
- A payment in respect of the Urssaf adjustment in the amount of 1.8 million euros, fully provisioned.
- Insurance premiums paid in 2022/2023 in the amount of 3.2 million euros, to be recharged to the programmes.
- A receivable from ETPE PROMOTION in the amount of 1.1 million euros, repayable from the fees to be invoiced by the partner.

Note 3.6. Breakdown of changes in working capital requirements

(In thousands of euros)	November 30, 2022	Variation in Working Capital Requirement of CFS	Scope variation	Other variations in the Working Capital Requirement	May 31, 2023
Inventories	447,134	(4,168)	3,641	0	446,607
Customers	511,535	(25,245)	0	0	486,290
Accounts payable	(842,063)	(140,961)	(727)	(1,815)	(985,566)
Other operating assets and liabilities	69,050	8,466	274	(943)	76,847
OPERATING WORKING CAPITAL REQUIREMENT (CASH FLOW STATEMENT)	**185,656**	**(161,908)**	**3,188**	**(2,757)**	**24,178**
Current tax	4,354	(9,685)		5,841	509
WORKING CAPITAL REQUIREMENT	**190,010**	**(171,593)**	**3,188**	**3,083**	**24,687**

The change in operating working capital requirements (excluding current taxes) on the statement of cash flows for 2023 was +161.9 million euros compared to 30 November 2022.

Note 3.7. Counterparty risk management

Counterparty risks for the Group potentially relate to suppliers/subcontractors, customer accounts and bank counterparties.

Given the plurality of the accounts payable and subcontractors, their insolvency shouldn't have a significant impact on activity. Kaufman & Broad considers that the counterparty risk related to customer accounts is very limited by the very large number of customers and by the fact that sales are signed exclusively before notary, as the financing of the acquisition of the property has, as a rule, been previously obtained.

The credit risk attached to the customer is handled by the relevant agency and supervised by head offices. Given its activity, the group is subject to slight exposure to customer failure risks. The term of customer receivables is reviewed monthly.

The Group places its cash, cash equivalents and investment 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 external to Kaufman & Broad. Due in particular to the economic and financial situation, some of the Group's partners associated with the co development operations may fail to carry out the real estate programme and may not be able to meet their commitments, resulting in the company having to meet the cash requirements generated by the real estate programmes concerned.

Note 4. Remuneration and employee benefits

Note 4.1. Payroll expenses

The fees of staff enrolled to the payroll of group companies are itemized as follows:

(In thousands of euros)	May 31, 2023	May 31, 2022
Salaries (excluding retirement benefits and employer's contributions)	(26,528)	(24,499)
Allowances Departure in Pensions: Benefits paid	(9)	
Employer's contributions to share purchase schemes	(651)	(802)
SALARIES	**(27,188)**	**(25,301)**
Expenses in relation to share-based payment	(931)	(835)
SALARIES AND OTHER COMPENSATION	**(28,119)**	**(26,135)**
Social contribution	(12,721)	(12,517)
Payroll taxes	(721)	(657)
Social security contributions Allowances Departure in Pensions	(65)	
TAX AND SOCIAL SECURITY CHARGES	**(13,507)**	**(13,174)**
TOTAL PAYROLL EXPENSES	**(41,626)**	**(39,309)**
Average headcount (full time equivalent)	817	815

Note 4.2. Provisions for retirement plans

The group has no commitments other than the retirement plans, which are subject to a provision in the group's consolidated accounts.

The valuation of this provision is made 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 his career, and the fees applied to the length of service acquired at the measurement date. The amount of the indemnity, thus assessed, is discounted and probabilised with the mortality table and the staff turnover table.

Actuarial gains and losses are recognised in full and directly in other comprehensive income in the period in which they arise.

The assumptions used to calculate termination benefits are as follows:

- Discount rate: "AA" Corporate bond rate (value determined by the IBOXX index) of 3.6%;
- Average rate of salary increase: 3.80% for employees under 40 and 2.20% for employees aged 40 and over;
- Long term inflation rate: 2.00%;
- Retirement age of 64 for all categories of staff;
- Average annual turnover rate of: 9.8% for managers and 7.1% for non managers knowing that a differentiated rate calculated on the average of the last three financial years has been applied by age group (for our half year closing, the turnover data used are identical to those used for the end of the 2022 financial year).

The discount rate used by the company based on market conditions is based on obligations with a term 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 would have to pay if it imposes the retirement of employees in accordance with the social legislation in force.

The table below shows details of the components of the expense for the year for end of career benefits:

(In thousands of euros)	May 31, 2023	November 30, 2022
Current service cost	74	153
Interest cost	78	46
Expense recognised in the income statement	152	199

Movements in the provision are as follows:

(In thousands of euros)	May 31, 2023	November 30, 2022
Net liabilities at beginning of period	5,491	6,648
Cost for the year	281	395
Benefits paid	-129	-196
Scope variation	0	14
Actuarial gains and losses (recognised in other comprehensive income)	136	-1,370
Net liabilities at end of period	5,779	5,491

The total amount of actuarial gains and losses at May 31, 2023 was 0.1 million euros, compared with income of 1.4 million euros at November, 30 2022. This change is due to the update of the discount rate.
At May 31, 2023, net liabilities would change to € 5,905 thousand with a discount rate of 3.35% and to € 5,657 thousand with a discount rate of 3.85%.

The commitment history of actuarial gains and losses generated breaks down as follows:

(In thousands of euros)	May 31, 2023	November 30, 2022	November 30, 2021	November 30, 2020	November 30, 2019
Commitment	5,779	5,491	6,648	7,119	7,907
Financial assets	-	-	-	-	-
Financial coverage	5,779	5,491	6,648	7,119	7,907
Actuarial losses and (gains) generated on the commitment	136	(1,370)	(628)	(555)	804

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 notably 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 plans

During the financial year, the Board of Directors decided to implement 2 new free share plans on February 24, 2023 pursuant to the authorisation of the Shareholders' Meeting of May 5, 2022.

Bonus share plan	February 2021 Plan 2	February 2022 Plan 1	February 2022 Plan 2	February 2023 Plan 1	February 2023 Plan 2
Date of authorization by the Extraordinary Shareholders' Meeting	05 May, 20	06 May, 21	06 May, 21	5 May 22	5 May 22
Number of bonus shares available to be awarded	146,351	250,000	118,447	250,000	112,178
Date of Board of Directors meeting awarding the shares	26-Feb-21	25-Feb-22	25-Feb-22	24 Feb 23	24 Feb 23
Number of beneficiaries	1	814	1	823	1
Types of shares	Existing	Existing	Existing	Existing	Existing
Number of bonus shares awarded	10,000	131,553	10,000	137,822	10,000
Expired shares	0	22,696	0	3,361	0
Shares outstanding at May 31, 2023	10,000	108,857	10,000	134,461	10,000
Market value on date of awarding	€36.55	€33.00	€33.00	€28.95	€28.95
Acquisition date	26-Feb-24	25-Feb-24	25-Feb-25	24 Feb 25	24 Feb 26
Availability date	26-Feb-25	25 Feb 26	25 Feb 26	24 Feb 27	24 Feb 27
Initial fair value of plan	189,985	2,504,590	186,241	2,224,160	168,581
Inputs into the model:	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model
• Exercise price	-	-	-	-	-
• Loss of liquidity of the shares (% of the forward price)	1%	1%	1%	1%	1%
• Expected dividends (in % of capitalization)	€1.85 to €2.5 per share	€1.95 per share	€1.95 per share	€2.10 to €2.40 per share	€2.10 to €2.40 per share
• Risk-free interest rate (market rate)	-0.46% to -0.52%	From -0.33% to 0.10%	From -0.33% to 0.10%	From 3.30% to 3.45%	From 3.30% to 3.45%
• 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, 14.63% for key executives 18.47%/year for others		0% for the Chairman, 11.69% for key executives 22.15%/year for others	
	0% for the Chairman		0% for the Chairman		0% for the Chairman

The free share plans generated an expense in the first half of 2023 of 0.9 million euros, detailed as follows, recognised in the income statement with a counterpart in equity

(In thousands of euros)	Plan 27/02/20 No. 2	Plan 02/26/21 No. 1	Plan 02/26/21 No. 2	Plan 02/25/22 No. 1	Plan 02/25/22 No. 2	Plan 24/02/23 No. 1	Plan 24/02/23 No. 2	Total
Initial value	197	2,121	190	2,505	186	2,224	169	7592
Expenses for the period	(68)	196	32	442	31	284	15	931

Note 5. Intangible assets and property, plant and equipment

Note 5.1. *Goodwill*

Goodwill is determined on the acquisition date. The accounting for the company regrouping is finalized during 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 consolidated companies by Cash Generating Unit (CGU) breaks down as follows:

(net value in thousands of euros)	May 31, 2023	November 30, 2022
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**

(In thousands of euros)	May 31, 2023	November 30, 2022
Balance at start of period	68,661	68,661
Increase		
Impairment loss		
BALANCE AT END OF PERIOD	**68,661**	**68,661**

Goodwill *was* tested for impairment at 30 November 2022 in accordance with the principles described in note 5.6 'Impairment losses on fixed assets.' They led to the conclusion that there was no impairment. The recoverable amount used was based on value in use. As the group has not identified any indications of impairment, and the forecast margins of the transactions remain broadly unchanged, goodwill has not been tested at May 31, 2023.

Note 5.2. Other intangible assets

Intangible assets mainly include the valuation of Kaufman & Broad brands and logos. The life span of this asset is undetermined and therefore is not subject to amortization, but is rather subject to value loss testing on either an annual basis or upon identification of a value loss indicator.

Other intangible assets consist of software development costs and software which are recognised at acquisition or production cost and are amortised on a straight line basis over their useful lives, which generally do not exceed 5 years.

Other intangible assets break down as follows:

	May 31, 2023			November 30, 2022
(In thousands of euros)	Gross value	Total amortizations	Net value	Net value
Kaufman & Broad brand	80,422		80,422	80,422
Other intangible assets	48,377	(36,869)	11,508	11,477
INTANGIBLE ASSET TOTAL	**128,799**	**(36,869)**	**91,930**	**91,899**

The brand is tested for impairment with goodwill (see *note 5.6*. "Value losses on intangible assets").

The evolution of the net value of intangible fixed assets is analyzed as follows:

(In thousands of euros)	May 31, 2023	November 30, 2022
Balance at start of period	91,899	91,157
Newly consolidated companies	0	569
Acquisition of intangible assets	1,958	3,482
Sales, write-offs and change in scope of consolidation		
Amortization expenses	(1,927)	(3,752)
Other movements	0	444
BALANCE AT END OF PERIOD	**91,930**	**91,899**

Acquisitions of intangible assets and depreciation only concern computer software.

Note 5.3. Rights of use (IFRS 16)

Treatment of leases under IFRS 16

IFRS 16 requires 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 at the inception of the contract at the present value of future payments.

These contracts are recorded as 'long term lease liabilities' and 'short term lease liabilities' under liabilities with 'rights of use relating to leases' recognised as assets. They are amortised over the lease term, which generally corresponds to the contract's enforceable term, unless it has been re estimated using an economic approach to determine the reasonably certain useful life.

The application of IFRS 16 on leases had a gross impact of 37.9 million euros at May 31, 2023.

The following hypotheses have been selected for the accounting estimation:

- Lease term: final contractual maturity of the lease, or for the 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

Contracts prior to 2022:

- Leases with a lease term of 48 months or less: 1.5%
- Leases with a lease term of more than 48 months: 3%

New contracts 2022:

- Leases with a lease term of 48 months or less: 1.5%
- Leases with a lease term of more than 48 months: 6%

(In thousands of euros)	Nov 30, 2022	Acquisitions	Amortizations	Other variations	May 31, 2023
Buildings	48,108	1,907		(75)	49,941
Stores	1,466	31			1,497
Vehicles	1,953	12		(145)	1,819
IT. materials	33			(33)	0
TOTAL GROSS RIGHT-OF-USE	**51,561**	**1,950**	**0**	**(253)**	**53,257**
Buildings	(9,741)		(3,677)	(85,0)	(13,503)
Stores	(589)		(118)		(707)
Vehicles	(1,004)		(262)	145	(1,120)
IT. materials	(31)			31	0
TOTAL AMORT. RIGHT-OF-USE	**(11,365)**	**0**	**(4,057)**	**92**	**(15,330)**
TOTAL NET VALUE RIGHT-OF-USE	**40,196**	**1,950**	**(4,057)**	**(162)**	**37,927**

Note 5.4. Investment properties (IAS40 and IFRS13)

IAS40 leaves the choice of accounting policy for assets classified as investment property between the fair value model and the cost model. The Group applies the fair value model to measure its investment properties. The fair value of an investment property is the price that would be received from the sale of an asset in an orderly transaction between market participants at the measurement date. The fair value is carried out in accordance with IFRS 13.

We would like to point out that, despite the valuation carried out by property experts as at November 30, 2022, we determined that fair value adjustment was not necessary in this specific case. After careful assessment, it was concluded that the impact of this adjustment on our financial statements would be immaterial due to its immaterial nature. However, we remain alert to future developments and will regularly re evaluate this decision to ensure the transparency and accuracy of our financial information.

	May 31, 2023			November 30, 2022
(In thousands of euros)	Gross value	Fair value measurement	Adjusted Value	Adjusted Value
Investment property commissioned	19,940	19,940	19,940	19,876
Investment property in progress			0	
Total net property, plant and equipment	19,940	19,940	19,940	19,876

(In thousands of euros)	May 31, 2023	November 30, 2022
BALANCE INVESTMENT PROPERTY OPENING	**19,876**	**11,818**
Acquisitions of investment properties	64	7,924
Sales, scrapping and variation of scope		134
GROSS INVESTMENT PROPERTY BALANCE AT END OF PERIOD	**19,940**	**19,876**
BALANCE FAIR VALUE ADJUSTMENT OPENING	**0**	**0**
Fair value adjustment through profit or loss		
Sales, scrapping and variation of scope		
BALANCE INVESTMENT PROPERTY AMORTISATION IMPAIRMENT LOSS END OF PERIOD	**0**	**0**
ADJUSTED BALANCES OF INVESTMENT PROPERTIES	**19,940**	**19,876**

Note 5.5. Other property, plant and equipment

Tangible fixed assets are accounted for at their acquisition cost.

The amortization 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:

- Fixtures, fittings and installations: 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:

	May 31, 2023				November 30, 2022
(In thousands of euros)	Gross value	Total amortizations	Provisions for impairment	Net value	Net value
Land					
Fixtures and fittings	16,255	(9,234)		7,021	7,831
Other tangible assets	13,481	(10,295)		3,186	3,209
Outstanding	56			56	30
TOTAL NET PROPERTY, PLANT AND EQUIPMENT	**29,792**	**(19,529)**	**0**	**10,263**	**11,070**

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 analyzed as follows:

(In thousands of euros)	May 31, 2023	November 30, 2022
GROSS PROPERTY, PLANT AND EQUIPMENT OPENING BALANCE	**29,209**	**26,222**
Acquisitions of property, plant and equipment	583	8,119
Sales, scrapping and variation of scope		(5,132)
GROSS PROPERTY, PLANT AND EQUIPMENT CLOSING BALANCE	**29,792**	**29,209**
BALANCE OF PROPERTY, PLANT AND EQUIPMENT AMORTIZATIONS VALUE LOSS ON OPENING	**(18,139)**	**(20,676)**
Sales, scrapping and variation of scope	162	4,813
Depreciation (net of reversals))	(1,551)	(2,776)
Provisions for impairment (net of reversals)		500
BALANCE OF PROPERTY, PLANT AND EQUIPMENT AMORTIZATIONS VALUE LOSS ON CLOSING	**(19,528)**	**(18,139)**
PROPERTY, PLANT AND EQUIPMENT NET BALANCE	**10,264**	**11,070**

Note 5.6. Impairment of fixed assets

Cash Generating Units

Cash-Generating Units (CGU) constitute standardized sets of assets of which the continuous use 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;
- Bernard Teillaud residences;
- Kaufman & Broad Rhône Alpes;
- Kaufman & Broad Méditerranée;
- Kaufman & Broad Ouest;
- Kaufman & Broad Pyrénées Atlantiques;
- Kaufman & Broad Côte d'Azur;
- Kaufman & Broad Flanders;
- Kaufman & Broad Corporate Real Estate and Logistics;
- Kaufman & Broad Est.

Depreciation test

For goodwill *and* intangible assets with an indefinite useful life, impairment tests are carried out at least once a year to ensure that the net carrying amount of goodwill and non depreciable intangible assets allocated to each of the CGUs or groups of CGUs is at least equal to the recoverable amount.

Property, plant and equipment and intangible assets are subject to impairment when, as a result of events or circumstances that occurred during the period (obsolescence, physical deterioration, significant changes in the method of use, lower than expected performance, fall in revenues and other external indicators, etc.), their recoverable amount appears to be lower than their net book value.

Impairment tests are performed by asset group (Cash Generating Unit) by comparing their recoverable amount with their net book value.

The need to recognise an impairment loss is assessed by comparing the carrying amount of the assets and liabilities of the CGUs with their recoverable amount. The recoverable amount is the higher of fair value net of disposal costs and value in use.

Fair value net of costs of disposal is determined as the best estimate of the selling value net of costs of disposal in an arm's length transaction between knowledgeable, willing parties. This estimate is determined on the basis of available market information taking into account specific situations.

The value in use used by Kaufman & Broad corresponds to the cumulative free cash flows discounted over a period of 5 years with a terminal value.

At May 31, 2023, the Group maintained its forecasts for the 2023-2027 period. In the absence of indicators of impairment, no tests were performed.

Note 6. Financing and financial instruments

Note 6.1. Financial assets and liabilities

Financial assets are classified and measured at amortised cost. These are mainly receivables related to investments, loans, deposits and guarantees paid.

Financial liabilities are classified into three categories and comprise:

- Borrowings at amortised cost;
- Financial liabilities recognised at fair value through profit or loss;
- Financial liabilities carried at fair value through other 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 amortized actuarially over the life span of the liability, according to the EIR method.

The fraction of financial debts maturing within on 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 fair value variation of the derivatives instruments is registered as a counterpart to the income statement, except in cases of hedging, as indicated below. There were no derivative instruments in the financial statements at May 31, 2023

Cash flow hedging instruments

The group only uses future cash flow hedging instruments:

- Cash flow hedges consist of a hedge 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 (eg the interest flows of the floating rate debt) and that would affect the reported net profit or loss;
- The effective part of the fair value variation for the hedging instrument is recorded under other elements in the global income. The variation in the value of the ineffective part of the hedging instrument is accounted for individually in the financial cost income. The totals recorded under equity are included in the income statement symmetrically with the hedged elements accounting method. There were no hedging instruments at May 31, 2023.

Trade and other payables

The majority of the positions included in the consolidated financial statements (85%) are presented at their carrying amount, given their short term nature. On the other hand, the remaining 15%, which are medium to long term in nature, are presented at their present market value.

Note 6.1.1. Book value and fair value of financial assets and liabilities by category

(In thousands of euros)	May 31, 2023 Fair value per income	Fair value other comprehensive income	Amortised cost	Value on balance sheet	November 30, 2022 Fair value per income	Fair value other comprehensive income	Amortised cost	Value on balance sheet
Financial assets								
Other Non-Recurring Financial Assets			7,610	7,610			7,549	7,549
Accounts receivable			486,290	486,290			511,535	511,535
Other current receivables			178,515	178,515			187,722	187,722
Current tax status			1,312	1,312			4,863	4,863
Cash flow and Cash equivalents	267,082			267,082	100,998			100,998
FINANCIAL ASSET TOTAL	**267,082**	**0**	**673,726**	**940,809**	**100,998**	**0**	**711,669**	**812,667**
Financial liabilities								
Borrowings and financial debt			165,422	165,422			168,832	168,832
Lease debt Ifrs16			42,000	42,000			41,901	41,901
Minority interest put debt	3,614			3,614	3,560			3,560
trade payables			985,566	985,566			842,063	842,063
Current tax status			803	803			509	509
Other current debts			102,134	102,134			118,463	118,463
FINANCIAL LIABILITY TOTAL	**3,614**	**0**	**1,295,926**	**1,299,539**	**3,560**	**0**	**1,171,768**	**1,175,328**

IFRS 13 requires a three level hierarchy of valuation techniques to determine fair value. The categories are as follows:
- Level 1: Direct reference to quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs, other than quoted prices included in Level 1 inputs, 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 inputs.

(In thousands of euros)	May 31, 2023 Book value	FMV	Level	November 30, 2022 Book value	FMV	Level
Assets						
Cash Flow and Cash equivalents	267,082	267,082		100,998	100,998	
TOTAL ASSETS	**267,082**	**267,082**		**100,998**	**100,998**	
Liabilities						
Syndicated credit line						
Bonds	150,000	150,000	3	150,000	150,000	3
Credit facilities used	2,655	2,655	3	3,889	3,889	3
Other borrowings and finance leases	12,767	12,767	3	14,943	14,943	3
Fair value of derivatives						
TOTAL LIABILITIES (EXCLUDING IMPACT OF IFRS16 LEASE LIABILITIES)	**165,422**	**165,422**		**168,832**	**168,832**	
IFRS 16 lease debt	42,000	42,000	3	41,901	41,901	3
Minority interest put debt	3,614	3,614	3	3,560	3,560	3
TOTAL LIABILITY	**211,035**	**211,035**		**214,293**	**214,293**	

Loans and receivables

The Group considers that the balance sheet value of cash, trade receivables and trade payables is the most representative value of their market value due to the high degree of liquidity of these items.

Debt at amortised cost

With the exception of the bond issue, borrowings are at floating rates and the Group considers that their fair value approximates their carrying amount.

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 constituting gross financial debt, and accrued interest on balance sheet items constituting gross financial debt.

Gross financial debt by nature

At May 31, 2023, gross financial debt was as follows:

	May 31, 2023			November 30, 2022
(In thousands of euros)	Current	Non current	Total	
Syndicated credit line [(a)]			0	0
Bond issue [(b)]	50,000	100,000	150,000	150,000
Issuance expenses	(352)	(37)	(389)	(581)
Credit facilities used	2,655		2,655	3,889
Other borrowings and leasing [(c)]	16	13,140	13,156	15,525
Fair value of derivatives			0	0
GROSS FINANCIAL DEBT (EXCLUDING IMPACT OF IFRS16 LEASE DEBT)	**52,319**	**113,103**	**165,422**	**168,832**
IFRS 16 lease debt	7,287	34,713	42,000	41,901
Financial debt on minority put options		3,614	3,614	3,560
GROSS FINANCIAL DEBT	**59,606**	**151,430**	**211,035**	**214,293**

(a) The revolving credit facility (RCF) set up in January 2019 was used and partially repaid in 2022. The maturity of this line has been extended from January 31, 2024 to January 31, 2025.

(b) The bonds issued in May 2017 have the following maturities: The 50 million euros tranche is due at maturity in 2024 and the 100 million euros tranche is due at maturity in 2025.

(c) The group has taken out a new loan for an amount of €12.3M allocated to the new residential operation business.

At May 31, 2023, the Group used 150 million bonds.

Bond issue

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 tranche of 50 million euros with a 7 year maturity (maturing in May 2024) at an annual fixed rate of 2.879% payable on May 31 of each year, and a tranche of 100 million euros with a 8 year maturity (maturing in May 2025) at an annual fixed rate of 3.204% payable on May 31 of each year.

This transaction also enabled the Group to diversify its sources of financing, benefit from favourable market conditions and substantially extend the average maturity of its debt.

Adjustment of financial ratios

For accounting periods beginning in November 2017, until the bond issue is redeemed, 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 at May 31, 2023	Ratio at May 31, 2023 *
Leverage ratio (1)	< or = 3.0	(0.85)
Debt ratio (2)	< or = 2.5	(0.29)

(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 refers to 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 depreciation, amortisation and provisions, fair value adjustments, expenses or income related to non monetary compensation of employees) and gains or losses on disposals of assets, and less income from minority interests.

(2) Net Financial Debt (a) divided by adjusted equity (c);

(a) Adjusted shareholders' equity = consolidated shareholders' equity at 30th November 2016 + cumulative consolidated profit from 1st December 2016 to the end of the quarter under review - dividends paid over the period under review + cumulative impairment charge from the period from 1st December 2016 to the end of the quarter under review.

* 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 fiscal year 2022, the international rating agency Fitch assigned Kaufman & Broad S.A. an Investment Grade BBB- rating with stable outlook. Fitch refers in particular to Kaufman & Broad's solid business model and its high level of cash flow, favored by limited working capital in the project cycle. Kaufman & Broad is currently the only pure developer in continental Europe with 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)

Senior Credit Agreement

Kaufman & Broad SA signed a syndicated loan agreement in the amount of 250 million euros with an initial maturity of 5 years on 31 January 2019. This credit supplants 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 improve their cost, while giving greater flexibility of use according to needs and opportunities, in addition to its available cash. The option of extending the agreement by one year, as initially provided for in the agreement signed in January 2019, prolonging the maturity to January 31, 2025, was authorized by the lenders in May 2020.

As a result, at May 31, 2023, the Group had syndicated loans consisting of a revolving credit line (the 'Revolving Credit') for a principal amount of 250 million euros. At May 31, 2023, 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 the accounting half-year periods from November 2018 onwards until the maturity of the Syndicated Credit Agreement, the group is obliged to respect two ratios, calculated on a consolidated basis, for which the levels have been defined as follows:

Ratios at end of each half-year period	Threshold at May 31, 2023	Ratio at May 31, 2023
Leverage ratio (1)	< or = 3.0	(0.85)
Debt ratio (2)	< or = 2.0	(0.32)

(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 refers to 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 depreciation, amortisation and provisions, fair value adjustments, expenses or income related to non monetary compensation of employees) and gains or losses on disposals of assets, and less income from minority interests.

(2) Net Financial Debt (a) divided by adjusted equity (c);

(a) Adjusted equity = consolidated equity at 30th November 2017 + cumulative consolidated profit from 1st December 2017 to the end of the quarter under review - dividends paid over the period under review + cumulative impairment charge from the period from 1ST December 2017 to the end of the quarter under review.

Finally, the 2019 Syndicated Credit Agreement provides that in the event of a change of control of Kaufman & Broad SA, the total commitments would be automatically cancelled and all outstanding advances as well as any accrued interest, any remploi costs 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 'acting in concert' has the meaning given to it by Article L.233-10 of the French Commercial Code.

Unused syndicated lines of credit

(In thousands of euros)	May 31, 2023	November 30, 2022
Unused RCF line	250,000	250,000

Gross financial debt variation

Gross financial debt at November 30, 2022 (excluding ifrs16 lease debt)	172,391
Issuance expenses	192
Senior debt repayment	
Change in other borrowings [(a)]	(2,307)
Change in deposits received	(60)
Change in credit facilities	(1,234)
Change in long term minority put liabilities	53
GROSS FINANCIAL DEBT AT MAY 31, 2023 (EXCLUDING IFRS16 LEASE DEBT)	**169,035**
IFRS16 RENT DEBT AT NOVEMBER 30, 2022	**41,901**
Change in FRS 16 lease debt	99
GROSS FINANCIAL DEBT AT MAY 31, 2023	**211,035**

(a) This amount includes the payment of accrued interest.

Note 6.1.3. Net financial debt

Cash Flow and Cash Equivalents

Cash and cash equivalents consist of cash and demand deposits and cash equivalents within the meaning of IAS 7: These are short term investments, generally less than three months, easily convertible into a known amount of cash, not subject to significant risks of change in value and denominated in euros (mainly SICAV and Mutual Funds and certificates of deposit).

At each balance sheet date, short term investments are measured at fair value and any difference is recognised in the income statement.

The group's cash and cash equivalents break down as follows:

(In thousands of euros)	May 31, 2023	November 30, 2022
Banks and cash equivalents available [(a)]	115,967	99,412
Short term investments and term deposits	150,000	
Reserve balances [(b)]	1,115	1,586
CASH FLOW AND CASH FLOW EQUIVALENTS	**267,082**	**100,998**

(a) In accordance with the provisions of the Construction and Habitation Code, the payment of any sum due by the programme companies to their associates may only be made up to and within the strict limit of the sums that the programme companies will have free disposal as and when the construction operations are completed.

(b) The book balances represent the 5% deposits paid by customers when signing their reservation to an escrow bank account. These amounts are released and therefore available upon execution of the notarized deed of sale.

Net financial debt

The net financial debt constitutes the gross financial debt, as defined above, deducted by the cash flow and cash equivalents.

The balance sheet elements contributing to the net financial debt are as follows:

(In thousands of euros)	May 31, 2023	30 November 2022
Gross financial debt (excluding IFRS16 lease liabilities)	169,035	172,393
Cash Flow and Cash equivalents	267,082	100,998
NET FINANCIAL DEBT (EXC. IFRS 16 LEASE DEBT)	**(98,047)**	**71,395**
Lease debt Ifrs16	42	41,901
NET FINANCIAL DEBT	**(56,047)**	**113,296**

Note 6.2. Exposure to market risks and financial instruments

Note 6.2.1. Interest rate risk management

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 a significant component of the fair value is based on unobservable data (level 3). The fair value of financial instruments traded in active markets is based on quotations at the balance sheet closing 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 conforming transactions. These instruments are classified in Level 1.La fair value of financial instruments that are not quoted in an active market (for example, OTC derivatives) is determined using valuation techniques. These various methods maximize the use of observable market data, if available, and are seldom based on the group's own estimations. If all the elements required to calculate the fair value of the instrument are observable, this instrument is classified in level 2.Si one or more of the main calculation elements are not based on observable market data, the instrument is classified in 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 global debt costs remain within an acceptable range. To achieve this objective, the group hedges the interest flows from its variable-rate loans with interest rate swaps. These latter constitute derivatives hedging the cash flows. They are accounted for in the balance sheet at their fair value. Kaufman & Broad applies cash flow hedging accounting.

The interest rate risk hedging is ensured through instruments listed on regulated markets or over-the-counter, with top-tier arrangements.

The Group no longer has any hedging instruments since the first half of 2019.

The group's net debt exposure at May 31, 2023 was:

Instrument type	Variable/fixed	< 1 year	1 to 5 years	> 5 years
Syndicated lines of credit				
Bond issue	Fixed	50,016	100,000	
Other emrpunts	Fixed			12,490
Credit facilities	floating	2,655		
Financial liabilities		**52,671**	**100,000**	**12,490**
Banks and cash equivalents available [(a)]	floating	115,967		
Short-term investments	floating	150,000		
Order balances	floating	1,115		
Financial assets		**267,082**	**0**	**0**
NET POSITION AFTER MANAGEMENT		**(214,412)**	**100,000**	**12,490**

(a) In accordance with the provisions of the Construction and Habitation Code, the payment of any sum due by the programme companies to their associates may only be made up to and within the strict limit of the sums that the programme companies will have free disposal as and when the construction operations are completed.

Financial asset and liability sensitivity to rate variations

Assumptions: EURIBOR 1 months at 2.17%

A 50 basis point increase or decrease in rates or a 10 basis point decrease in the above liabilities would have an impact on profit before tax of:

- Upward: -1,264 thousand euros;
- Downward: +253 thousand EU

The group's net debt exposure at November 30, 2022 was:

Instrument type	Variable/fixed	< 1 year	1 to 5 years	> 5 years
Syndicated lines of credit				
Bond issue	Fixed	2,322	150,000	
Other borrowings	Fixed			12,490
Credit facilities	floating	3,889		
Financial liabilities		**6,211**	**150,000**	**12,490**
Banks and cash equivalents available [(a)]	floating	99,412		
Short-term investments	floating			
Order balances	floating	1,586		
Financial assets		**100,998**	**-0**	**-0**
NET POSITION AFTER MANAGEMENT		**(94,787)**	**150,000**	**12,490**

(a) *In accordance with the provisions of the Construction and Habitation Code, the payment of any sum due by the programme companies to their associates may only be made up to and within the strict limit of the sums that the programme companies will have free disposal as and when the construction operations are completed.*

Note 6.2.2. Share risk management

The company's exposure to risks on shares is measured, as:

- Treasury shares are held either to hedge the objectives described in the buy-back program for shares including stock option plans and bonus shares, or as part of the liquidity agreement. The impact of all these shares and price fluctuations is described in note 7.1.4 'Treasury shares.'

Note 6.2.3. Liquidity risk management

The following table indicates 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. Variable rate interest payments were calculated based on the last known interest rates on May 31, 2023.

	Carrying amount at May 31, 2023											
	< 1 year		From 1 to 2 years		from 2 to 3 years		3 to 5 years		Over 5 years			
(In thousands of euros)	Interest	Repayments	Interest	Repayments	Interest	Repayments	Interest	Repayments	Interest	Repayments	Total	Book value at May 31, 2023
Borrowings and financial liabilities												
Syndicated Credit Lines											0	0
Bond issue	6,494	50,000	4,131	100,000							160,625	150,000
Other borrowings	366	2,879	272		272		543	650	457	12,490	17,929	16,019
TOTAL (EXCLUDING IFRS 16 LEASE LIABILITIES AND MINORITY PUT LIABILITIES)	**6,860**	**52,879**	**4,403**	**100,000**	**272**	**0**	**543**	**650**	**457**	**12,490**	**178,554**	**166,019**
Debt on minority put	151		151		151		303	3,614			4,370	3,614
IFRS 16 lease debt		7,079		7,468		5,483		9,101		12,661	41,792	41,792
TOTAL	**7,011**	**59,958**	**4,554**	**107,468**	**423**	**5,483**	**846**	**13,365**	**457**	**25,151**	**224,716**	**211,425**

Interest flows are settled monthly.

Note 6.3. Net Financial Income

(In thousands of euros)	May 31, 2023	May 31, 2022
Financial expenses	(11,181)	(8,176)
Financial income	3,763	1,241
FINANCIAL RESULT	**(7,417)**	**(6,936)**

The financial result amounted to -7.4 million euros at May 31, 2023, an increase of 0.5 million euros compared to May 31, 2022.

Financial expenses break down as follows:

(In thousands of euros)	May 31, 2023	May 31, 2022
Interest expenses on Syndicated Credit lines and bond issue	(2,499)	(2,460)
Charges for the deferral of arrangement fees for syndicated lines	(192)	(192)
Financial costs on IFRS 16 lease debts	(1,175)	(249,0)
Expenses on dedicated transactions	(2,630)	(2,926)
Provision charge on advances	(776)	(995)
Other	(3,909)	(1,355)
FINANCIAL EXPENSES	**(11,181)**	**(8,176)**

Interest charges on syndicated lines of credit and the bond loan are due for the use of these lines of credit. For the 2023 financial year, the bond issue was used for 150.0 million euros and the credit lines were not used, compared with 150.0 million euros at May 31, 2022 for the bond issue and 15 million on average at May 31, 2022 for the credit lines.

The overall effective rate of debt taking into account the overall amortisation of issuance costs incurred and hedges was 3.94% compared to 4.10% in 2022.

* Including €1.8M relating to the discounting expense of medium term current liabilities and €0.8M in non utilisation fees.

Cash income breaks down as follows:

(In thousands of euros)	May 31, 2023	May 31, 2022
Capital gain from Liquidity Agreement sale	56	21
Revenues from financial interests on equivalent companies	489	104
Investment products (term deposit, marketable securities)	2,512	39
Provision write-back on advances	706	1,077
Late interest		
FINANCIAL INCOME	**3,763**	**1,241**

Note 7. Shareholdre's equity and income per share

Note 7.1. Shareholder's equity

Note 7.1.1. Changes in share capital

Capital reduction

Pursuant to the authorisation granted at the Shareholders' Meeting of May 5, 2022, the Board of Directors' meeting of January 27, 2023 reduced its share capital by cancelling 500,000 treasury shares, for a value of 14.8 million euros, thereby increasing the number of shares comprising the company's share capital from 21,613,022 to 21,113,022 shares

(In thousands of euros)	Nov 30, 2022	Increase	Reduction	May 31, 2023
Number of shares	21,613,022		(500,000)	21,113,022
Par value (in €)	0.26		0.26	0.26
TOTAL (IN € THOUSANDS)	**5,619**	**0**	**(130)**	**5,489**

Note 7.1.2. Consolidated reserves

At May 31, 2023, consolidated reserves included attributable net income for the year for 38.5 million euros.

Note 7.1.3. Dividends

The Shareholders' Meeting of Kaufman & Broad S.A. held on May 4, 2023 proposed to the shareholders the payment in cash of the dividend for the year ended November 30, 2022.

The total cash dividend paid to shareholders amounts to €49.5M.

Note 7.1.4. Treasury shares

Purchases of treasury shares are recorded as a deduction from equity based on their acquisition cost. On the sale of treasury shares, gains and losses are recorded in consolidated reserves at their amounts net of tax.

At May 31, 2023, the Group held 487,599 shares, of which 5,000 under a liquidity contract. At November 30, 2022, the Group held 1,053,314 treasury shares, of which 6,000 under the liquidity contract.

Note 7.1.5. Non controlling interests

At May 31, 2023, non controlling interests in the balance sheet amounted to 16.8 million euros and concerned 173 companies, including a debit amount of 4.6 million euros.

At November 30, 2022, the non controlling interests in the balance sheet for 14.7 million euros concerned 188 companies. The total amount of non controlling interests in debit amounted to 4.6 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 co promotion transactions, since 2009 the group has made a provision of 7.8 million euros, of which 1.2 million euros in provision for impairment of receivables (note 3.5.4 'Other') and 6.6 million euros in provisions for risks to cover current accounts receivable related to this partner. This provision did not change in 2023.

During the first half of 2023, no material acquisition of units from holders of non controlling interests took place compared to 2.5 million euros as at 30 November in 2022. 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.

Note 7.1.6. Acquisition of new entities

As at May 31, 2023, no significant acquisition took place.

Note 7.2. Earnings per share

In accordance with IAS 33, the group presents basic earnings per share and diluted earnings per share.

Earnings per share per share is calculated by dividing the net income for the financial year that is attributable to the group's shareholders by the average number of ordinary outstanding shares over the course of the financial year.

Diluted earnings per share is calculated using the share buy-back method. It's 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 income takes into account the conversion of outstanding dilution instruments into ordinary shares over the relevant period.

In order to ensure the comparability of the income 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 an exchange rate lower than the market exchange rate.

Treasury shares deducted from consolidated equity are not taken into account in the calculation of earnings per share.

(In thousands of euros)	May 31, 2023	November 30, 2022
Attributable net income	38,527	49,008
Average number of shares outstanding	21,014,646	20,990,005
EARNINGS PER SHARE	**€1.83**	**€2.33**
Adjustment for dilutive effect of share awards	273,318	218,591
DILUTED EARNINGS PER SHARE	**€1.81**	**€2.31**

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 in order to provide profitability to shareholders, and also to maintain an optimal capital structure with the aim of limiting the cost of capital.

The Group calculates its "Indebtedness Ratio" as the net financial debt as a proportion of shareholders' equity totaux.Au May 31, 2023, net financial debt amounted to -56.0 million euros (including IFRS16 debt of 42.0 million euros and debt on minority put options of 3.6 million euros) compared to 113.3 million euros at November 30, 2022. Net financial debt in 2023 as a proportion of total equity was thus -24.2%, net financial debt (excluding IFRS16 debt and non controlling put debt) as a proportion of total equity was -44.0%, compared with 28.1% at 30 November 2022.

Note 8. Provisions- Contingent liabilities - Guarantees

Provisions are recognised when, at the end of the reporting period, the group has an obligation towards a third party resulting from a past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits for the company.

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 bear in order to fulfill its obligation. If it isn't possible for a reliable evaluation 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 to fulfill 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 analyzed in the following manner:

(In thousands of euros)	Provisions for associated risks	Provisions for social risks	Provisions for other risks	Value of investments in associates	Total
NOVEMBER 30, 2022	**8,198**	**3,319**	**13,594**	**2,252**	**27,363**
Charges		1,122	634		1,756
Used reversals		(2,211)	(131)		(2,342)
Unused reversals	(47)	(247)	(1,212)		(1,506)
Other movements				107	107
MAY 31, 2023	**8,151**	**1,984**	**12,885**	**2,359**	**25,378**
Of which less than one year	0	285	487		772

Provisions for associated risks

This 8.2 million euros provision covers the risk related to defaulting partners, including 6.5 million euros of the risk relating to a partner following a dispute (see note 7.1.5 "Non controlling interests").

Provisions for social risks

The provision for employee related risks amounts to 2.0 million euros and covers disputes with former Group employees.

A provision in the amount of 1.8 million euros which covered the URSSAF reassessments notified to GIE Kaufman & Broad was reversed for 1.6 million euros and subsumed for 1.4 million euros.

Provisions for other risks

The provision for commercial and legal risks essentially covers ongoing disputes concerning customers or suppliers on projects delivered for 12.8 million euros.

Note 8.2. Contingent liabilities

The litigation initiated in 1996 regarding the Roissy Park real estate operation, 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 April 17, 2019 which overturned the ruling issued on January 31, 2013 which sentenced the said subsidiary to pay a sum of 6.6 million euros alongside diverse discounts or interests with the constructor and insurer guarantee for the most part, and declared all claims against it as time-barred, hence exonerating it. Pursuant to this judgement, the sums paid and received in respect of the provisional execution of the judgement of 31 January 2013 were returned. Under the terms of the judgement of 31 January 2013, this subsidiary was financially liable in the amount of 0.9 million euros, provisioned in the amount of 0.3 million euros, and had also pre financed a sum of 2.0 million which it obtained in the first half of 2014 the almost full recovery from the called as collateral.

The company considers the risk of a final conviction to be low. No provision has been made.

The concession agreement granted to a subsidiary of Kaufman & Broad SA on a real estate transaction launched by the group in 2012 was cancelled by the Council of State by decision dated March 15, 2019, without calling into question the past acts for the completion of the transaction completed and delivered since the end of 2017 which are now definitive. Proceedings related to the completion of this transaction remain in progress at the closing of the financial statements at May 31, 2023.

Note 8.3. Guarantees and sureties given

The set of elements detailed below concern the normal framework for our activity.

(In thousands of euros)	May 31, 2023	November 30, 2022
Financial Guarantees for Completion of Work [(a)]	205,368	203,675
Hoguet Law Guarantees [(b)]	440	440
Fixed asset compensation [(c)]	15,234	26,594
Other guarantees given [(d)]	223,590	109,605
GUARANTEES AND BONDS ISSUED – BANKS	**444,632**	**340,314**
Land holding guarantees and works guarantees	39,985	31,315
Guarantees granted	32,982	43,601
Off-plan guarantee of repayment of the sale-before-completion price	0	0
GUARANTEES PROVIDED - KAUFMAN & BROAD SA	**72,967**	**74,916**

(a) *Financial Guarantees for Completion are provided to customers as part of VEFA sales. Kaufman & Broad asks a financial institution, mutual guarantee institution or insurance company to issue a Performance Bond in favor of Kaufman & Broad's 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 consideration for these bonds, Kaufman & Broad typically gives the financial institutions or insurance companies an option to take out a mortgage, a non-assignment of shares undertaking if the program is funded by a special-purpose entity, and a pledge of the receivables accruing on sales prices. Performance Bonds are presented off-balance sheet, in the amount corresponding to the risk incurred by the financial institution issuing the bonds. This risk is assessed on a transaction by transaction basis as follows: Estimated cost of the programme less the portion financed by the Group and the amount of sales signed at the balance sheet date. This valuation does not, therefore, take into account orders placed as of the closing date or the percentage of construction completion for unsold lots. Performance Bonds 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 Insurance Supervision Commission.*

(b) *The Hoguet Law guarantees are guarantees required to exercise the profession of real estate agent. This purely occasional activity is not part of the group's strategy.*

(c) *Fixed asset indemnities are bank or financial guarantees given in lieu of security deposits on land purchase commitments.*

(d) *These other guarantees mainly cover land purchases, the VRD aspects (roads, network, distribution).*

(e) *These are various sureties and guarantees granted by Kaufman & Broad SA mainly a rental guarantee on headquarters rents.*

Note 8.4. Works guarantees and other guarantees received

(In thousands of euros)	May 31, 2023	November 30, 2022
Construction contract guarantees	N/C	133,658
Buyer guarantees received	258,396	434,826
TOTAL	**258,396**	**588,131**

In connection with the equity investments, Kaufman & Broad obtained customary liability guarantees to cover risks prior to these acquisitions.

Note 8.5. Pledges and liens securities

Under a protocol, Kaufman & Broad SA has provided surety to one of its partners, up to an amount of 4 million euros excluding Vat and up to the provision of a first demand bank guarantee in accordance with the commitments entered into by two of its subsidiaries in the said protocol. Conversely, the main shareholder of this partner acted as joint and several guarantor of the commitments of its subsidiary to the joint ventures, up to the same amount and until the provision of a bank guarantee on first demand compliant by it.

Note 9. Income taxes

Note 9.1. Income taxes

The tax expense consists of current tax, changes in provisions for tax risks and deferred taxes of the group's consolidated companies.

Note 9.1.1. Breakdown of tax liability

At May 31, 2023, the Group recorded a detailed expense as follows:

(In thousands of euros)	May 31, 2023	May 31, 2022
Current tax expense/(income)	(6,008)	6,988
CVAE expense	644	723
Deferred taxes	20,308	(1,086)
TOTAL INCOME TAX EXPENSE (INCOME)	**14,944**	**6,626**

The tax expense was calculated on the basis of a forecast rate of 28% taking into account the permanent differences expected for 2023.

Note 9.2. Current and deferred taxes

Deferred taxes are recognised on all temporary differences between the carrying amounts 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 recovery is probable.

The IAS 12 standard notably requires the accounting of the various deferred tax liabilities relating to all intangible assets recognized 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 services;
- The tax deductibility of certain goodwill;
- Temporary differences on provisions for risks and charges;

The company recognizes 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 are as follows:

(In thousands of euros)	May 31, 2023	November 30, 2022
Current tax (assets)	1,312	4,863
Current tax (liabilities)	(803)	(509)
Deferred tax liabilities	(65,116)	(45,364)
Deferred tax assets	4,281	4,281
BALANCE AT END OF PERIOD	**(60,327)**	**(36,729)**

The current tax receivable at May 31, 2023 in the amount of 1.3 million euros mainly corresponds to the receivable from the French Treasury of the tax consolidation entities for 1.7 million euros. The tax liability corresponds to the liability of CVAE.

Note 10. Subsequent events

None

Note 11. List of consolidated companies

The consolidated financial statements of the Kaufman & Broad Group as of May 31, 2023 include the financial statements of 353 companies, including 301 fully consolidated companies, and 52 companies accounted for using the equity method.

At May 31, 2023, there were no unconsolidated companies that could have a material impact on the Group's consolidated financial statements

Please find below a list of the principal companies within the group:

Business name	Legal Form	Share capital	% group control	Method of consolidation [(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
Neoresid	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 Planning and Territories	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 Real Estate	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 14th 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) IG = Full consolidation, ME = Equity method.

The main Real Estate Civil Companies (SCI), Real Estate Civil Companies (SCCV), or Sociétés en Nom Collectif (SNC), ad *hoc* structures each carrying a real estate program, the turnover on completion of which exceeded 1 million euros in 2022 are listed below.

Business name	Legal structure	Share capital	% group control	Method of consolidation (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 CENTRAL SCHOOL LOT R2	SCCV	1,000	50.10%	GI
SCCV CHATENAY MALABRY CENTRAL SCHOOL 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 VILLEJUIF 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 HOCHE	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 ZAC 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 POMPIUNDP LE CARRE DE LINA	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 THE TERRACES OF 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 Balzac	SCI	1,000	100.00%	GI
SCCV BRUNOY BOSSERONS	SCCV	1,000	60.00%	GI

(a) IG = Fully consolidated, ME = Equity method

4 Board of Directors

4.1. Composition of the Board of Directors

As of the date of this report, the Board of Directors of Kaufman & Broad SA comprises ten Directors who bring different and complementary experiences to it due to their varied profiles:

Name	Age (1)	Pay and Appointment Committee	Auditing Committee	CSR Committee	Board of Directors	Years of presence on the Board	Date of first appointment	Expiry date of term of office (2)	Number of shared held within the company	Percentage of direct and indirect ownership in the company
Chairman and Chief Executive Officer										
Nordine Hachemi	62				✔	10	25/06/2013	2023	116,818 (3)	3.56%
Independent directors (4)										
Sylvie Charles	64		✔		✔	11	16/02/2012	2023	250	-
Jean Louis Chaussade	71	✔		✔	✔	6	21/01/2017	2024	678	-
Yves Gabriel	73				✔	7	08/03/2016	2024	250	-
Michel Giannuzzi	58	✔			✔	2	06/05/2021	2023	250	-
Sophie Lombard	54	✔	✔	✔	✔	16	10/07/2007	2023	283	-
Annalisa Loustau Elia	57				✔	2	06/05/2021	2023	250	-
Michel Paris	65			✔	✔	8	07/07/2015	2024	1,289	-
Lucile Ribot	56		✔		✔	5	03/05/2018	2023	270	-
Director representing shareholding employees										
Aline Stickel	60				✔	1	05/05/2022	2024	3,017	0.06%

(1) At May 31, 2023.

(2) Approval of the financial statements for the year.

(3) M. Nordine Hachemi holds 116,818 Kaufman & Broad S.A. shares 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 held 11.01% of the share capital of the company at May 31, 2023, i.e. 635,530 shares of Kaufman & Broad S.A.

(4) See section 3.1.1.2.8. 'Independence of Directors' of the Universal Registration Document 2022

Chairman and Chief Executive Officer

Nordine Hachemi

Kaufman & Broad SA

17, quai du Président Paul Doumer CS 90001
92672 Courbevoie cedex

Other offices and positions held in any company

Chairman of RKCI, Manager of SCI MD Raphael, Chairman 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 Chairman.

In 2008, he became Chief Executive Officer of Sechilienne Sidec and occupied the role until 2011.

Co opted as a Director by the Board of Directors on 25 June 2013, he joined Kaufman & Broad on 1 July 2013 as Chief Executive Officer and Vice Chairman 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
Rimbaud10 rue
Camille Moke CS 80001
93212 Saint Denis

* *Chairman 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.

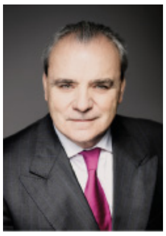
In 1993, she was named CEO of the Cariane group, before becoming Deputy CEO of the Générale de Transport et d'Industrie in 1999.

Adviser to the Chairman of the Management Board of the STVA Group from 2001, she became Chairman of the Management Board in 2004.

In February 2010, Sylvie Charles took over the responsibility of SNCF Logistics' Enterprise and Railway Services division, which brings together Fret SNCF and all of 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.



Jean Louis Chaussade *

Chairman of JLCH Conseil

3, rue Bixio
75007 Paris
** Chairman 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).

Chairman 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 Chairman of the France China Committee and Chairman of the France Algeria Board of Directors of MEDEF International. He also chairs the ‘circular economy’ group within AFEP.

In 2020, Jean Louis Chaussade submitted to the French government his report on "the assessment of waste treatment capacity 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*" in Paris and AMP from Harvard *Business School*.

On 14 May 2019, he was appointed Chairman of the Board of Directors of the Suez Group.

Jean Louis Chaussade served as Director and Chairman of the Board of Directors of SUEZ until the end of the Ordinary and Extraordinary Shareholders' Meeting of 12 May 2020.

Chairman 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
Chairman 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 Chairman 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

** Chairman of the Compensation and Nomination Committee*

Main position held outside the company
Chief Executive Officer at Bluester Capital (Private Equity fund management *company*).

Other offices and positions held in any company
Member of the Supervisory Board of La Banque Postale Asset Management,

Chairman of the Compensation Committee

Other information
Sophie Lombard is a graduate of EDHEC Business School and holds an MBA (*Columbia Business* School, United States New York City).

After starting her career at Société Générale, 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 a member of the Supervisory Board of Banque Postale until February 2020.

Annalisa Loustau Elia
17, quai du Président Paul Doumer CS 90001
92672 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 at 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.

Lucile Ribot
17, quai du Président Paul Doumer CS 90001
92672 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 and member of the Audit Committee.

Independent Director of Imerys, Chairman 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 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
Chairman of the Board of Directors and the Strategic Committee, member of the Sustainable Development Committee of Verallia.

Other directorships and positions 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 Investments and Investments Committee of Peugeot Invest.

Other information
Michel Giannuzzi was Chairman 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 led Verallia's IPO on the Euronext Paris market in October 2019. From 2007 to 2017, he served as Chairman of the Management Board of Tarkett, a world leader in innovative solutions for flooring 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

** 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); 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 served as Chief Investment Officer between 2009 and 2017 and as Chairman and Chief Executive Officer between 2015 and 2020.

He was previously Head of Business Services and Retail and a member of the Executive Committee since 2005.

Michel Paris has over 30 years of investment experience with PAI. He has participated in numerous transactions, including those involving Sogeres, Bouygues Telecom, Atos, Equant, Elior, Frans Bonhomme, Elis, Vivarte, Saur, Coin, Kwik Fit, Tendam, Xella, Kiloutou, Areas and Apave.

Before this, he spent two years working with Valeo.

Michel Paris graduated from the École Centrale of Lyon (1980) and from the École Supérieure de Commerce of Reims (1982).

Aline Stickel *

17, quai du Président Paul Doumer CS 90001
92672 Courbevoie cedex

** Director representing employee shareholders*

Director of Legal Affairs - Kaufman & Broad Group

Member of the Supervisory Board of the "FCPE KB Actions".

Other information

Holder of a DEA in Private Law and "*CAPA*" (Certificate of Aptitude to the Profession of Lawyer), Aline Stickel joined the group in 2000

As a lawyer in charge of litigation and took over the management 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 the ICH ("*Institut de la Construction et de l'Habitation*" - CNAM) from 2007 to 2019.

Previously, Aline Stickel worked as a lawyer at Maravelli Joubert from 1992 to 1998 with a dominant activity in construction insurance and manufacturer liability at RoubacheMoiron 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 May 5, 2022 appointed Ms. Aline Stickel as director representing employee shareholders.

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 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 the 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.

5 General information on the Company and its share capital

5.1. Current breakdown of share capital and voting rights

5.1.1. Company shareholding at May 31, 2023

The shareholding structure of the company as at May 31, 2023, in accordance with the Kaufman & Broad SA share register of the account holder, is as follows:

Shareholders at May 31, 2023	Number of shares	Percentage of share capital	Percentage of voting rights exercisable at Shareholders' Meetings	Theoretical percentage of voting rights
Shareholders				
Public [(a)]	10,574,104	50.08%	38.19%	37.54%
Famille Rolloy (Promogim groupe SAS)	4,588,428	21.73%	27.03%	26.57%
Artimus Participations [(b)]	2,324,423	11.01%	16.50%	16.22%
Prédica/Spirica	1,766,629	8.37%	12.54%	12.33%
Employees [(c)]	1,371,869	6.50%	5.74%	5.64%
Kaufman & Broad SA	487,569	2.31%	0.00%	1.70%
TOTAL	**21,113,022**	**100.00%**	**100.00%**	**100.00%**

(a) *The securities held by the Directors are included under the "Public" heading of the shareholding as at May 31, 2023.*

(b) *Company owned by certain executives and employees of the group and chaired by Mr. Nordine Hachemi, Chairman and Chief Executive Officer of Kaufman & Broad SA (which also held 27.34% of the share capital and voting rights of Artimus Participations).*

(c) *Included the shares held in the Kaufman & Broad Actionnariat and 'KB Actions' mutual funds as well as the shares held individually recorded in the securities register by Kaufman & Broad employees present at the company's headcount at the date.*

As of May 31, 2023, the total number of shares with double voting rights was 7,553,109. Thus, on the same date, the total number of theoretical voting rights of the company amounts to 28,666,131 and the total number of voting rights exercisable at Shareholders' Meetings amounts to 28,178,562 (the difference corresponding to the number of treasury shares held by the company deprived of voting rights).

The number of registered shareholders is 1,134 individuals or legal entities.

As of May 31, 2023, the number of shares held by the members of the Board of Directors was 123,355 shares representing 206,901 votes.

To the Company's knowledge, with the exception of the funds managed by Prédica, Spirica (together), Artimus Participations and the Rolloy Family (Promogim Group SAS), there are no other shareholders holding more than 5% of the share capital or voting rights.

Shareholders at June 30, 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)]	10,581,877	50.12%	38.21%	37.57%
Rolloy family (Promogim Group SAS)	4,588,428	21.73%	27.03%	26.57%
Artimus Participations [(b)]	2,324,423	11.01%	16.50%	16.22%
Prédica/Spirica	1,766,629	8.37%	12.54%	12.33%
Employees [(c)]	1,368,846	6.48%	5.73%	5.63%
Kaufman & Broad SA	482,819	2.29%	0.00%	1.68%
TOTAL	**21,113,022**	**100.00%**	**100.00%**	**100.00%**

(a) *The securities held by the Directors are included under the "Public" heading of the shareholding as at 30 June 2023.*

(b) *Company owned by certain executives and employees of the group and chaired by Mr. Nordine Hachemi, Chairman and Chief Executive Officer of Kaufman & Broad SA (which also held 27.34% of the share capital and voting rights of Artimus Participations SAS).*

(c) *Included the shares held in the Kaufman & Broad Actionnariat and 'KB Actions' mutual funds as well as the shares held individually recorded in the securities register by Kaufman & Broad employees present at the company's headcount at the date.*

(d) *The number of shares in the company was impacted by the cancellation of 500,000 treasury shares on 31 January 2023, bringing the number of shares from 613,022 to 21,113,022 shares*

The Company is not aware of any significant change in the composition of its shareholding since June 30, 2023.

Disclosure on exceeding of the threshold in the control of Kaufman & Broad SA

- ✓ In a letter dated May 15, 2023 and in accordance with Article L 233-7 of the French Commercial Code, Amundi confirms that it holds 416,505 voting rights in their mutual funds in Kaufman & Broad SA, which represents a 1.97% stake resulting in the crossing of the statutory threshold of 2.00% in terms of securities.
- ✓ In a letter dated June 5, 2023 and in accordance with the Articles, Wellington Management Group LLP ('Wellington Management Group LLP'), in its capacity as investment adviser, wishes to inform the Company that, as at June 1, 2023, Wellington Management Group LLP held on behalf of its clients 429,323 shares in Kaufman & Broad SA (based on a total number of shares of 21,113,022) representing 2.03% of the voting rights of the Company.

As of the date of this document and since the financial year ended May 31, 2023, Kaufman & Broad SA has not been notified of any threshold crossings other than those previously reported 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 at June 30, 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	116,818	196,430
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	**123,355**	**207,151**

5.1.2. Table of changes in share capital

Operations	Number of shares issued	Capital variation total	Issuance premium per share	Cumulative amount of share 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**
January 21, 2000	-	-	-	-	-	-	-
Division by thirty of the nominal value of the shares	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	€55,86,672.60	10,954,260	€0.51
February 7, 2000	-	-	-	-	-	-	-
Capital increase in favour of the 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	-	-	-	-	-	-	-
Share premium distribution [(b)]	-	-	-	€34,669,383.34	-	10,973,197	€0.51
March 8, 2000	-	-	-	-	-	-	-
Surallocation (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 issue 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
Split by two of the nominal value of the shares	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	- €246,255.36		€29,266,080.99	€5,417,630.14	20,837,039	€0.26
November 30, 2017	-	-	-	-	-	-	-
Capital increase in favour 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
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

Operations	Number of shares issued	Capital variation total	Issuance premium per share	Cumulative amount of share premium	Successive amounts of share capital	Cumulative number of shares	Nominal value
November 30, 2019							
Capital increase in favour 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 favour of FCPE KB Actions 2022 (d)	299,999	€77,999.74	€18.99	€50,691,604.36	€5619385.72	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
May 31, 2023				**€36,023,309.50**	**€54,893,85.72**	**21,113,022**	**€0.26**

(a) Conversion of the nominal value of the share capital into euros and rounding of the total amount through a capital increase with capitalisation of reserves of €10696.89.

(b) Pursuant to the 6th and 8th resolutions of the Shareholders' Meeting of January 21, 2000, the sum of €85,680,827.84 is allocated solely to the Company's shareholders existing 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 further increase for the exercise of the over allotment option.

(d) See section 3.3.2. "Group Savings Plan'"of the Universal Registration Document 2022.

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 a share capital of €5,4893,85.72.

5.2. Statutory Auditors' report on the half year financial information 2023

Period from December 1st, 2022 to May 31th, 2023

To the Shareholders,

In fulfillment of the task entrusted to us by your General Assembly, and in application of Article L. 451-1-2 III of the French Money and Finance Code, we have proceeded with:

- The limited review of the accompanying interim condensed consolidated financial statements of Kaufman & Broad SA for the period from December 1st, 2022 to May 31th, 2023;
- The verification of the information provided in the half-yearly business report.

These half-yearly consolidated accounts have been established under the responsibility of the Board of Directors. Based on our limited-scope audit, we are tasked with giving our conclusion on these accounts.

1. Conclusion on the financial statements

We have conducted our limited-scope audit in line with the professional standards applicable in France.

A limited review consists mainly of meeting with the members of the Management in charge of accounting and financial aspects and implementing analytical procedures. This work is less extensive than that required for an audit conducted in line with the professional standards applicable in France. Consequently, the assurance that the accounts, taken as a whole, do not feature any significant anomalies identified as part of a limited-scope audit constitutes a moderate assurance, not as substantial as that obtained by a full audit.

Based on our limited-scope audit, we have not identified any significant anomalies that would call into question the compliance of the half-yearly consolidated condensed accounts with the IAS 34 standard, a standard set by the IFRS framework, as adopted within the European Union relating to interim financial reporting.

2. Specific verification

We have also verified the information provided in the quarterly business report, commenting on the half-yearly consolidated condensed accounts that were subject to our limited-scope audit.

We have no further observations to note regarding the accuracy of the information or its concordance with the half-yearly consolidated condensed accounts.

Paris La Défense, July 24th, 2023

The Auditors

KPMG Audit	Ernst & YOUNG Audit
François Plat	Denis Thibon

Agencies

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Bayonne: Aitzina building, 69 avenue de Bayonne -64600 Anglet - Tel.: + 33 (0) 5 59 59 60 60

Bordeaux: 14 allée de Tourny -33064 Bordeaux Cedex - Tel.: + 33 (0) 5 56 12 72 72

Caen: 14 rue Saint Pierre -14000 Caen - Tel.: + 33 (0) 2 31 15 56 56

Courbevoie: (Head office - Agences Île de France - Commercial real estate - Showroom)
17, quai du Président Paul Doumer -92400 Courbevoie - Tel.: + 33 (0) 1 41 43 43 43

Lille: 238 boulevard Clémenceau -59700 Marcq en Baroeul - Tel.: + 33 (0) 3 28 33 83 23

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Rouen: 3 rue Rollon -76000 Rouen

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